

DVHA Routing Form

Revision Date 5/1/12

Type of Agreement: Contract Agreement #: 24286 Form of Agreement: Amendment Amendment #: 1

Name of Recipient: HMC2 Advertising Vendor #: 227846

Program Manager : Sean Sheehan Phone #: 802-878-7952

Agreement Manager: Emily Trantum Phone #: 802-879-5946

Brief

Explanation of Agreement: **Increase the maximum amount, extend the contract term, and revise Attachment A and Attachment B**

Start Date: 4/24/2013 End Date: 10/18/2014 Maximum Amount: \$2,290,000.00

Amendments Only: Maximum Prior Amount: \$90,000.00 Percentage of Change: 2444.00%

Bid Process (Contracts Only): Standard Simplified Sole Source Statutory Master Contract SOW

Funding Source

ACA Exchange 93.525	\$2,290,000.00		

Contents of Attached Packet

- | | | |
|--|--|---|
| <input checked="" type="checkbox"/> AA-14 | <input checked="" type="checkbox"/> Attachments A, B, C & F | <input type="checkbox"/> Attachment G - Academic Research |
| <input type="checkbox"/> Sole Source Memo | <input type="checkbox"/> Attachment D - Modifications to C & F | <input type="checkbox"/> MOU |
| <input checked="" type="checkbox"/> Qualitative/Justification Memo | <input type="checkbox"/> Attachment E - Business Associate Agreement | <input checked="" type="checkbox"/> Other: Base Contract |

Reviewer	Reviewer Initials	Date In	Date Out
DVHA Grant & Contract Administrator	Kate Jones	K.J.	
DVHA BO	Carrie Hathaway	C.H.	
DVHA Commissioner or Designee	Mark Larson, Commissioner	M.L.	
AHS Attorney General	Seth Steinzor, AAG	S.S.	
Following Approvals for Contracts Only:			
AHS CIO			
AHS Central Office	Diane Nealy	D.N.	
AHS Secretary	Doug Racine, Sec	D.R.	

Vision Account Codes:

STATE OF VERMONT CONTRACT SUMMARY AND CERTIFICATION ----- Form AA-14 (8/22/11)

Note: All sections are required. Incomplete forms will be returned to department.

I. CONTRACT INFORMATION:

Agency/Department: AHS/ DVHA Contract #: 24286 Amendment #: 1
 Vendor Name: HMC2 Advertising VISION Vendor No: 227846
 Vendor Address: 65 Miller Street Floor 3, Richmond, VT 05477
 Starting Date: 4/24/2013 Ending Date: 10/18/2014 Amendment Date: 8/5/2013
 Summary of agreement or amendment: Increase the maximum amount, extend the contract term, and revise Attachment A and Attachment B

II. FINANCIAL INFORMATION

Maximum Payable: \$2,290,000.00 Prior Maximum: \$ 90,000.00 Prior Contract # (If Renewal):
 Current Amendment: \$2,200,000.00 Cumulative amendments: \$ % Cumulative Change: 2444.00 %
 Business Unit(s): 3410; ; - [notes:] VISION Account(s): 507600;

III. PERFORMANCE INFORMATION

Does this Agreement include Performance Measures tied to Outcomes and/or financial reward/penalties? Yes No
 Estimated Funding Split: G-Fund % S-Fund % F-Fund 100.00 % GC-Fund % Other %

III. PUBLIC COMPETITION

The agency has taken reasonable steps to control the price of the contract or procurement grant and to allow qualified organizations to compete for the work authorized by this contract. The agency has done this through:
 Standard bid or RFP Simplified Bid Sole Sourced Qualification Based Selection Statutory

IV. TYPE OF AGREEMENT & PERFORMANCE INFORMATION

Check all that apply: Service Personal Service Architect/Engineer Construction Marketing
 Information Technology Other, describe:

V. SUITABILITY FOR CONTRACT FOR SERVICE

Yes No n/a If this is a Personal Service contract, does this agreement meet all 3 parts of the "ABC" definition of independent contractor? (See Bulletin 3.5) If NO, then contractor must be paid through Payroll

VI. CONTRACTING PLAN APPLICABLE:

Are one or more contract or terms & conditions provisions waived under a pre-approved Contracting Plan? Yes No

