# GOVERNMENT OF THE DISTRICT OF COLUMBIA OFFICE OF THE CHIEF FINANCIAL OFFICER

# UPDATED DETERMINATION AND FINDINGS FOR PRICE REASONABLENESS

**AGENCY:** Office of Lottery and Gaming

CONTRACT NO: CFOPD-22-C-004

**CONTRACTOR:** Taoti Enterprises, Inc. d/b/a Taoti Creative

**CAPTION:** Lottery Advertising Services

## **FINDINGS**

## 1. <u>AUTHORIZATION:</u>

D.C. Municipal Regulations Title 27 §3307 and PPRA §419

# 2. MINIMUM REQUIREMENTS:

The District of Columbia Office of the Chief Financial Officer (OCFO), on behalf of the Office of Lottery and Gaming, has a requirement for a qualified full-service agency to provide advertising and marketing services for the Lottery.

# 3. <u>ESTIMATED REASONABLE PRICE AND REASONABLENESS</u> <u>DETERMINATION:</u>

The estimated contract total price is not to exceed \$13,859,400.00.

- (a) The cost of this contract is of a type generally recognized as ordinary and necessary for the conduct of the contractor or the performance of the contract.
- (b) This contract includes the restraints or requirements imposed by generally accepted sound business practices, arms-length bargaining, federal and District laws and regulations, and contract terms and specifications.
- (c) This action is an action that a prudent business person would take, considering responsibilities to the owner of the business, employees, customers, the District, and the public at large.
- (d) There are no significant deviations from the established practices of the contractor that may unjustifiably increase the contract costs.
- (e) There are no other relevant factors that should be noted at this time.

## 4. <u>JUSTIFICATION OF REASONABLENESS OF PRICE:</u>

The Contracting Officer has performed an analysis to determine the reasonableness of the price and the Contracting Officer has found that the price is fair and reasonable.

The Contracting Officer has compared prices of this contract with the independent District cost estimate of \$13,003,440 which is based on the Office of Lottery and Gaming estimated media buy and estimated quantities for net media buy and months and the historical unit pricing for media commission rate and retainer fee of the incumbent contract. The contract price is a difference of 6% higher than the independent District cost estimate. The Contracting Officer has determined the difference to be fair and reasonable due to the enhanced requirements from the incumbent contract.

The Contracting Officer has compared prices of this contract with the competitor's prices totaling \$15,166,431.66. The Contracting Officer has determined the contract price being 9% lower than the competitor's price deems the contract price fair.

#### **DETERMINATION**

Based on the above reasonableness findings and cost price analysis, it is hereby determined that the award of the proposed contract to Taoti Enterprises, Inc. d/b/a Taoti Creative is reasonable and is in the best interest of the Government of the District of Columbia.

| (1) (27             | 44/40/2024 |
|---------------------|------------|
|                     | 11/10/2021 |
| Drakus Wiggins      | Date       |
| Contracting Officer |            |