PART II – COST PROPOSAL

INTEGRATED MARKETING AGENCY OF RECORD

RFP 2084

Submitted by:
THE GLENN GROUP
50 Washington Street, Reno, NV 89503

Proposal Opening Date: November 24, 2014
Proposal Opening Time: 2:00 PM

TITLE PAGE

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ATTACHMENT I – COST SCHEDULE

There are some important items to note in our cost proposal.

First, while a lot of agencies may feature principals and senior executives for the sake of an RFP response and then once they win the account have more junior support staff take over, that's not how we operate.

The Glenn Group's executive team is always involved in major accounts and projects, from strategy through to execution. That's not to say we don't have more junior team members integrally involved too, though. More members of The Glenn Group team than are reflected here would absolutely share the responsibility for the success of the NCOT. We believe in bringing the right people in, at the right time, to do the job that is right for them and for the NCOT.

The point is that our executive team would be very involved in this account from the moment we get started. And our partner agencies, i.d.e.a. and Ciceron, approach business in exactly the same way.

Below we've given you an idea of the team members who, based on what we know today, we expect would be integrally involved in the NCOT account. It is difficult at this stage to articulate what percentage of their time would be allocated, as that will vary depending on what stage of the process we're in.

For instance, various members of our senior level team will spend an enormous amount of time in the strategic planning phase, and they will continue to be involved, but at a lesser degree, once we're in the implementation phase. But suffice it to say, and as our clients will attest, we give each of our clients the time and attention they deserve, possibly to a fault. What our clients will tell you is that we are known for being there, going above and beyond in the interest of their success and in the interest of creating a long-term, mutually satisfying relationship.

Second, you'll also notice that we have not filled in any hourly rates. The Glenn Group typically does not price by effort exerted or time spent. We prefer to price by the expertise and resources necessary to accomplish our clients' goals and by the value we create and deliver. We've found this to be a much more fair and progressive way of pricing. It allows the client and the agency to concentrate on getting results instead of nitpicking the hours that were spent getting there.

We are able to employ this approach to pricing based on our 45 years of experience in various marketing disciplines, developing and managing budgets and projects. We absolutely know how to set budgets and what can be accomplished within those budgets. And we know how to define scopes for accounts, programs and projects and manage our resources within those scopes.

But given your feedback that you cannot accommodate a retainer-based compensation structure, we would propose a combination of media commissions and project fees that could ultimately be billed hourly if you prefer, as a suggested compensation model. However, suffice it to say, we are open to any kind of compensation model that works to our mutual satisfaction and benefit. You need to receive a certain value from the services we provide, and we need to be compensated fairly for the work we do on your behalf. We have never had trouble finding that middle ground that is mutually acceptable for both parties.

Based on that, we would recommend compensation as follows:

Media

We propose an average commission of 7.5% for all media buys, understanding that the labor associated with digital (online) buys is much more intensive than traditional (offline) buys. This commission is based on no more than 50% of the buy being digital.

	FY15 (2/10-6/30/15)	FY16 (7/1/15-6/30/16)	FY17 (7/1/16-6/30/17)	TOTAL
Budget	***$3,800,000***	***$5,800,000***	***$5,800,000***	***$15,400,000***
Commission (7.5%)	***$285,000***	***$435,000***	***$435,000***	***$1,155,000***
Net media budget	***$3,515,000***	***$5,365,000***	***$5,365,000***	***$14,245,000***

Creative Development/Execution

We propose working within your stated budget for creative development and execution with a rough allocation of agency time and hard costs of production at 40% and 60%, respectively. We would mutually identify creative projects needed and submit specific budget proposals for each, all working within the overall budget. If preferred, we can track our time and bill hourly against the project proposals.

	FY15 (2/10-6/30/15)	FY16 (7/1/15-6/30/16)	FY17 (7/1/16-6/30/17)	TOTAL
Budget	*$500,000*	*$750,000*	*$750,000*	*$2,000,000*
Hard costs of production allocation	*$300,000*	*$450,000*	*$450,000*	*$1,200,000*
*Agency time allocation**	*$200,000*	*$300,000*	*$300,000*	*$800,000*

Strategic (creative) brief development, concept development, production oversight and execution, etc.

