

## COMMISSION AGENDA ITEM

### Item 8(b) – Communications Effectiveness Tracking Study Agreement – Alter Agents



**Date:** January 22, 2026

**To:** California State Lottery Commission

**From:** Harjinder K. Shergill Chima - *HKC*  
Director

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**Subject:** **Item 8(b) – Communications Effectiveness Tracking Study Agreement – Alter Agents**

### **ISSUE**

The California State Lottery (Lottery) seeks the Lottery Commission's (Commission) approval to enter into a new agreement for required services with Alter Agents for three years, with a contract valued at \$1,500,000. The current agreement to provide Communications Effectiveness Tracking Study services (Tracking Study) is set to expire on May 31, 2026.

### **BACKGROUND**

The Tracking Study fulfills requirements from sections 8880.40, 8880.44 and 8880.45 of the Lottery Act. Section 8880.40 states that the Lottery is to conduct an ongoing study of "the reaction of citizens of the State to existing or proposed features in Lottery Games." Section 8880.44 requires the Lottery to "engage an independent firm experienced in demographic analysis to conduct a special study which shall ascertain the demographic characteristics of the players of each Lottery Game." Section 8880.45 requires that the Lottery perform a special study from time to time as determined by the Director to analyze the effectiveness of communications such as "advertising, promotion, public relations, [and] incentives" so that the Director can recommend the "future conduct and future rate of expenditures for such activities" to the Commission.

To meet these requirements, survey data is collected on measures to determine the effectiveness of Lottery marketing efforts, opinions of Californians about the Lottery and its products, and the demographics of players and non-players. This study has been conducted by an independent firm for more than 30 years. In a typical year, approximately 5,000 surveys are completed.

A Request for Proposal (RFP) #R004313 was released on September 15, 2025, to solicit bids for the required Tracking Study services in preparation for the current agreement expiring in May 2026. As part of the RFP, the Lottery defined the agreement term to be an initial three-year term, with three additional one-year options to extend the contract.

The RFP provided a detailed description of the solicitation process, minimum contractor qualifications, projected timetable, evaluation criteria, and draft contract terms and conditions. The RFP was open to all bidders and posted on the Lottery's public website and the California State Contracts Register. Additionally, a notification of the RFP was sent to research vendors in the Lottery's database.

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#### **DISCUSSION**

The Lottery received six proposals with four qualifying to move forward to the Cost Assessment. Alter Agents had the strongest overall proposal receiving the most combined points in the four evaluated categories, and, with their competitive pricing, they have the lowest expected costs among qualified proposers.

Alter Agents is an established and respected company in the research industry producing large scale brand, marketing, and product research to top tier clients. They value producing high quality data, providing actionable insights, and cultivating strong partnerships with clients and sub-contractors.

Alter Agents' long term, multimodal, and multilingual research capabilities were demonstrated through their project and client list which includes the Lottery's current Tracking Study agreement. Their proposal received high ratings as they follow industry best practices, quality control measures, and have deep understanding of recruitment techniques, sampling strategies, and quota management. Additionally, the proposal highlighted techniques to ensure quality responses and minimize bias among survey respondents. Alter Agents also has the ability to conduct research among larger sample sizes and languages beyond English and Spanish to meet the Lottery's research needs and diverse California population. All these things are necessary to ensure an accurate reflection of the California adult population which is a key objective of the Tracking Study. The proposal also demonstrated their knowledge of the Lottery industry and its nuances and provided key project management and collaboration techniques to ensure they meet all the Lottery's needs and research objectives.

Alter Agents has proven through their proposal and experience that they can provide the Lottery with essential data and insights about the attitudes, behaviors, and demographics of California adults and Lottery players. The data provided by Alter Agents helps to inform Lottery leadership make informed and data-driven conclusions and business decisions.

The Lottery calculated the contract value based on an analysis of historical usage and expenditures, anticipated future initiatives and business needs. Staff recommends a contract value of \$1,500,000 for the initial three-year term of the agreement.

#### **RECOMMENDATION**

The Lottery recommends that the Commission approve the Tracking Study agreement with Alter Agents for a three-year base term with a contract value of \$1,500,000.