Commonwealth of Virginia Virginia Lottery



Request for Proposals

Title: Enhanced Subscriptions, Loyalty, and other Services

Due Date: March 6, 2013

Contact Information:

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| equest for Proposals (RFP) #:10267AR |
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| FP Issue Date: |
| ontract Term:24 Months after Full Implementation/Start Date |
| oposal Due Date and Time: March 6, 2013; 3:00PM, EST |
| e Virginia Lottery does not discriminate against faith-based organizations or against an Offeror because of race, igion, color, sex, national origin, age, disability or any other basis prohibited by state law relating to discrimination in aployment. The Virginia Lottery encourages firms to provide for the participation of small businesses and businesses med by minorities and women through partnerships, joint ventures and subcontracting opportunities. |
| omplete Legal Name of Offeror's Firm: |

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I. PURPOSE:

The Virginia Lottery is seeking proposals from qualified firms for a strong technical platform to support enhanced subscription services, additional online gaming options such as a game gallery, and a loyalty program. In addition to a technical platform the Lottery seeks proposals for system(s) with the ability to provide enhanced subscriptions services, additional online gaming options, and a loyalty program.

II. **BACKGROUND:**

The Virginia Lottery is an agency of the Commonwealth of Virginia that employs approximately 300 staff. In 1992, the Lottery began offering subscriptions sales that were added to the internet in August 2005. Currently, the Lottery utilizes a subscription system for the multi-state games Mega Millions and Win For Life. Outlined below is the process of the existing system:

- A. Players log onto www.valottery.com and register. During the registration process, identifiable information is used to verify age and mailing address. A third party vendor is used to complete the verification process.
- B. Players may choose a fixed subscription draw: 26 draws or 3 months, 52 draws or 6 months, or 104 draws or 1 year.

 In the event a player wins a top prize, they will be contacted by a Lottery representative. If a prize of \$150.00 \$250,000.00 is won in the Mega Millions game or \$30.00 \$52,000.00 in the Win For Life game, the Lottery will mail a winnings check. Lastly, all other prizes won will be mailed as a winnings check at the end of the subscription term.
- C. Players currently pay for their subscription through paper or electronic (ACH) check.

In addition to the above background an overview of the VA Lottery technical architecture can be found in Appendix A, beginning on page 35.

III. STRATEGY MANAGEMENT:

The Virginia Lottery Strategy Management Program ensures a clear and concise vision and plan is in place to achieve the goals of the Lottery. This program also measures the progress in achieving the established goals.

Upon contract award and at the Lottery's request, the Contractor is required to meet with the Lottery's Chief of Strategy (or designee) to discuss how and where the goods and services provided as a result of this solicitation fit into the Lottery's strategy management program.

IV. **DEFINITION OF REQUIREMENTS AND OPTIONS:**

As outlined in the Pricing section at the end of this document, Offeror shall provide pricing in three (3) categories: 1) Base System Requirements, 2) VA Lottery Specified Options, and 3) Value-Added Invited Options. Definitions for these categories are as follows:

- A. <u>Base System Requirement</u>: Requirements that must be proposed by the Offeror; the Lottery may reject an Offeror's Proposal if a base system requirement is not included.
- B. <u>VA Lottery Specified Options</u>: Options that may or may not be required; Options that are identified by the words "shall" and "should" and are defined as follows:
 - 1. Shall: represents specified options that must be proposed by the Offeror; the Lottery may reject an Offeror's proposals if a VA Lottery specified option identified as "shall" is not offered.
 - 2. Should: represents specified options that are of interest to the Lottery but an Offeror's proposal will not be rejected if a specified option identified as "should" is not offered. However, evaluation points may be reduced for specified options not offered.
- C. <u>Value-Added Invited Option</u>: options that have <u>not</u> been requested as either base or specified options. The intent of this section is to invite the Offeror to submit options that would add value to the Lottery's subscription services. These options shall be stated as value-added invited options and will be scored as part of the technical proposal evaluation.

V. **STATEMENT OF NEEDS:**

A. **BASE SYSTEM REQUIREMENTS:**

- Offeror shall provide a highly redundant, scalable infrastructure to support upcoming technologies (such as Loyalty, Subscriptions, etc.) meant to drive sales and increase our relevance in the market. In support of the infrastructure:
 - a. <u>Offeror shall provide a detailed comprehensive Service Strategy</u> Service Strategy relies largely upon a market-driven approach. Key topics covered shall include but are not limited to, service value definition, business-case development, service assets, market analysis, and service provider types. Additional services are but not limited to:
 - 1. Strategy Management
 - 2. Service Portfolio Management
 - 3. Financial management for IT services
 - 4. Demand Management
 - b. <u>Offeror shall provide detail of Service Design/Development capabilities</u> Service Design addresses how a planned service solution interacts with the larger business and technical environments.
 - 1. Design coordination
 - 2. Service Catalogue
 - 3. Service level Management

- 4. Availability Management
- 5. Capacity Management
- 6. IT Service Continuity Management
- 7. Information Security Management System
- c. <u>Offeror shall provide detail of Service Migration/Transition capabilities</u> Delivery of services required by the Lottery into live/operational use.
- 1. Transition planning and support
- 2. Change management
- 3. Service asset and configuration management
- 4. Release and deployment management
- 5. Service validation and testing
- 6. Change evaluation
- 7. Knowledge management
- d. <u>Offeror shall provide detail of Service Operation/Maintenance capabilities</u> Delivery of agreed levels of services both to end-users and the customers.
- 1. Event management
- 2. Incident management
- 3. Request fulfillment
- 4. Problem management
- 5. Access management
- e. <u>Offeror shall provide detail of Continual Service Improvements</u> Continual service improvement aims to align and realign IT services to changing business needs by identifying and implementing improvements to the IT services that support the business processes.