External Communications/PR

We certainly propose working within your stated budget for all public relations activities, although given the short time frame for FY15 we would recommend allocating some of that budget ($50,000) into FY16 and FY17. But as is very common, once a plan is developed and implementation begins, there are bursts of activity at certain times of year and a leveling off at others, depending on where we are in the implementation phase. To avoid the ups and downs of this activity we typically would recommend an average monthly fee for PR services, as is outlined below. If that is ultimately not an acceptable method of compensation we would be happy to work with you to allocate the budget by mutually agreed upon projects and/or components of the PR plan and track and bill hourly.

	FY15 (2/10-6/30/15)	FY16 (7/1/15-6/30/16)	FY17 (7/1/16-6/30/17)	TOTAL
Budget	*$250,000*	*$425,000*	*$425,000*	*$1,100,000*
Agency monthly fee	*$50,000* (5 months)*	*$35,415 (12 months)*	*$35,415 (12 months)*	*$1,100,000*

The higher monthly fee would take into account the upfront investment of time and research in the development of the overall public relations strategy and plan.

Digital Development/Execution

We propose working within your stated budget for digital development and execution. We would need to mutually identify digital projects needed and submit specific budget proposals for each, all working within the overall budget. Again, we could track and bill hourly for these projects if that is the preferred method.

	FY15 (2/10-6/30/15)	FY16 (7/1/15-6/30/16)	FY17 (7/1/16-6/30/17)	TOTAL
Budget	*$250,000*	*$500,000*	*$500,000*	*$1,250,000*
Agency monthly fee	*$250,000*	*$500,000*	*$500,000*	*$1,250,000*

CRM/Direct Marketing

We propose working within your stated budget for CRM and direct marketing activities and, once we mutually identify projects needed along with the distribution methods, we would submit specific budget proposals for each, ensuring an appropriate allocation of agency time and hard costs of production (as needed). All projects could be tracked and billed hourly if preferred.

	FY15 (2/10-6/30/15)	FY16 (7/1/15-6/30/16)	FY17 (7/1/16-6/30/17)	TOTAL
Budget	*$150,000*	*$150,000*	*$150,000*	*$450,000*
Agency fee (including hard costs)	*$250,000*	*$500,000*	*$500,000*	*$1,250,000*

We would add that we look forward to the prospect of sitting down with you to ensure budget allocations are appropriate once we have agreed on a final strategic direction, as it could be that allocations could shift. And as we said earlier, we are open to discussing different methods of compensation, understanding the goal of finding a method that is mutually beneficial.

We have indicated below the key members of staff we expect to be involved in various aspects of the NCOT marketing initiatives:

