

COMMISSION AGENDA ITEM

Item 9(b)—Extension of the Circus LAX, LLC. (DBA Media.Monks) Contract



Date: June 27, 2024
To: California State Lottery Commission
From: Harjinder K. Shergill Chima *HKC*
Director
Prepared By: Sharon Allen
Deputy Director, Sales & Marketing Division
Subject: **Item 9(b) - Extension of the Circus LAX,
LLC. (DBA Media.Monks) Contract**

ISSUE

The California State Lottery (Lottery) is seeking a contract extension for Circus LAX, LLC. DBA Media.Monks (Media.Monks) for Hispanic advertising and marketing services. The current contract is set to expire on October 17, 2024. The Lottery would like to exercise the first of two, one-year extensions to continue these services through October 17, 2025.

BACKGROUND

In 2019, as a result of a formal solicitation, the California State Lottery Commission (Commission) awarded Media.Monks a five-year contract for Hispanic advertising and marketing services with an initial contract expenditure authority of \$30 million and the option for two one-year extensions.

DISCUSSION

Exercising the first one-year contract extension option will enable the Lottery to continue essential marketing efforts without interruption. Over the course of the current contract, Media.Monks has consistently provided a high level of service and expertise. While the Lottery could consider going out to bid this year, it is not recommended while we have a capable agency partner in place.

Additionally, the Marketing Team has begun work on the Lead Advertising Agency procurement that is scheduled to conclude August 2025. The marketing contract procurement process is complex, lengthy, and places an extraordinary strain on staff resources. Executing two marketing agency procurements simultaneously would not be manageable and could detrimentally impact marketing operations and program success. Extending the Media.Monks contract will allow Lottery staff to stagger the procurement efforts and provide sufficient time to develop and release the Hispanic Advertising and Marketing Services RFP at a later date.

The current Media.Monks contract expenditure authority has approximately \$8.7 million remaining to support the contract extension term. No additional funding to the contract expenditure authority is required for this extension.

RECOMMENDATION

Lottery staff recommends the Commission approve a one-year extension of the Media.Monks contract to continue the Hispanic advertising and marketing services without interruption. The extension will extend the contract through October 17, 2025, with an unchanged maximum authorized contract expenditure of \$30 million.