B. **VIRGINIA LOTTERY SPECIFIED OPTIONS:**

1. <u>Subscriptions Services:</u>

- a. System shall be a player friendly, graphical interface that allows the selection of numbers by using 1) specified plays, 2) random numbers selected by the gaming system called Easy Picks, or by selecting 3) stored numbers that the player has previously defined.
- b. All numbers subscription services and monies won shall be stored within the player's profile.
- c. All games available for subscriptions shall be accessible from all popular computer and mobile operating systems and web browsers.
- d. Subscription purchase criteria shall have the ability to be parameter driven.
- e. System should provide capability for Lottery players to change desired numbers prior to each game draw. The Lottery will establish a deadline for changes to be made.

- f. System shall have the ability to cancel subscriptions.
- g. System shall have the ability to determine the winner and amount of win for each draw.
- h. System shall have ability to identify restricted players and prohibit them from play.
- i. System shall have the ability to add/delete/change games as quickly as required by the Lottery.
- j. System shall have the ability to purchase all existing and all traditional Virginia Lottery games, along with their respective betting options, as well as accommodate future games.
- k. System shall have a design architecture that enables easy integration with Lottery systems.
- l. System shall have the capability to back-up and restore all data.
- m. System shall have the capability to offer an electronic wallet.
- n. Offeror shall have the ability to pay a winnings earned to a player if deemed necessary by the Lottery.
- o. Offeror shall have in place a secure method to ensure continuity of operations and information technology disaster relief. Method provided shall be tested annually at the sole discretion of the Lottery.
- p. Offeror shall provide any and all data as requested at the sole discretion of the Lottery.
- q. Offeror shall provide system maintenance on all proposed systems and elected options.
- r. System should have the ability to offer group play and gift subscriptions.
- s. System should have the ability to provide geo-fencing if determined advantageous to the Lottery.

2. <u>Loyalty, Recognition, Rewards and Points Program:</u>

- a. Offeror should be able to provide a loyalty, recognition and rewards program.
 - 1) Offeror shall have the ability to design, develop, maintain, and upgrade as needed a loyalty/rewards program.
 - 2) Offeror should have the ability to support existing, as well as planned, Lottery games in both retail and subscription environments.
 - 3) Offeror should have the ability to provide procurement and fulfillment of prizing both physical and digital.
 - 4) Offeror should have the ability to provide seamless integration between the VA Lottery registration process, players accounts, points tracking statements, prize fulfillment tracking, and status updates.

3. Free Game Gallery:

- a. Offeror should be able to offer a free gaming center for VA Lottery players.
- b. Game Gallery should be hosted by the Offeror.
- c. Games should be available to play with or without a subscription or registration on the system.
- d. Offeror should have the ability to provide games in support of instant tickets being offered.
- e. Offeror should have a minimum of 50 (fifty) games available at signing of any subsequent contract. Games shall be current, fresh, and of VA Lottery consumer interest. In addition to a base of 50 (fifty) games at contract signing, Offeror should provide a continuous supply of new games to meet consumer demand.

4. **Other waging options:**

a. Offeror should have the ability to provide or interface with another system for other points of sale such as the ability to purchase at gas pumps, ATM's, etc. for all traditional VA Lottery games.

5. **Identity Authentication:**

- a. Offeror shall provide identity authentication with the highest level of accuracy possible. Currently authentication is performed at a rate of 95% accuracy and therefore shall at no time be less.
- b. Offeror shall perform or contract with another party to perform identity authentication and age verification on all mobile and PC devices.
- c. Offeror shall have the ability to correlate IP address information with the identity information provided.
- d. Offeror shall offer reporting features to allow for monitoring of authentication rates on a real-time basis.
- e. Offeror shall have the ability to determine the origination of the purchase transaction.
- f. Offeror shall propose standard dashboard reporting capabilities.
- g. Offeror shall have the ability to provide custom reports based on the specifications of the Lottery.
- h. Offeror shall ensure compliance with all Commonwealth of Virginia and federal compliance requirements.
- i. Offeror shall agree that all data collected shall be property of the Lottery.
- j. Offeror shall not store player identity and information for any period that exceeds twenty-four (24) hours, except for first and last name that shall be used strictly for auditing purposes.
- k. Offeror shall not resale data to any other organization or third party.

l. Offeror shall ensure any the protections of consumer sensitive information by adhering to all applicable federal, state, and Lottery laws and/or policies throughout the duration of any resulting contract.

6. **Player Transaction Management:**

- a. Offeror shall propose an electronic payment system to include ACH banking, debit cards, and future mobile/digital payment methods.
- b. Offeror shall ensure the risks of insufficient funds are minimized to the greatest extent.
- c. Offeror shall have the ability to determine the subscription start date based on the execution of a transaction and clearing of payment.
- d. Offeror shall possess the ability to extend subscriptions when prizes are won, provide auto-renewal parameters, and/or transfer winnings to a debit or checking account.
- e. Player shall have the ability to monitor and manage a player profile which might include but is not limited to historical transactions, active wagers, and e-wallet details.

