COUNCIL CONTRACT SUMMARY

Pursuant to Section 202(c) of the Procurement Practices Reform Act of 2010, as amended; D.C. Official Code §2-352.02(c), the following contract summary is provided.

(1) The proposed contractor, contract amount, unit and method of compensation, contract term, type of contract and source selection method:

- **Prime Contractor:** Taoti Enterprises, Inc. d/b/a Taoti Creative (Taoti)
- **Subcontractor:** Seaberry Design & Communications, LLC and Fuseideas, LLC
- **Contract Amount:** The proposed contract amount for the base period is $13,859,400.00. The proposed amount for each option period is as follows: Option Period 1 is $13,904,382.00, Option Period 2 is $13,950,763.44, Option Period 3 is $13,998,444.36, Option Period 4 is $14,047,624.68. The contract amount for the option periods differs from the contract amount for the base period because the option periods take into account the average change over time in the prices for the contract services.
- **Unit and method of compensation:** United States Dollars (USD) in accordance with Section B, Pricing, of the contract.
- **Contract Term:** The contract has a base period of one (1) year with four (4), one (1) year options.
- **Contract Type:** Cost Reimbursement with Requirements components
- **Source Selection Method**: Competitive Sealed Proposals

(2) The goods or services to be provided, the methods of delivering goods or services, and any significant program changes reflected in the proposed contract:

The purpose of this contract action is to allow Taoti to provide a full range of advertising and marketing services to support overall brand awareness and the sale of game tickets across the DC Lottery's existing portfolio of games of traditional lottery, iLottery and sports wagering, as well as any new gaming categories and product offerings on behalf of Office of Lottery and Gaming.

The deliverables are approved by the COTR in accordance with Sections C of the contract.

(3) The selection process, including the number of offerors, the evaluation criteria, and the evaluation results, including price, technical or quality, and past-performance components:

This was a competitive request for proposal procurement, designated only for certified business enterprise (CBE) offerors under the provisions of the "Small, Local, and Disadvantaged Business Enterprise Development and Assistance Act of 2005", as amended, D.C. Official Code §2-218.01 et seq. (the Act).

There were three (3) proposals submitted in response to the solicitation. One (1) proposal was deemed non-responsive. The remaining two (2) proposals were found to be responsive. The Technical Proposal was worth 80 points and the Pricing Proposal was worth 20 points, for a total of 100 points. Under the provisions of the Act, preference points were applicable for a maximum attainable total of 112. The proposals were evaluated based on technical approach and methodology, expertise, past performance, case study and samples, and price. Taoti received the highest scoring.

(3A) A description of any bid protest related to the award of the contract, including whether the protest was resolved through litigation, withdrawal of the protest by the protestor, or voluntary corrective action by the District, and the identity of the protestor, grounds alleged in the protest and any deficiencies identified by the District as a result of the protest:

On June 8, 2021, MDB Communications, Inc. (MDB), filed a protest of the District's proposed award of a contract to Taoti with the Contract Appeals Board (CAB), CAB No. P-1138. MDB's initial and supplemental protest grounds alleged:

- that Taoti's proposal did not meet the requirements of the CBE law because Taoti is not a full-service advertising agency and it bid on the contract as a "strawman" in partnership with a non-CBE advertising company who would actually perform the contract work.
- that Taoti's proposal did not demonstrate that it could perform 35% of the work with its own organization's resources, or that its subcontractor, Seaberry Design & Communications, LLC could actually perform the percentage of contract work that Taoti proposed that it would perform.
- that Taoti's subcontracting plan submitted with its proposal was not legally compliant because the scope of work to be performed by its non-CBE subcontractor exceeded the allowed amount, and, therefore, should have been rejected as non-responsive.
- that the District's evaluation of Taoti's technical proposal under all four technical evaluation factors was unreasonable.

On October 22, 2021, the CAB concluded that the District's evaluation and award decision were reasonable and in accordance with the solicitation and procurement law and that the protest lacked merit. Accordingly, the CAB denied and dismissed the protest.

On June 11, 2021, MDB filed a complaint with the District of Columbia Department of Small and Local Business Development (DSLBD) against Taoti alleging violation of the Small and Certified Business Enterprise Development and Assistance Act of 2005 ("CBE Act"), effective October 20, 2005, as amended (D.C. Law 16-33; D.C. Official Code § 2-218.01 et seq.) (CBE Act). Specifically, MDB alleged that Taoti's bid under Solicitation No. CFOPD-21-R-26 could not meet the requirements of the CBE Act because the scope of work performed by their non-CBE subcontractor, FuseIdeas, would exceed the allowed amount. On July 20, 2021, the DSLBD found MDB's allegations to be without merit and dismissed the complaint.

