



February 21, 2012

Ms. Angela Zgabay-Zgarba, CTPM, CTCM
Contracts Administrator
P.O. Box 16630
Austin, TX 78761-6630

**Cost Proposal
Texas Lottery Commission
RFP for Advertising Services Response
RFP #362-12-0002**

Dear Ms. Zgabay-Zgarba and Evaluation Committee:

Thank you for the opportunity to submit our Cost Proposal for the Texas Lottery Commission's Request for Proposal for Advertising Services.

TM Advertising is fully committed to delivering the goods and services required by the Texas Lottery Commission and meeting and exceeding your business goals. We have assembled a team for the Texas Lottery who has a wealth of industry experience, a passion for delivering powerful and innovative communication solutions and a commitment to building a long relationship built on mutual trust and respect.

We have thoughtfully prepared our cost proposal to maximize the value of the resources and talent of TM Advertising, while providing the Texas Lottery with the most cost-effective solution.

Please find enclosed Attachment H stating the hourly rates for positions that will provide the services stated in the RFP. Each hourly rate field is completed with a value greater than zero. In the Responses to Proposers' Questions dated February 2, 2012, Question #104(c) confirms that the cost proposal is complete "if the boxes/blanks are fill-in with an hourly rate."

We appreciate the opportunity to submit this proposal. Please let us know if you have any questions.

Thank you for your consideration.

Warmest Regards,



Rebecca M. Weigman
Chief Executive Officer
TM Advertising



ATTACHMENT H COST PROPOSAL

NOTE TO ALL PROPOSERS: THE COST PROPOSAL MUST BE SUBMITTED IN A SEPARATE AND LABELED SEALED ENVELOPE AND ATTACHED TO THE ORIGINAL PROPOSAL. PROPOSERS SHOULD ONLY SUBMIT ONE ORIGINAL OF THE COST PROPOSAL (NO COPIES ARE REQUIRED).

Each Proposer must complete the cost proposal stating the hourly rates for the services stated in the RFP. Each hourly rate field must be completed with a value. Each field value amount must be greater than zero. "Not applicable" and "n/a" are not acceptable responses.

Please refer to the attached FY11 media flowchart (Attachment I) for an estimate of the production and media hours that will be required to service this account. The Texas Lottery's actual needs may vary from the sample media flowchart.

Hourly rates must include all direct and indirect costs, including all expenses associated with providing the services of this RFP, e.g., salaries, overhead, general and administrative expenses, and profit. Please refer to Section 2.10. Media placement will be reimbursed at net cost with no mark up. Public service announcements are not subject to media charges. Travel rates will be reimbursed pursuant to State per diem, film and placement verification storage, promotional events/sponsorship fees, and award entry fees shall be reimbursed from itemized invoices at actual cost and are not subject to hourly rates. All other expenditures will be reimbursed in accordance with approved written estimates and are not subject to mark up.

Services listed on this chart may be subcontracted (i.e. media planning/buying, digital, translation, etc.) If the proposer plans to subcontract for these services, hourly rates shall be listed in the chart that follows. Refer to Sections 6.2 Agency Staff Position Structure and 6.3 Agency Staff Positions Definitions.



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	TITLE	HOURLY RATE
Account Management	Group Account Director	190
	Account Director	140
	Account Supervisor	110
	Account Executive	65
	Junior Account Executive	50
	Account Coordinator	40
	Account Planner	120
	Assistant Account Planner	55
Media	Media Director	96
	Associate Media Director	84
	Media Planner	74
	Junior Media Planner	31
	Media Buyer	45
	Junior Media Buyer	41
Creative	Creative Director	195
	Associate Creative Director	170
	Art Director	95
	Copywriter	95
	Copy Editor	65
Digital	Digital Creative Director	195
	Digital Producer	90
	Digital Specialist	75
	Programming Specialist	75
Production	Production Manager	95
	Production Coordinator	75
	Broadcast Producer	125
	Print Producer	75
	Print Production Specialist	75
	Art Buyer	65
	Traffic Specialist	45
	Project Manager	75
	Translator	117
Promotions	Promotional Event Planner	59
	Promotions Specialist	89
Finance	Finance Manager	75
	Staff Accountant	55
	Billing Coordinator	40



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Offered Options

Proposers are not required to submit specifications and pricing for Offered Options. However, if any options are offered, the cost or fee shall be listed in this section.