7. <u>Customer Service:</u>

- a. <u>Player Services</u>: At a minimum, each system offered shall provide a solution for the following:
 - 1. Offeror shall provide a system that will allow tiered administrative access to the Lottery to process, track, and respond to all player inquiries.
 - 2. Offeror should provide customer service tools and/or comprehensive service to players that includes but is not limited to, web-based, telephone, electronic mail, and text messaging.
 - 3. System shall have the ability to provide player communications such as but not limited to subscription ending date, request for renewal, and payment information.
 - 4. System shall have the ability to allow Lottery personnel to monitor and/or reprint all communications provided to players.
 - 5. System should have the ability to set-up problem cases, track resolutions, and establish follow-up protocols to ensure successful problem resolution in real-time.

b. <u>Virginia Lottery Services</u>:

1. Offeror shall offer technical assistance to the VA Lottery which should include but is not limited to an annual business re-cap, new product development and business analysis.

- 2. System should have the ability to initiate incentives such as promotional and/or discount items.
- 3. Offeror shall provide to a Lottery designee all problem and resolution information within a specified timeframe as determined by the Lottery.

8. **Financial Transactions:**

- a. System shall have the ability to provide numerous wager and validation reports as well as customized reports.
- b. System shall be able to determine the amount of taxes to be withheld from each win in accordance with Federal Internal Revenue Service and Commonwealth of Virginia regulations as well as file taxes as deemed necessary by the VA Lottery.
- c. Offeror should have the ability to limit plays on sequence of numbers or play combination based on liability parameters.
- d. Offeror shall use all available resources to prevent and detect fraudulent activity. Should fraudulent activity be detected, the Offeror shall notify a VA Lottery designee immediately.

9. **Player Education and Communication:**

- a. System shall have the ability to provide "how to play" tutorials.
- b. System should allow for customizations for player accounts that might include but is not limited to avatars, photographs, personalized messages, and color schemes.

10. <u>Cleansing/Purge Ability:</u>

System shall allow for Lottery driven purge parameters.

11. **Responsible Gaming:**

- a. System shall offer responsible gaming features to include but not limited to:
 - 1. Voluntary self-exclusion a player excludes himself from participating in games on the site for a user-defined period of time.
 - 2. Spending limits limits the amount a player can spend by session, day, or week based on user defined settings
 - 3. Deposit limits limits the amount a player can deposit in their wallets for a specified period of time.
 - 4. Wager limit amounts limits the amount a player can wager for a single ticket.

12. **Dashboards and Business Intelligence Reports:** Any system being offered shall at a minimum:

- a. System shall offer standard and ad hoc reporting that can be printed or exported electronically in a variety of formats.
- b. System shall have ability to provide an easy user experience with easy pagination and search fields.
- c. System shall provide a dashboard to report performance data down to the transaction level to the Lottery that will include but is not limited to sales by product and/or consumer and should include trend and forecasting capabilities.
- d. System shall have the ability to provide reporting in a graphical format at the transaction level.
- e. Ability to view per player active and expired subscriptions with a summary of statistics.

VI. PROPOSAL PREPARATION AND SUBMISSION REQUIREMENTS:

A. <u>General Requirements</u>:

1) RFP Response:

- f. In order to be considered for selection, Offerors must submit a complete response to this RFP. One (1) original and 6 copies of each proposal must be submitted to the Lottery. Each hardcopy proposal must also contain the following:
 - 1. An electronic version of the complete proposal on a compact disk, and
 - 2. An electronic version of the complete proposal with any proprietary information removed. Proprietary information is detailed in section 2.d. below.
- g. No other distribution of the proposal shall be made by the Offeror.
- h. Offeror is requested to respond to each section/subsection in the order in which it appears in the RFP.
- i. Offeror shall provide detail of capability for all base system requirements as stated in Section III, A. above. It is understood that base system requirements are mandatory requirements for consideration of selection.
- j. Offeror shall provide detail of capability for all VA Lottery Specified options as stated in Section III, B. It is understood that while a response to each specified option is required each specified option is not mandatory for consideration of selection.

2) Single Point of Contact:

Submit all inquiries concerning this RFP in writing by email, subject: "Questions on RFP # 10267AR to:

SPOC: Amanda K. Rollf

Email: arollf@valottery.com

The Lottery cannot guarantee a response to questions received less than five (5) days prior to the proposal due date. No questions will be addressed orally.

To ensure timely and adequate consideration of proposals, Offerors are to limit all contact, whether verbal or written, pertaining to this RFP to the designated SPOC for the duration of this proposal process.

2. Proposal Preparation:

- a. Proposals shall be signed by an authorized representative of the Offeror.
- b. Failure to submit all information requested may result in the Evaluation Team giving a lowered evaluation score of the proposal.
- c. An explanation describing how you will accomplish each requirement must be included in your proposal. The phrase "fully comply" without an explanation is unacceptable. If a requirement is not being provided, state "Not Provided." Proposals, which are substantially incomplete or lack key information, may be rejected by the Lottery.
- d. Ownership of all data, materials and documentation originated and prepared for the Lottery pursuant to the RFP shall belong exclusively to the Lottery and be subject to public inspection in accordance with the Virginia Freedom of Information Act. Trade secrets or proprietary information submitted by an Offeror shall not be subject to public disclosure under the Virginia Freedom of Information Act; however, the Offeror must invoke the protections of §2.2-4342 of the Code of Virginia, in writing, either before or at the time the data or other material is submitted. The written notice must specifically identify the data or materials to be protected and state the reasons why protection is necessary. The proprietary or trade secret material submitted must be identified by some distinct method such as highlighting or underlining and must indicate only the specific words, figures, or paragraphs that constitute trade secret or proprietary information. classification of an entire proposal document, line item prices and/or total proposal prices as proprietary or trade secrets is not acceptable and will result in rejection of the proposal.
- 3. Oral Presentation: Offerors who submit a proposal in response to this RFP may be required to give an oral presentation and/or demonstration to the Evaluation Team. This provides an opportunity for the Offeror to clarify or elaborate on the proposal.

