



April 26, 2012

Angela Zgabay-Zgarba
Contracts Administrator
Texas Lottery Commission
Angela.Zgarba@lottery.state.tx.us
Fax: 512.344.5444

RE: TL Clarification Letter on Proposal

Dear Ms. Zgabay-Zgarba,

We have prepared the responses to your questions below.

1. Section 4.1.2 – For the clients listed on pages 75-87, please clarify if the “billings” are per year or for the term of the engagement identified in section (d) for each client.

With regard to Section 4.1.2, pages 75-87, each of the client billings listed in section (a) are per year.

2. Please provide a detailed explanation of how the media buying/planning is structured. Is the media buyer buying for TLC across all DMA's OR buying for limited DMA's for multiple clients, including TLC? Will media planners also be performing the media buying function?

Our recommendation is to continue to structure the media planning/buying process as currently operating in FY 2012, which is TracyLocke performing media planning functions and Asher Media performing media buying functions.

Our process is attached.

As noted in Section 7.1, page 324, with regard to the media buyer's approach, Asher Media is a geographically structured buying group with a Market Specialist focus. Each of their buyers specializes in a particular DMA(s) to ensure an in-depth knowledge of that particular marketplace for the benefit of multiple clients. This approach ensures that each buyer is an expert in his/her respective market.

Specific to your question, “*Will media planners also be performing the media buying function?*” Typically, media planners develop the strategy and structure of the media plan, and media buyers connect that plan to the media marketplace (working with vendors to negotiate the costs, placements and added value of those plans). The only exception to this process is in the buying of certain non-broadcast media (i.e., newspaper). In those instances, the planning and negotiation happen in concert; as such, you will see a planner handle more responsibilities than with broadcast. In this

environment, a planner may actually place the media buy (via Asher Media or Sanders\Wingo staff).

3. Page 86, does Asher Media have more than 2 clients? If so, how many?

Asher Media has 24 clients. We felt the two clients listed in the RFP were the most relevant to the request posted in Section 4.1.2 in describing the "engagements of comparable complexity and sensitivity to the requirements of this RFP..."

Asher Media's complete client list includes:

Bob Moore Auto Group
Consolidated Restaurant Operations
Dallas Mavericks
Habitat for Humanity
HCA HealthOne
Heely's
Just Brakes
Linebarger Goggan Blair & Sampson
Medical City
Mattress Firm – D&A (Franchisee)
Mattress Firm – DJRD (Franchisee)
Mattress Firm, Inc. (Corporate-owned markets)
Mattress Firm – Perfect (Franchisee)
Mattress Firm – Yotes (Franchisee)
North Texas Food Bank
Omni Hotels
Oncor
Snelling Staffing Services
Texas Lottery Commission
TXU Energy
University of Texas Health Science Center Tyler
Wingstop – DFW Co-op
Wingstop – El Paso Co-op
Wright Brand Bacon

4. The following statement is on Page 64: "In FY 2011, we saved over \$1 million in media negotiations alone." On Page 346, there is a statement: "Final FY11 media savings after reinvestment resulted in approximately \$769,000." Please clarify the two statements.

Page 64: "In FY 2011, we saved over \$1 million in media negotiations alone."

This figure reports the total media dollars negotiated in FY 2011, before reallocating dollars back into the media broadcast schedule.

Page 346: "Final FY11 media savings after reinvestment resulted in approximately \$769,000."

This figure reports the media dollars negotiated and reallocated to the Texas Lottery budget, after savings were reinvested into the broadcast schedule.

If you have any further questions, please do not hesitate to contact me.

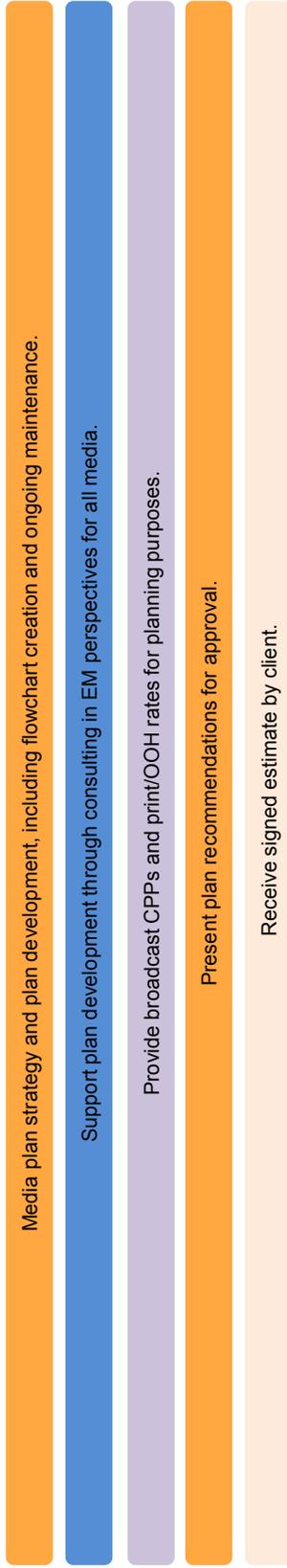
Kim Elenez
Group Account Director
TracyLocke
Office: 214-259-3976
Email: kim.elenez@tracylocke.com

Best,



Kim Elenez

Media Process Flow



Newsprint – Non-Promotional	Broadcast	Promo – Print/Digital	Out-of-Home	Merchandising
Maintain Newspaper List	Issue Estimate to Asher	Negotiate/Issue Estimate to Asher	Negotiate/Issue Estimate to Asher	Develop Approach
Issue Signed Estimate to Sanders/Wingo	Request Avails/Negotiate Buy/Buy Reports	Sign Contracts/ Insertion Orders (IOs)	Sign Contracts/ Insertion Orders (IOs)	Fulfill Ongoing Requests
Insertion Orders (IOs)	Actualize Flowchart/ Buy Reports Reviewed	Review IOs/ Actualize Flowchart	Revise IOs/ Actualize Flowchart	Merchandising Recap – Return on Investment
Provide IOs and Est. to TL	Traffic Instructions Issued to Asher	Creative/Positioning Instructions to Asher	Creative/Posting Directions to Asher	
Actualize Flowchart	Issue Traffic to Stations	Send Creative/ Instructions to Vendors	Send Creative/ Instructions to Vendors	
Report Discreps	Resolve Discrepancies	Report Discrepancies	Posting Instructions to Vendors	
Resolve Discreps/ Revise IOs	Reconcile Budget	Resolve Discreps/ Revise IOs	Resolve Discreps/ Revise IOs	
Bill to TL	Bill to TL	Bill to TL	Bill to TL	
Billing Binder to Client	Billing Binder to Client	Billing Binder to Client	Billing Binder to Client	
	Post Buys	POP Reports	POP Reports	