VII. CONFLICT OF INTEREST

By signing below, I certify that no person able to control or influence award of this contract had a pecuniary interest in its award or performance, either personally or through a member of his or her household, family, or business.
 Yes No Is there an "appearance" of a conflict of interest so that a reasonable person may conclude that this party was selected for improper reasons: (If yes, explain)

VIII. PRIOR APPROVALS REQUIRED OR REQUESTED

Yes No Agreement must be approved by the Attorney General under 3 VSA §311(a)(10) (personal service)
 Yes No I request the Attorney General review this agreement as to form
 No, already performed by in-house AAG or counsel: _____ (initial)
 Yes No Agreement must be approved by the Comm. of DII; for IT hardware, software or services and
 Telecommunications over \$100,000
 Yes No Agreement must be approved by the CMO; for Marketing services over \$15,000
 Yes No Agreement must be approved by Comm. Human Resources (privatization and retiree contracts)
 Yes No Agreement must be approved by the Secretary of Administration

IX. AGENCY/DEPARTMENT HEAD CERTIFICATION; APPROVAL

I have made reasonable inquiry as to the accuracy of the above information:

E-SIGNED by Mark Larson on 2013-08-04 14:33:18 GMT Date _____ Agency / Department Head		E-SIGNED by Doug Racine on 2013-08-06 17:39:53 GMT Date _____ Agency Secretary or Other Department Head (if required)	
E-SIGNED by Seth Steinzor on 2013-08-05 12:58:12 GMT Date _____ Approval by Attorney General		Date _____ Approved by Commissioner of Human Resources	
Date _____ CIO		Date _____ N.D. CMO E-SIGNED by Jeb Spaulding on 2013-08-09 19:58:50 GMT Date _____ Secretary of Administration	

State of Vermont
Department of Vermont Health Access
312 Hurricane Lane, Suite 201
Williston VT 05495-2807
dvha.vermont.gov

Agency of Human Services
[Phone] 802-879-5900
[Fax] 802-879-5651

MEMORANDUM

TO: Jeb Spaulding, Secretary of Administration **J.S.**
FROM: Mark Larson, Commissioner, Department of Vermont Health Access (DVHA) **M.L.**
DATE: Thursday, July 25, 2013
RE: Hmc2 Advertising Master Contract#18356, Contract#24286, Amendment 1

DVHA requests an expedited review for contract#24286 with Hmc2 Advertising, Inc on the subject matter of developing a media plan and executing a media buy for Vermont Health Connect. This contract is connected to the State of Vermont's Master Services Contract through the Chief Marketing Officer.

Vermont Health Connect's mission is to provide every Vermonter with the knowledge and tools needed to easily compare and choose a quality, affordable, and comprehensive health plan. In order to achieve that mission, Vermont Health Connect needs to do more than just build tools; it needs to ensure that individuals, families, and small businesses know that the tools exist. A major paid media campaign is one of several education and outreach strategies Vermont Health Connect is deploying to achieve this goal. Hmc2 Advertising has a wealth of experience and a great track record when it comes to helping the State of Vermont get the best results for its paid media budget, including promotion of Vermont Health Connect's public forums in the spring and summer of 2013. The State of Vermont is confident that its continued partnership with Hmc2 Advertising will successfully reach Vermont Health Connect-eligible Vermonters throughout the fall/winter 2013-2014 and fall 2014 open enrollment periods.

The funding for this contract will be covered by the 100% Federal Funding Participation for the term of the contract. This contract complies with all mandatory provisions of AOA Bulletin 3.5. DVHA looks forward to approval of this amendment.

AMENDMENT

It is agreed by and between the State of Vermont, Department of Vermont Health Access (hereafter called the "State") and Hmc2 Advertising (hereafter called the "Contractor") that the contract on the subject of developing a media plan and executing a media buy for Vermont Health Connect, effective April 24, 2013, is hereby amended effective August 5, 2013, as follows:

1. By deleting Section 3 (Maximum Amount) on page 1 of 14, of the base contract, and substituting in lieu thereof the following Section 3:

3. Maximum Amount. In consideration of the services to be performed by Contract, the State agrees to pay Contractor, in accordance with the payment provisions specified in Attachment B, a sum not to exceed \$2,290,000.