B. **Specific Proposal Requirements**:

Proposals shall be as thorough and detailed as possible so that the Lottery may properly evaluate Offeror's capabilities to provide the required services. In addition to any other requirements imposed by Section III of this Request for Proposals, Offerors are required to submit the following items as a complete proposal:

- 1. Offeror shall include a cover sheet that indicates the page number(s) containing proprietary information.
- 2. Offeror shall include detailed methodology and implementation plan for all base system requirements. Offeror shall also include details on any and all services or offerings that will be included in a base system that have not been requested. (*Reference: Section IV, A.*)
- 3. Offeror shall include details of all maintenance to be provided. Details should include but are not limited to, available test environments, acceptable downtime of system, any standard service level agreements, and routine maintenance. (*Reference: Section IV, A.*)
- 4. Offeror shall include detailed methodology, implementation plan and integration of systems plan for all subscription services requested. (*Reference: Section IV, B. 1*)
- 5. Offeror shall provide detailed information of all services and products used in providing a loyalty, recognition, and rewards program. In addition, Offeror shall provide examples of previously provided programs. (*Reference: Section IV .B. 2*)
- 6. Offeror shall provide detailed information, methodology, and implementation strategy for all Free Game Gallery aspects. Details shall also include but are not limited to gaming platform approach, available promotional abilities, games offered, new game development assistance, ability for free games to convert to pay for play if legislation allows, consulting services for multi-phase implementation, and vision for future development. Offeror shall also include details of any and all services available that have not been requested. (Reference: Section IV .B. 3)
- 7. Offeror shall provide detailed information, methodology, and implementation strategy for all Other Waging Options as requested. (Reference: Section IV, B. 4)
- 8. Offeror shall include detailed information on how identity authentication will be completed which shall include but is not limited to, authentication process, authentication provider if services will be subcontracted, and how each authentication service requested will be provided. The Lottery is currently using a third party, real-time system for these services. Offeror shall also include details of any and

- all services available that have not been requested. (Reference: Section IV, B. 5)
- 9. Offeror shall provide detailed information, methodology, and implementation strategy for all aspects of Player Transaction Management. Details shall include but are not limited to process for providing ACH banking and debit card transactions, to include associated fees. Offeror shall also include details of any and all services available that have not been requested. (*Reference: Section IV. B. 6*)
- 10. Offeror shall provide detailed information, methodology, and implementation strategy for all Customer Service aspects. Details shall include but are not limited to information for both player services and services offered to VA Lottery staff and hours of operation. Offeror shall also include details of any and all services available that have not been requested. (*Reference: Section IV. B 7*)
- 11. Offeror shall provide detailed information, methodology, and implementation strategy for all Financial Transactions aspects. Offeror shall also include details of any and all services available that have not been requested. (*Reference: Section IV. B. 8*)
- 12. Offeror shall provide detailed information, methodology, and implementation strategy for all Player Education and Communication aspects. Offeror shall also include details of any and all services available that have not been requested. (*Reference: Section IV. B. 9*)
- 13. Offeror shall provide detailed information, methodology, and implementation strategy for all Cleansing/Purge aspects. Offeror shall also include details of any and all services available that have not been requested. (*Reference: Section IV. B. 10*)
- 14. Offeror shall provide detailed information, methodology, and implementation strategy for all Responsible Gaming aspects. Offeror shall also include details of any and all services available that have not been requested. (*Reference: Section IV. B. 11*)
- 15. Offeror shall provide detailed information, methodology, and implementation strategy for all Reporting aspects. Details shall include but are not limited to reports currently offered both standard and ad hoc and shall include samples. Offeror shall also include details of any and all services available that have not been requested. (Reference: Section IV. B. 12)
- 16. Offeror shall provide a Disaster Recovery Plan outlining processes and procedures for continuing operations, system availability and data recovery in the event of a contingency.

- 17. Offeror shall state maximum allowable system downtime and provide a copy of standard service level agreement information.
- 18. Offeror shall provide a company profile to include detail such as, but not limited to, organizational chart, company contact, bios of project staff, sub-Offerors being utilized, Gaming-Vendor partner(s), previously provided subscription platform(s), previous customers, case studies and screen shots of previously offered system most closely related to the VA Lottery project detailed in this solicitation.
- 19. Offeror shall provide a detailed project timeline for each phase of suggested development and implementation.
- 20. Offeror is encouraged to provide details of any and all options available that have **not** been requested in either base or specified options. These options shall be stated as value-added invited options and will be scored as part of the technical proposal evaluation.

VII. **EVALUATION AND AWARD CRITERIA:**

A. EVALUATION CRITERIA:

The Virginia Lottery seeks to Contract for the goods and/or services described herein with the responding Offeror who submits the best proposal as modified through negotiations. The written proposals, and any subsequent negotiated offers, will be evaluated and judged by the Virginia Lottery based on the following criteria:

- 1. Methodology
- 2. Company Profile
- 3. Base System Functionality and Features
- 4. Value-added of specified and invited options
- 5. Minority-owned, women-owned and small business participation
- 6. Price

B. **AWARD OF CONTRACT**:

Two or more Offerors deemed to be fully qualified and best suited among those submitting proposals will be identified on the basis of the evaluation factors stated herein. Negotiations may be conducted with the Offerors so selected. After negotiations have been conducted with each Offeror so selected, the Virginia Lottery may select the Offeror(s) who, in its opinion, has made the best proposal, and award the Contract to that Offeror(s). The Virginia Lottery may cancel this RFP or reject proposals at any time prior to the award, and is not required to furnish a statement of the reasons why a particular proposal was not deemed to be the most advantageous. Should it

be determined in writing that only one Offeror is fully qualified, or that one Offeror is clearly more highly qualified than the others under consideration, a Contract may be negotiated and awarded to that Offeror.