Creative Development

Program Element	Team Member	Title/Level	Hourly Rate	Estimated Percentage of Time on Account Per Month
Strategic Planning	• Valerie Glenn • B.C. LeDoux • Flip Wright • Mike Disbennett • Brett Rhyne • Amy Lockhart	• CEO, Principal • President/ Executive Creative Director • EVP/Strategy & Innovation • VP/Creative Director • Creative Director • Associate Creative Director	*N/A*	*TBD*
Research	• Valerie Glenn • Flip Wright	• CEO, Principal • EVP/Strategy & Innovation	*N/A*	*TBD*
Brand Development	• B.C. LeDoux • Flip Wright • Mike Disbennett • Brett Rhyne • Amy Lockhart	• President/ Executive Creative Director • EVP/Strategy & Innovation • VP/Creative Drector • Creative Director • Associate Creative Director	*N/A*	*TBD*
Production TV	• B.C. LeDoux • Mike Disbennett • Brett Rhyne • Amy Lockhart • Chun Lim	• President/ Executive Creative Director • VP/Creative Drector • Creative Director • Associate Creative Director • Motion Graphics Director	*N/A*	*TBD*
Production Print	• B.C. LeDoux • Mike Disbennett • Brett Rhyne • Amy Lockhart	• President/ Executive Creative Director • VP/Creative Drector • Creative Director • Associate Creative Director	*N/A*	*TBD*
Production Other	• B.C. LeDoux • Mike Disbennett • Brett Rhyne • Amy Lockhart	• President/Executive Creative Director • VP/Creative Drector • Creative Director • Associate Creative Director	*N/A*	*TBD*
Video/Content Production	• B.C. LeDoux • Mike Disbennett • Brett Rhyne • Chun Lim	• President/ Executive Creative Director • VP/Creative Drector • Creative Director • Motion Graphics Director	*N/A*	*TBD*
New Media	• B.C. LeDoux • Mike Disbennett • Brett Rhyne • Chun Lim • Tom Duffy • Dennis Wanbaugh	• President/ Executive Creative Director • VP/Creative Drector • Creative Director • Motion Graphics Director • Digital/Creative Technologies Director • Senior Art Director	*N/A*	*TBD*
Account Administration	• Valerie Glenn • B.C. LeDoux • Kelly Glenn • Jan Johnson	• CEO, Principal • President/Executive Creative Director • VP/Account Management • Print Production Director	*N/A*	*TBD*

Program Element	Team Member	Title/Level	Hourly Rate	Estimated Percentage of Time on Account Per Month
Strategic Planning	• Valerie Glenn • B.C. LeDoux • Flip Wright • Tiffany East • Jon Bailey • Julie Messing-Paea • Bryan Hansen • Sterling Doak • Stephanie Garcia	• CEO, Principal • President/Executive Creative Director • EVP/Strategy & Innovation • VP/Public Relations • Founder/Chief Relationships Officer • VP/Reputation • Reputation Manager • VP/Consumer Behavior • Social Strategy Director	N/A	TBD
Communications Action Plan Development	• Tiffany East • Jon Bailey • Julie Messing-Paea • Lauren Fimbres Wood • Brian Hansen • Nicole Carlsen	• VP/Public Relations • Founder/Chief Relationships Officer • VP/Reputation • Reputation Director • Reputation Manager • Public Relations Account Executive	N/A	TBD
Consumer Media Relations	• Jon Bailey • Julie Messing-Paea • Lauren Fimbres Wood • Brian Hansen • Colin Baugh	• Founder/Chief Relationships Officer • VP/Reputation • Reputation Director • Reputation Manager • Publicist	N/A	TBD
Trade Media Relations	• Jon Bailey • Julie Messing-Paea • Lauren Fimbres Wood • Brian Hansen • Colin Baugh	• Founder/Chief Relationships Officer • VP/Reputation • Reputation Director • Reputation Manager • Publicist	N/A	TBD
Public Affairs	• Valerie Glenn • Tiffany East	• CEO, Principal • VP/Public Relations	N/A	TBD
Social Media	• William Crozer • Stephanie Garcia	• Social Media Director • Social Strategy Director	N/A	TBD
Online Press Room Development	• Tiffany East • Nicole Carlsen	• VP/Public Relations • Public Relations Account Executive	N/A	TBD
Industry Education	• Tiffany East • Nicole Carlsen	• VP/Public Relations • Public Relations Account Executive	N/A	TBD
Governor's Conference on Tourism Planning	• Tiffany East • Nicole Carlsen	• VP/Public Relations • Public Relations Account Executive	N/A	TBD
Account Administration	• Tiffany East • Nicole Carlsen	• VP/Public Relations • Public Relations Account Executive	N/A	TBD

