

NORTH CAROLINA EDUCATION LOTTERY COMMISSION

Meeting Minutes

Members in Attendance: Dr. Charles Sanders, chair
Robert Farris
Secretary Bryan Beatty
Linda Carlisle
Max Cogburn
Bridget-Anne Hampden

Members not in Attendance: John McArthur
Robert Appleton
James Woodward

Meeting was Held:

Via telephone conference on February 21, 2006 at 9:30 a.m. The public was invited to listen to the meeting in the ABC Commission Room, 5th Floor Administration Building, 116 West Jones Street, Raleigh.

I. Introduction and Opening

- Dr. Sanders called the meeting to order. He reiterated his statement from the February 14, 2006 meeting stating the Commission's firm commitment that funds raised by the North Carolina Education Lottery would be truly supplemental and used for purposes defined by statute.

II. Approval of Minutes

- Dr. Sanders requested that the minutes be amended to note that Mr. Thom Wright, Director, Office of State Personnel will be invited to a future meeting to discuss the Paid Time off Policy.
- Mr. Farris made a motion to approve the minutes from the February 21, 2006 meeting.
- Ms. Hampden seconded the motion.
- The minutes were approved.

III. Advertising RFP

- Mr. Shaheen announced that Howard Merrell, the advertising firm previously recommended for Professional Advertising and Related

Services has withdrawn.

- Mr. Shaheen stated that he, Carla Archie, NCEL Legal Counsel and Bill Marianes, Outside Legal Counsel, entered into negotiations with Wray Ward Lassiter and Mullin Advertising Agency. Each vendor was asked questions regarding minority business participation and financial viability and staffing. Each vendor was asked for its best and final price. This information was entered and the scores were recalculated. When the combined points for price and technical presentations were added together, the apparent and successful vendor for the RFP for Professional Advertising and Related Services for the North Carolina Education Lottery was Wray Ward and Lassiter. A discussion followed. Mr. Shaheen addressed the previously offered price from Wray Ward Lassiter. He indicated that the company originally perceived that they would be responsible for trademark and licensing expenses for the NCEL instant and online games. They were informed that those costs are the responsibility of GTECH (online and instant vendor). In addition Wray Ward and Lassiter misinterpreted the amount of travel that would be required, adding to their cost. When these issues were resolved, Wray Ward Lassiter was able to adjust their price accordingly. Mr. Shaheen also noted that Wray Ward Lassiter has agreed to increase their minority participation by instituting a minority student internship program with universities across North Carolina; within thirty (30) days they will identify a list of, and contact approved minority business vendors, contractors, media outlets, production companies and printing firms that it will use for such products and services. The vendor will also work with Historically Underused Businesses (HUB) in order to include qualified minorities in vendor's team to provide services, they will work diligently to identify and implement opportunities for qualified minorities and minority businesses to work with vendor to satisfy its obligations to the NCEL. Wray Ward Lassiter will also hire an NCEL Media Planner/Buyer on or before March 31, 2006 and will make every effort for such new hire to be a qualified minority additionally, the vendor will provide to the NCEL a report as required by NCEL, of all invoices paid pursuant to this agreement to minority businesses and vendor's compliance with its minority business requirements under this agreement.
- Ms. Carlisle made the motion to award the Advertising RFP for Professional Advertising and Related Services for the North Carolina Education Lottery to Wray Ward Lassiter.
- Mr. Farris seconded the motion.
- The contract was awarded to Wray Ward Lassiter.

IV. Sub Committee of the Commission to Evaluate GTECH Acquisition

- Dr. Sanders stated that he was appointing a sub committee under the chairmanship of Mr. Farris to be joined by John McArthur and Ms. Hampden. This committee will evaluate the GTech acquisition by Lottomatica to insure the acquiring company meets the same standards met by Gtech.
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- Ms. Carlisle made the motion to accept the committee appointments.
- Mr. Farris seconded the motion.
- The committee was appointed.

V. Other Business

- Dr. Sanders introduced the new logo for the North Carolina Education Lottery. Mr. Shaheen gave a brief description of the logo. A discussion ensued. Ms. Carlisle stated that she would prefer the logo incorporate the focus of education.
- Mr. Farris made the motion to accept the logo.
- Mr. Cogburn seconded the motion.
- The motion passed with one dissenting vote.
- The meeting was adjourned.