The Lottery reserves the right to award a contract in-whole or in-part all products and services requested within this solicitation. In addition an award may be made to multiple Offerors if deemed to be in the Lottery's best interest.

VIII. **SPECIAL TERMS AND CONDITIONS:**

A. **AUDIT**:

The Offeror shall retain all books, records, and other documents relative to this Contract for five (5) years after final payment, or until audited by the Commonwealth of Virginia, whichever is sooner. The Lottery, its authorized agents, and/or state auditors shall have full access to and the right to examine any of said materials during said period.

B. **CANCELLATION OF CONTRACT:**

The Lottery reserves the right to cancel and terminate any resulting Contract, in part or in whole, without penalty, within 90 days of written notice to the Offeror. Any Contract cancellation notice shall not relieve the Offeror of the obligation to deliver and/or perform on all outstanding orders issued prior to the effective date of cancellation.

C. **CONFIDENTIALITY OF PERSONALLY IDENTIFIABLE INFORMATION:**

The Offeror assures that information and data obtained as to personal facts and circumstances related to patients or clients will be collected and held confidential, during and following the term of this agreement, and will not be divulged without the individual's and the Lottery's written consent and only in accordance with federal law or the *Code of Virginia*. Offerors who utilize, access, or store personally identifiable information as part of the performance of a Contract are required to safeguard this information and immediately notify the Lottery of any breach or suspected breach in the security of such information. Offerors shall allow the Lottery to both participate in the investigation of incidents and exercise control over decisions regarding external reporting. Offerors and their employees working on this project may be required to sign a confidentiality statement.

D. **CONTINUITY OF SERVICES:**

The Offeror recognizes that the services under this Contract are vital to the Lottery and must be continued without interruption and that, upon Contract expiration, a successor, either the Lottery or another Offeror, may continue them. The Offeror agrees:

- 1. To exercise its best efforts and cooperation to effect an orderly and efficient transition to a successor:
- 2. To make all Lottery owned facilities, equipment, and data available to any successor at an appropriate time prior to the expiration of the

- Contract to facilitate transition to successor; and
- 3. That the Lottery Contracting Officer shall have final authority to resolve disputes related to the transition of the Contract from the Offeror to its successor.

The Offeror shall, upon written notice from the Contract Officer, furnish phase-in/phase-out services for up to ninety (90) days after this Contract expires and shall negotiate in good faith a plan with the successor to execute the phase-in/phase-out services. This plan shall be subject to the Contract Officer's approval.

The Offeror shall be reimbursed for all reasonable, pre-approved phase-in/phase-out costs (i.e., costs incurred within the agreed period after Contract expiration that result from phase-in, phase-out operations) and a fee (profit) not to exceed a pro rata portion of the fee (profit) under this Contract. All phase-in/phase-out work fees must be approved by the Contract Officer in writing prior to commencement of said work.

E. OFFEROR/SUBOFFEROR LICENSE REQUIREMENT:

By my signature on this solicitation, I certify that this firm/individual and Sub-Offeror are properly licensed for providing the goods/services specified.

| Offeror | |
|-------------|--|
| Name: | |
| Sub-Offeror | |
| Name: | |
| License | |
| Number: | |
| License | |
| Туре: | |

F. **COPYRIGHT LIABILITY**

The Offeror shall hold and save harmless the Commonwealth of Virginia and the Virginia Lottery, the Lottery Board and its officers, retailers, and employees, from liability of any nature or kind arising out of a claim or suit for or on account of the use of any copyrighted or uncopyrighted composition, software, trademark, service mark, secure process, patented invention, article, or appliance furnished or used in the performance of any Contract resulting from the solicitation. Offeror agrees to assume the defense of any and all such suits and pay the costs and expenses incidental thereto, subject to the right of the Commonwealth of Virginia to provide additional legal counsel at the Commonwealth's own expense.

G. **FINAL INSPECTION:**

At the conclusion of the work, the Offeror shall demonstrate to the Lottery's representative(s) that the work is fully operational and in compliance with Contract specifications and codes. Any deficiencies shall be promptly and permanently corrected by the Offeror at the Offeror's sole expense prior to final acceptance of the work.

H. **IDENTIFICATION AND DELIVERY OF PROPOSAL:**

IF PROPOSAL IS MAILED: Offeror must mail proposal to the Virginia Lottery, Attention: 12th Floor Purchasing Office, 900 East Main Street, Richmond, Virginia 23219. The proposal must be enclosed in an envelope or package and identified as follows:

Name of Offeror Due Date and Time Offeror's complete address RFP No. RFP Title

If a proposal is not identified as outlined above the Offeror takes the risk that the proposal may be inadvertently opened and the information compromised, which may cause the proposal to be disqualified. No other correspondence or other proposals should be placed in the envelope.

IF PROPOSAL IS HAND DELIVERED (INCLUDING COURIER): Proposal must be delivered to 900 East Main Street, Richmond, Virginia 23219. Due to increased building security, an Offeror must only deliver a proposal to the Security Guard Station located on the Main Street entrance of the Lottery Headquarters, Pocahontas Building (address above). However, the Security Guard is not responsible for identifying the date and time a proposal is received; only a Virginia Lottery employee can make that determination. The Security Guard will contact an appropriate Lottery employee for proposal receipt; this process could take 30 minutes or more. Late proposals will not be accepted.