2. By deleting Section 4 (Contract Term) on page 1 of 14, of the base agreement, and substituting in lieu thereof the following Section 4:

4. Contract Term. The period of the Contractor's performance shall begin on April 24, 2013 and end on October 18, 2014.

3. By deleting Section 2 (Timeline) of Attachment A (Specifications of Work to be Performed), on page 3 of 14, and substituting in lieu thereof the following Section 2:

2. Phases

Phase I: Start of Open Enrollment

(Campaign launch September 1 and concluding December 31, 2013)

Phase II: March 2014 Deadline Push

(Campaign launch January and concluding March 31, 2014)

Phase III: Open Enrollment 2014

(Campaign launch September 1 and concluding October 31, 2014)

4. By adding to Section 3 (Project Tasks) of Attachment A (Specifications of Work to be Performed), on page 3 of 14, the following:

3. Project Tasks

The Contractor shall plan and buy media campaigns utilizing all available media channels to reach Vermonters with brand, informational, and motivational messaging. Media plan development and execution along with metrics of performance shall adhere to the following process:

- Research conducted and media strategy recommendations presented to team 15-30 days prior to deployment
- Media budget identified and agreed upon by the team 15-30 days prior to deployment

- Media Plan developed and presented to the team for approval 5-10 days prior to deployment
- Plan execution at least one week prior to deployment
- Post buy analysis of plan presented to team to include:
 - GRP goals defined and agreed to before deployment;
 - Results report 3 weeks after each buy;
 - Digital analytics on a weekly basis throughout the campaign;
 - Final reach & frequency achieved defined and agreed to;
 - Total impressions attained;
 - Clicks/Click thru rates;
 - Views/View thru rates.

The State will monitor the contract budget and conduct a review after each phase to evaluate the role of media planning and buying to the overall campaign, the kind of work being performed, and the impact that work has to the project budget listed below. Mutually agreeable adjustments to the extent of agency services provided and costs therein may be made at these intervals. Within this contract flexibility will be allowed to accommodate maintenance media placement between phases upon prior approval of the State.

The Contractor will submit a proposed budget to the State at the start of each phase for approval.

5. By deleting Section 1 of Attachment B (Payment Provisions), on page 5 of 14, and substituting in lieu thereof the following Section 5:

1. Contractor will invoice the State monthly for all media placements at cost per the State's acceptance of the media plan. Post-buy reconciliations will be presented to the State upon completion of the entire media plan. The State will pay the Contractor at the rates in the following budget table, not to exceed the maximum amount. Actual expenses that are approved by the State will be reimbursed in the amount of up to \$400.00. All expenses must be in compliance with State of Vermont Administrative Bulletin 3.4.

Services	Hourly Rate	Max Hours	Cost
Strategic Planning Media Strategy, Planning, Research	\$115	492	\$56,580
Media Buying and Negotiating Media Buying, Negotiating, Analysis, Reporting	\$95	753	\$71,535
Implementation Management Trafficking of creative (with traffic instructions)	\$95	202	\$19,190
Implementation Management Media Campaign Invoice Reconciliation and Post Buy Detail Reports to insure accuracy of placement and negotiated rates	\$95	640	\$60,800
<i>less 10% retainage</i>			<i>-\$20,810.50</i>

Performace Measure Payment			
10% Retainage Payment			\$20,810.50
Expenses			
Phone, Fax, & Other			\$400.00
Media			
Media Dollars to be placed			\$2,081,495.00
TOTAL			\$2,290,000

6. By deleting Section 3 of Attachment B (Payment Provisions), on page 5 of 14, and substituting in lieu thereof the following Section 3:

3. Performance Based Compensation:

The State will withhold 10% retainage of the services billed. At the start of each phase identified in Attachment A, the State and Contractor will agree upon a metric level for successful outreach as a part of the media plan. Upon the State's acceptance of a media plan that reaches the established metric level, the State will pay the contractor the 10% of service costs withheld after the completion of phase.

This amendment consists of 3 pages. Except as modified by this amendment and any previous amendments, all provisions of this contract, (#24286) dated April 24, 2013 shall remain unchanged and in full force and effect.

STATE OF VERMONT
DEPARTMENT OF VERMONT HEALTH ACCESS

CONTRACTOR
HMC2 ADVERTISING

E-SIGNED by Mark Larson
on 2013-08-09 20:44:41 GMT

MARK LARSON, COMMISSIONER DATE

E-SIGNED by Tom Holmes
on 2013-08-09 20:34:39 GMT

TOM HOLMES, PRESIDENT DATE