Digital Development

Program Element	Team Member	Title/Level	Hourly Rate	Estimated Percentage of Time on Account Per Month
Competitor/ Best Practice Review and Recommendation	• *Andrew Ecklund* • *Kraig Larsen* • *Dawn Hepper* • *Amber Verhulst*	• *Founder & CEO* • *Founder & Chief Creative Officer* • *VP/Strategy* • *Digital Insights & Optimization Specialist*	*N/A*	*TBD*
TravelNevada.com Enhancements/ Development	• *Andrew Ecklund* • *Kraig Larsen* • *Dawn Hepper* • *Tom Duffy*	• *Founder & CEO* • *Founder & Chief Creative Officer* • *VP/Strategy* • *Digital/Creative Technologies Director*	*N/A*	*TBD*
Nevada Tourism Ancillary Sites Development	• *Andrew Ecklund* • *Kraig Larsen* • *Dawn Hepper* • *Tom Duffy*	• *Founder & CEO* • *Founder & Chief Creative Officer* • *VP/Strategy* • *Digital/Creative Technologies Director*	*N/A*	*TBD*
Back-end Administration Development	• *Andrew Ecklund* • *Kraig Larsen* • *Dawn Hepper* • *Tom Duffy*	• *Founder & CEO* • *Founder & Chief Creative Officer* • *VP/Strategy* • *Digital/Creative Technologies Director*	*N/A*	*TBD*
Mobile App Development	• *Andrew Ecklund* • *Kraig Larsen* • *Dawn Hepper* • *Tom Duffy*	• *Founder & CEO* • *Founder & Chief Creative Officer* • *VP/Strategy* • *Digital/Creative Technologies Director*	*N/A*	*TBD*
Account Administration	• *Amber Verhulst*	• *Digital Insights & Optimization Specialist*	*N/A*	*TBD*

Customer Relationship Management (CRM/Emarketing)

Program Element	Team Member	Title/Level	Hourly Rate	Estimated Percentage of Time on Account Per Month
Strategic Planning	• *B.C. LeDoux* • *Flip Wright* • *Andrew Ecklund* • *Jennifer Evans*	• *President, Executive Creative Director* • *EVP/Strategy & Innovation* • *Founder & CEO* • *EVP/Media Strategy*	*N/A*	*TBD*
Account Administration	• *Kelly Glenn* • *Amber Verhulst*	• *VP/Account Management* • *Digital Insights & Optimization Specialist*	*N/A*	*TBD*
Materials Development (as identified in plan)	• *Mike Disbennett* • *Brett Rhyne* • *Amy Lockhart* • *Dawn Hepper*	• *VP/Creative Director* • *Creative Director* • *Associate Creative Director* • *VP/Strategy*	*N/A*	*TBD*
Materials Distribution (as identified in plan)	• *Kelly Glenn* • *Tom Duffy* • *Dawn Hepper* • *Amber Verhust* • *Jan Johnson*	• *VP/Account Management* • *Digital/Creative Technologies Director* • *VP/Strategy* • *Digital Insights & Optimization Specialist* • *Print Production Director (in the case of printed direct mail)*	*N/A*	*TBD*

Media Buying

PLEASE SEE THE GLENN GROUP'S RECOMMENDATION ON OVERALL COMPENSATION AT THE BEGINNING OF THIS COST PROPOSAL.

Media buying respondents may submit the cost using one of two cost options:

Option 1 - Commission plus fees schedule

Media Type	Agency Commission (please note if the agency charges a flat commission, if the commission is dependent on the media channel or if the commission is dependent on the spend level)	Hourly Rate for Fees (spot duplication, creative production, tracking, etc.)
Broadcast Spot Television – market level		
Broadcast Spot Television – national level		
Cable Spot Television – market level		
Cable Spot Television – national level		
Digital		
Print		
Radio		
Out of Home		
Events/Sponsorship		