Note: the Lottery does not conduct public openings.

I. **LIQUIDATED DAMAGES:**

It is the intent of the VA Lottery to include liquid damages in any resulting contract but will be negotiated prior to award. Areas of assessment may be project timeline, personally identifiable information, payment ability, and system fail. Final liquidated damages will be negotiated during contract negotiation but prior to award.

J. PERFORMANCE AND PAYMENT BONDS:

The successful Offeror shall deliver to the purchasing office executed Commonwealth of Virginia Standard Performance and Labor and Material Payment Bonds, each in the sum of the Contract amount, with the Commonwealth of Virginia as obligee. The surety shall be a surety company or companies approved by the State Corporation Commission to transact business in the Commonwealth of Virginia. No payment shall be due and payable to the Offeror, even if the Contract has been performed in whole or in part, until the bonds have been delivered to and approved by the purchasing office. Standard bond forms will be provided by the purchasing

office prior to or at the time of award.

K. **PRE-PROPOSAL CONFERENCE - OPTIONAL:**

An optional pre-proposal conference will be held at February 8, 2013 2:00 PM, EST., at the VA Lottery Headquarters located at 900 E. Main Street, Richmond, VA 23219; Conference Call: 1-888-626-7441, Conference ID: 8507916. The purpose of this conference is to allow potential Offerors an opportunity to present questions and obtain clarification relative to any facet of this solicitation. In order to ensure the best possible answers are provided, please submit questions no later than February 5, 2013. However, additional questions will be allowed during the conference.

While attendance at this conference will not be a prerequisite to submitting a proposal, Offerors who intend to submit a proposal are encouraged to attend in person.

Bring a copy of the solicitation with you. Any changes resulting from this conference will be issued in a written addendum to the solicitation.

L. **PRICE ESCALATION:**

It is the intent of the VA Lottery to include a price escalation/de-escalation clause in any resulting contract. Final determining factors for each will be determined during contract negotiation.

M. **PRIME OFFEROR RESPONSIBILITIES:**

The Offeror shall be responsible for completely supervising and directing the work under this Contract and all subcontractors that he may utilize, using his best skill and attention. Subcontractors who perform work under this Contract shall be responsible to the prime Offeror. The Offeror agrees that he is as fully responsible for the acts and omissions of his subcontractors and of persons employed by them as he is for the acts and omissions of his own employees.

N. **REFERENCES:**

Offerors shall provide a list of at least three (3) references where similar goods and/or services have been provided. Each reference shall include the name of the organization, the complete mailing address, the name of the contact person and telephone number.

| Organization: | |
|---------------|--|
| Contact | |
| Person: | |
| Address: | |
| Telephone: | |
| Email: | |

| Organization: | |
|---------------|--|
| 0 - 0 | |

| Contact | |
|------------|--|
| Person: | |
| Address: | |
| Telephone: | |
| Email: | |

| Organization: | |
|---------------|--|
| Contact | |
| Person: | |
| Address: | |
| Telephone: | |
| Email: | |

O. RENEGOTIATION OF CONTRACT

The Lottery reserves the right, at any time during the Contract term or any renewals of the term, to renegotiate with the Offeror a reduction in the compensation paid to the Offeror that is less than the compensation initially agreed to by the Offeror and the Lottery at the time of Contract execution. The Lottery may initiate such negotiations whenever the Lottery determines that it is in the Lottery's best fiscal interests to do so. Notwithstanding any other provision of this Contract to the contrary, the Lottery may terminate this Contract immediately and without penalty if the Lottery is unable to renegotiate the compensation with the Offeror to an amount which the Lottery determines to be appropriate.

P. **RENEWAL OF CONTRACT:**

This Contract may be renewed by the Lottery upon written agreement of both parties for 5 (five) successive one year periods, under the terms of the current Contract, and at a reasonable time (approximately 90 days) prior to the expiration.

Q. <u>SECURITY CLEARANCE - CAPITOL POLICE:</u>

All Offeror personnel, entering the Pocahontas Building, are required to obtain security clearance prior to their arrival at the work site. For information on the clearance process, call the Capitol Police at (804) 786-2567. Failure to obtain the necessary security clearance will result in access to the building being denied

R. **SUBCONTRACTS:**

No portion of the work shall be subcontracted without prior written consent of the Lottery. In the event that the Offeror desires to subcontract some part of the work specified herein, the Offeror shall furnish the Lottery the names, qualifications and experience of their proposed subcontract(s). The Offeror shall, however, remain fully liable and responsible for the work to be done by its subcontractor(s) and shall assure compliance with all requirements of the Contract.

S. **CERTIFICATION TESTING PERIOD - SYSTEMS:**

The system specified in the Contract shall be considered ready for testing upon receipt of documentation from the Offeror that a successful system audit or diagnostic test was performed at the site demonstrating that the system meets the minimum design/performance capabilities stipulated in the purchase agreement. Upon request, the Lottery will provide written confirmation of its acceptance following successful completion of the certification period. Such acceptance shall not be conclusive of complete conformance in all respects to the Contract specifications and other requirements, or the nonexistence of potential latent defects.

T. **CONFIDENTIALITY (LOTTERY):**

The Lottery agrees that neither it nor its employees, representatives, or agents shall knowingly divulge any proprietary information with respect to the operation of the software, the technology embodied therein, or any other trade secret or proprietary information related thereto, except as specifically authorized by the Offeror in writing or as required by the Freedom of Information Act or similar law. It shall be the Offeror's responsibility to fully comply with § 2.2-4342F of the *Code of Virginia*. All trade secrets or proprietary information must be identified in writing or other tangible form and conspicuously labeled as "proprietary" either prior to or at the time of submission to the Lottery.