(4) The background and qualifications of the proposed contractor, including its organization, financial stability, personnel, and performance on past or current government or private-sector contracts with requirements similar to those of the proposed contract:

Taoti is a 25-year-old resident-owned, small, local full-service creative agency with more than 65 employees and a worldwide client base. Taoti has provided marketing services for local organizations including the DC Lottery, DC Water, the DC Public Charter School Board, Events DC, as well as the Washington Nationals. Taoti has received over 50 awards for work on branding, video, marketing, campaigns, and web design.

Taoti services include marketing, communications, campaigns development/execution, media planning/buying, social/digital, data visualization, motion graphics/animation, web and mobile design, brand identity, video production, game design, open-source software, API integrations, augmented reality (AR), virtual reality (VR), virtual events, maintenance, audits & analysis, and accessibility.

Taoti's proposed personnel performing on this proposed contract have been approved by the District. Taoti has a satisfactory performance record with the Office of Lottery and Gaming for work under an existing contract. The Dun and Bradstreet report dated October 27, 2021, for Taoti indicates that the company is financially stable to provide the proposed contract services.

(4A) A summary of the subcontracting plan required under D.C. Code § 2-218.01 et seq., including a certification by the District that the subcontracting plan meets the minimum requirements and the dollar volume of the portion of the contract to be subcontracted, in both total dollars and as a percentage of the total contract amount:

The base year of the proposed contract is in the amount of $13,859,400. As required by D.C. Code § 2-218.01 et seq., in accordance with its status as a CBE, Taoti proposed to perform 35% of the contract work with its own resources in the amount of $4,850,790. Taoti elected to subcontract the remaining 65% of the contract work in the total amount of $9,008,610 equally between two companies, Fusiedeas, LLC, a non-CBE, and Seaberry Design & Communications, LLC (Seaberry), a CBE. The subcontracting plan stated that Fusideas, LLC would be paid $4,504,305 (33% of the proposed total contract amount) for performing its 50% share of the subcontracted work and Seaberry would be paid $4,504,305 (33% of the proposed total contract amount) for performing its 50% share of the subcontracted work. This meets the D.C. Code § 2-218.01 et seq. requirement that 50% of the dollar volume of the subcontracted effort, be performed by other CBEs.

The subcontracting plan meets the requirements under D.C. Code § 2-218.01 et seq.

(5) Performance standards and expected outcomes of the proposed contract:

The contract shall be performed as defined in Section B and C of the contract.

(5A) The amount and date of any expenditure of funds by the District pursuant to the contract before its submission to the Council for approval:

There have been no expenditures to date.

(6) A certification that the proposed contract is within the appropriated budget authority for the agency for the fiscal year and is consistent with the financial plan and budget adopted in accordance with D.C. Official Code §§ 47-392.01 and 47-392.02:

The funding certification is included in this Council package.

(7) A certification that the proposed contract is legally sufficient, including whether the proposed contractor has any currently pending legal claims against the District:

Legal Sufficiency is provided in this Council package.

(8) A certification that the Citywide Clean Hands Database indicates that the proposed contractor is current with its District taxes. If the Citywide Clean Hands Database indicates that the proposed contractor is not current with its District taxes, (1) a certification that the contractor has worked out and is current with a payment schedule approved by the District or (2) a certification that the contractor will be current with its District taxes after the District recovers any outstanding amount pursuant to D.C. Official Code §2-353.01(9).

The Clean Hands compliance document is included in this Council package.

(8A) A certification that the proposed contract that it is current with its federal taxes, or has worked out and is current with a payment schedule approved by the federal government:

The Contractor has certified that it is current with its federal taxes.

(9) The status of the proposed contractor as a certified local, small, or disadvantaged business enterprise, as defined in the Small, Local, and Disadvantaged Business Enterprise Development and Assistance Act of 2005, effective October 20, 2005 (D.C. Law 16-33; D.C. Official Code § 2-218.01 *et seq.*):

Taoti is a Certified Business Enterprise (CBE). The CBE certification is included in the Council package.

(10) Other aspects of the proposed contract that the CPO considers significant:

None.

(11) A statement indicating whether the proposed contractor is currently debarred from providing services or goods to the District or federal government, the dates of the debarment, and the reasons for debarment:

Taoti does not appear on the Federal Excluded Parties List System (EPLS) or the District Excluded Parties List.

(11A) Any determination and findings issued in relation to the contract's formation, including any made using the privatization procedures under D.C. Code § 2-352.05:

All determination and findings issued in relation to the contract formation are included in this package.

(12) Where the contract, and any amendments or modifications, if executed, will be made available online:

The contract and all amendments and modifications shall be available online at the following website address: https://dc.cobblestonesystems.com/public/default.aspx

(13) Where the original solicitation, and any amendments and modifications will be made available online:

The original solicitation and any amendments and modification shall be available online at the following website address: https://dc.cobblestonesystems.com/public/default.aspx

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