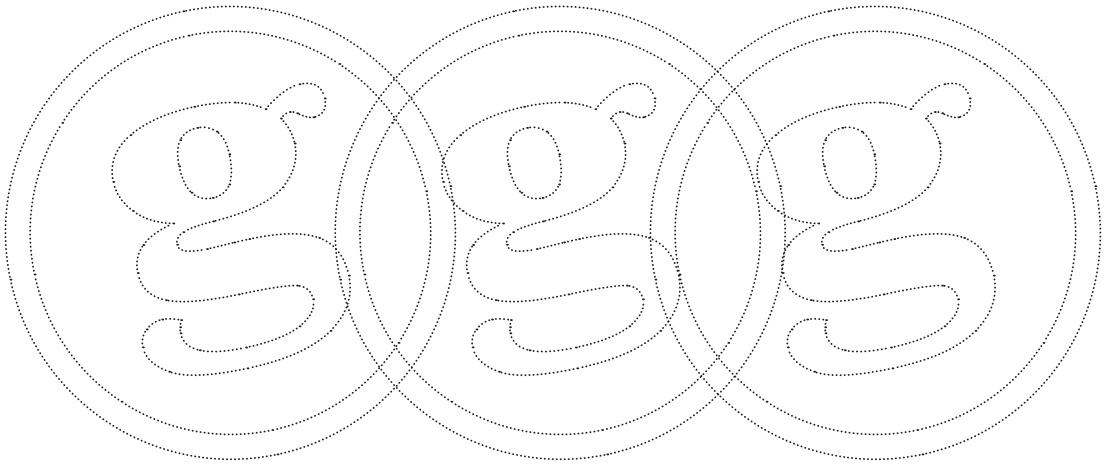
Media Buying

Option 2 – Fees Only – this option assumes Nevada Tourism will pay no commission to the agency, but may pay fees for work done to support the buys

Program Element	Team Member	Title/Level	Hourly Rate	Estimated Percentage of Time on Account Per Buy
Media Strategy	• *Jennifer Evans* • *Flip Wright* • *Andrew Ecklund* • *Dawn Hepper*	• *EVP/Media Strategy* • *EVP/Strategy & Innovation* • *Founder, CEO* • *VP/Strategy*	*N/A*	*TBD*
Media Planning, Buying, Stewardship	• *Jennifer Evans* • *Jennifer Hill* • *Amber Verhulst*	• *EVP/Media Strategy* • *Media Director* • *Digital Insights & Optimization Specialist*	*N/A*	*TBD*

Is your agency a SAG signatory agency? _____Yes _____No (Please initial in appropriate space).

The Glenn Group is currently not a SAG signatory agency, however, we have relationships with signatories if using SAG talent is needed.



ATTACHMENT J, COST PROPOSAL CERTIFICATION OF COMPLIANCE WITH TERMS AND CONDITIONS OF RFP

ATTACHMENT J – COST PROPOSAL CERTIFICATION OF COMPLIANCE WITH TERMS AND CONDITIONS OF RFP

I have read, understand and agree to comply with ***all*** the terms and conditions specified in this Request for Proposal.

YES ***X*** I agree to comply with the terms and conditions specified in this RFP.

NO _____ I do not agree to comply with the terms and conditions specified in this RFP.

If the exception and/or assumption require a change in the terms in any section of the RFP, the contract, or any incorporated documents, vendors ***must*** provide the specific language that is being proposed in the tables below. If vendors do not specify in detail any exceptions and/or assumptions at time of proposal submission, the State will not consider any additional exceptions and/or assumptions during negotiations. ***Note: Only cost exceptions and/or assumptions should be identified on this attachment. Do not restate the technical exceptions and/or assumptions on this attachment.***

The Glenn Group
Company Name

Signature

Valerie Glenn ***11/21/14***
Print Name Date

Vendors MUST use the following format. Attach additional sheets if necessary.

EXCEPTION SUMMARY FORM

EXCEPTION #	RFP SECTION NUMBER	RFP PAGE NUMBER	EXCEPTION (Complete detail regarding exceptions must be identified)

ASSUMPTION SUMMARY FORM

ASSUMPTION #	RFP SECTION NUMBER	RFP PAGE NUMBER	ASSUMPTION (Complete detail regarding assumptions must be identified)

This document must be submitted in Tab III of vendor's cost proposal.
This form MUST NOT be included in the technical proposal.