U. **CONFIDENTIALITY (OFFEROR):**

The Offeror assures that information and data obtained as to personal facts and circumstances related to patients or clients will be collected and held confidential, during and following the term of this agreement, and will not be divulged without the individual's and the Lottery's written consent. Any information to be disclosed, except to the Lottery, must be in summary, statistical, or other form which does not identify particular individuals. Offerors and their employees working on this project will be required to sign the Confidentiality statement in this solicitation.

V. **DEFINITION - SOFTWARE**:

As used herein, the terms software, product, or software products shall include all related materials and documentation whether in machine readable or printed form.

W. **LATEST SOFTWARE VERSION:**

Any software product(s) provided under the Contract shall be the latest version available to the general public as of the due date of this solicitation.

X. **OWNERSHIP OF INTELLECTUAL PROPERTY:**

All copyright and patent rights to all papers, reports, forms, materials, creations, or inventions created or developed in the performance of this Contract shall become the sole property of the Lottery. On request, the Offeror shall promptly provide an acknowledgment or assignment in a tangible form satisfactory to the Lottery to evidence the Lottery sole ownership of specifically identified intellectual property created or developed in the performance of the Contract.

Y. **SOFTWARE UPGRADES:**

The Lottery shall be entitled to any and all upgraded versions of the software covered in the Contract that becomes available from the Offeror. The maximum charge for upgrade shall not exceed the total difference between the cost of the Lottery's current version and the price the Offeror sells or licenses the upgraded software under similar circumstances.

Z. **AVAILABILITY OF MATERIALS:**

If material specified in the Contract documents is not available on the present market, alternate materials may be proposed by the Offeror for approval of the Lottery.

AA. **OFFEROR'S RIGHT TO STOP WORK OR TERMINATE:**

If the work should be stopped under any order of any court or other public authority for a period of ninety (90) days through no fault of the Offeror or of anyone employed by him, or if the Lottery should fail to pay to the Offeror within thirty (30) days when no dispute exists as to the sum, then the Offeror may, upon ten (10) calendar days written notice to the Lottery, stop work or terminate the Contract and recover from the Lottery payment for the cost of the work actually performed, together with overhead and profit thereon, but profit shall be recovered only to the extent that the Offeror can demonstrate that he would have had profit on the entire Contract if he had completed the work. The Offeror may not receive profit or any other type of compensation for parts of the work not performed. The Offeror may recover the cost of physically closing down the job site, but no other costs of termination. The Lottery may offset any claims it may have against the Offeror against the amounts due to the Offeror. In no event shall termination of the Contract by the Offeror terminate the obligations of the Offeror's surety on its payment and performance bonds.

BB. **TERMINATION BY LOTTERY FOR CONVENIENCE:**

Lottery may terminate this Contract at any time without cause, in whole or in part, upon giving the Offeror notice of such termination. Upon such termination, the Offeror shall immediately cease work and remove from the project site all of its labor forces and such of its materials as Lottery elects not to purchase or to assume in the manner hereinafter provided. Upon such termination, the Offeror shall take such steps as Lottery may require to assign to the Lottery the Offeror's interest in all subcontracts and purchase orders designated by Lottery. After all such steps have been taken to Lottery's satisfaction; the Offeror shall receive as full compensation for termination and assignment the following:

All amounts then otherwise due under the terms of this Contract,

Amounts due for work performed subsequent to the latest Request for Payment through the date of termination,

Reasonable compensation for the actual cost of demobilization incurred by

the Offeror as a direct result of such termination. The Offeror shall not be entitled to any compensation for lost profits or for any other type of contractual compensation or damage other than those provided by the preceding sentence. Upon payment of the forgoing, Lottery shall have no further obligations to the Offeror of any nature.

In no event shall termination for the convenience of the Lottery terminate the obligations of the Offeror's surety on its payment and performance bonds.

IX. **GENERAL TERMS AND CONDITIONS:**

A. **ANTI-DISCRIMINATION**:

By submitting their proposal, Offerors certify to the Commonwealth that they will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as amended, where applicable, the Virginians with Disabilities Act, the Americans with Disabilities Act. If the award is made to a faith-based organization, the organization shall not discriminate against any recipient of goods, services, or disbursements made pursuant to the Contract on the basis of the recipient's religion, religious belief, refusal to participate in a religious practice, or on the basis of race, age, color, gender or national origin and shall be subject to the same rules as other organizations that Contract with public bodies to account for the use of the funds provided; however, if the faith-based organization segregates public funds into separate accounts, only the accounts and programs funded with public funds shall be subject to audit by the Virginia Lottery.

In every Contract over \$10,000 the provisions in 1. and 2. below apply:

During the performance of this Contract, the Offeror agrees as follows:

- 1. The Offeror will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the Offeror. The Offeror agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
- 2. The Offeror, in all solicitations or advertisements for employees placed by or on behalf of the Offeror, will state that such Offeror is an equal opportunity employer.
- 3. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting these requirements.

The Offeror will include the provisions of 1. above in every subcontract or purchase order over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

B. **ADDENDA**:

Any changes or supplemental instructions to this Request for Proposals shall be in the form of written addenda. Each Offeror is responsible for determining that all addenda issued have been received and shall acknowledge receipt of all addenda in the space provided within the Pricing Schedule or by returning a copy of each signed addendum. Failure to do so may result in rejection of the proposal. All addenda so issued shall become part of the RFP and any resulting Contract documents.

