

Stage 3 Agency Cost Proposal

The response to this document may be incorporated verbatim into the contract with the agency selected. Therefore, it is in the interests of both CDPH and your agency to be as clear as possible and seek additional information, if needed, prior to submitting. CDPH expects the Contractor to put forth its best efforts to obtain the best possible price for all media and production.

I. Paid Media Mark-Up

It is CDPH's intent to have the bulk of advertising agency compensation calculated on the basis of the net cost plus mark-up percentage rather than gross commission or other hourly agency fee calculations. Therefore, you must indicate a mark-up rate for both media production and placement, which we anticipate will represent most of CDPH's expenditure. You must quote this rate (or these rates) as a mark-up percentage that will be applied directly to net cost, rather than a commission. For example, 17.65% is the mark-up rate equivalent of a 15% commission.

Prior to completing, review the following items that shall not be billed to CDPH and items that will be reimbursed at net cost:

1. Expenses for items in this section shall be ***included in the agreement mark-up for production or media*** and shall not be charged separately to CDPH:
 - A. Creative development of concepts for presenting to CDPH and for consumer testing.
 - B. Campaign creative extensions including web content updates and digital assets (i.e., native articles, social media posts) including translation and back-translation.
 - C. Advertisement (ad) substantiation, other than legal clearance.
 - D. Strategy, marketing, and advertising plan development and overall campaign management.
 - E. Media research, analysis, recommendations, and market evaluation and insights.
 - F. Media placement planning, analysis, negotiation, active monitoring and reporting.
 - G. Media traffic management and tracking of related talent and music or other license implications.
 - H. Project stewardship, including ongoing status calls and quarterly strategic meetings.
 - I. Account servicing including work order approvals, billing and monthly detailed budget reports of approved and actual spending for media and non-media work orders.
 - J. Bid procurement and bid evaluation for all media and production.
 - K. Subcontractor coordination, including evaluation of strategic creative and media integration and monitoring of timelines, benchmarks and launch dates for entire campaign. Reporting and summaries should include all media activity, including subcontractors.
 - L. Ongoing management, analytics, and holistic analysis of traffic and effectiveness of paid and organic activity of digital properties, including specific landing pages and social media channels.
 - M. Paid social media analytics/reporting and recommended budget allocation per activity.
 - N. Cooperation in providing information or assets to other strategic partners as requested or required for collaboration, i.e., public relations agency, specialty media vendors, media evaluation researchers, web vendors, other third-party technology partners, etc.
 - O. Administrative overhead.

- P. Legal services for review of contract terms or subcontracts.
- Q. Other items required by SOW not specifically mentioned in this attachment could be included depending on nature of work. Contractor to ask during work order approval process how to treat items (commissionable, billable at net, subject to hourly fees, etc.)

2. Items in this section shall be **reimbursed at net cost, with no mark-up or commission:**

- A. Authorized travel at state rates.
- B. Shipping, messenger service, and postage.
- C. Sales taxes and other applicable taxes.
- D. Legal services costs directly related to advertising review and clearance.
- E. In-house production services including approved digital projects provided directly to CDPH by the contractor or an affiliated entity. This also includes in-house studio time for sizing, mechanicals and other adaptations. (CDPH will periodically request triple bids to verify market rate of services provided in-house.)
- F. Website development, design or maintenance performed in-house or by an affiliated entity.

Mark-Up Rates

- A. The mark-up percentage will be applied directly to net cost, rather than a commission applied to gross cost. The total mark-up for media shall not exceed the Contractor's mark-up provided in the contract. The total mark-up should include media buying fees to subcontractors, if applicable.
- B. The mark-up rates identified below will be paid for the entire term of the contract, including the optional extension period.
- C. Identify mark-ups for each category and subcontractor named in the Budget. Provide additional rates if different by category.

Production _____% mark-up

Media Placement _____% mark-up

II. Public Relations or other Marketing Professional Hourly Rates

Attach a one page list with the name, title and hourly rates of the proposed account team, indicating employee or consultant status, percentage of time to be assigned and main office location.

List additional rates for job classifications that may be utilized in the future, even though they will not be staffed during the beginning of the contract. Only job classification listed in this document can be billed during the life of the contract.

Certificate of Independent Price Determination

The proposer certifies the prices in this bid have been arrived at independently:

1. Without any consultation or agreement with any other proposer or competitor for the purpose of restricting competition.
2. Without disclosure to any other proposer or competitor before the bid/cost proposal opening date or date of contract award posting, unless otherwise required by law.
3. No attempt has been made or will be made by the proposer to induce any other agency to submit or not to submit a bid or proposal for the purpose of restricting competition.

Name of Bidding Firm (Printed) _____

By (Authorized Signature) _____

Printed Name and Title of Signer _____

Date _____