C. **ANNOUNCEMENT OF AWARD**:

Upon the award or the announcement of the decision to award a Contract as a result of this solicitation, the Lottery will publicly post such notice on the DGS/DPS eVA web site (www.eva.virginia.gov).

D. **ANTITRUST**:

By entering into a Contract, the Offeror conveys, sells, assigns, and transfers to the Commonwealth of Virginia all rights, title and interest in and to all causes of action it may now have or hereafter acquire under the antitrust laws of the United States and the Commonwealth of Virginia, relating to the particular goods or services purchased or acquired by the Commonwealth of Virginia under said Contract.

E. **APPLICABLE LAWS AND COURTS**:

This solicitation and any resulting Contract shall be governed in all respects by the laws of the Commonwealth of Virginia, and any litigation with respect thereto shall be brought in the courts of the Commonwealth. The Offeror shall comply with all applicable federal, state and local laws, rules and regulations including Virginia Lottery Law § 58.1-4000 et seq. and the Virginia Lottery Purchasing Manual.

F. **ASSIGNMENT OF CONTRACT**:

A Contract shall not be assignable by the Offeror in whole or in part without the written consent of the Lottery.

G. **AVAILABILITY OF FUNDS**:

It is understood and agreed between the parties herein that the Lottery shall be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this agreement.

H. PROPOSAL PRICE CURRENCY:

Unless stated otherwise in the solicitation, Offerors shall state proposal prices in US dollars.

I. CHANGES TO THE CONTRACT:

Changes can be made to the Contract in any of the following ways:

- 1. The parties may agree in writing to modify the scope of the Contract. An increase or decrease in the price of the Contract resulting from such modification shall be agreed to by the parties as a part of their written agreement to modify the scope of the Contract.
- 2. The Lottery may order changes within the general scope of the Contract at any time by written notice to the Offeror. Changes within the scope of the Contract include, but are not limited to, things such as services to be performed, the method of packing or shipment, and the place of delivery or installation. The Offeror shall comply with the notice upon receipt. The Offeror shall be compensated for any additional costs incurred as the result of such order and shall give the Lottery a credit for any savings. Said compensation shall be determined by one of the following methods:

By mutual agreement between the parties in writing; or

By agreeing upon a unit price or using a unit price set forth in the Contract, if the work to be done can be expressed in units, and the Offeror accounts for the number of units of work performed, subject to the Lottery's right to audit the Offeror's records and/or to determine the correct number of units independently; or

By ordering the Offeror to proceed with the work and keep a record of all costs incurred and savings realized. A markup for overhead and profit may be allowed if provided by the Contract. The same markup shall be used for determining a decrease in price as the result of savings realized. The Offeror shall present the Lottery with all vouchers and records of expenses incurred and savings realized. The Lottery shall have the right to audit the records of the Offeror as it deems necessary to determine costs or savings. Any claim for an adjustment in price under this provision must be asserted by written notice to the Lottery within thirty (30) days from the date of receipt of the written order from the Lottery. If the parties fail to agree on an amount of adjustment, the question of an increase or decrease in the Contract price or time for performance shall be resolved in accordance with the procedures for resolving disputes provided by the Disputes Clause of this Contract or, if there is none, in accordance with the disputes provisions of the Lottery's Purchasing Manual. Neither the existence of a claim nor a dispute resolution process, litigation or any other provision of this Contract shall excuse the Offeror from promptly complying with the changes ordered by the Lottery or with the performance of the Contract generally.

J. <u>CLARIFICATION OF TERMS</u>:

If any prospective Offeror has questions about the specifications or other solicitation documents, the prospective Offeror should contact the buyer whose name appears on the face of the solicitation no later than five working days before the due date. Any revisions to the solicitation will be made only by addendum issued by the buyer.

K. **DEBARMENT STATUS**:

By submitting their proposal, Offerors certify that they are not currently debarred by the Commonwealth of Virginia from submitting proposals on contracts for the type of goods and/or services covered by this solicitation, nor are they an agent of any person or entity that is currently so debarred.

L. **DEFAULT**:

In case of failure to deliver goods or services in accordance with the Contract terms and conditions, the Lottery, after due oral or written notice, may procure them from other sources and hold the Offeror responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies which the Lottery may have.

M. **DRUG-FREE WORKPLACE**:

During the performance of this Contract, the Offeror agrees to (i) provide a drug-free workplace for the Offeror's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the Offeror's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the Offeror that the Offeror maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, "drug-free workplace" means a site for the performance of work done in connection with a specific Contract awarded to a Offeror, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the Contract.

N. **ETHICS IN PUBLIC CONTRACTING**:

By submitting their proposal, Offerors certify that their proposal are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other Offeror, supplier, manufacturer or sub-offeror in connection with their proposal, and that they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.

0. <u>IMMIGRATION REFORM AND CONTROL ACT OF 1986</u>:

By entering into a written Contract with the Lottery, the Offeror certifies that they so not, and shall not during the performance of the Contract for goods

and services in the Commonwealth, knowingly employ an unauthorized alien as defined in the federal Immigration Reform and Control Act of 1986.

P. **INFORMATION SECURITY REVIEW**:

Should the Offeror's obligations involve creating, collecting, or storing Lottery information which is deemed sensitive by the Virginia State Lottery Department, said Offeror shall participate in an annual information security review conducted by the Virginia Lottery Information Security Administrator to ensure that information protection policies and practices of the Offeror are sufficient for the Lottery information being created, collected and/or stored.

Q. **INSURANCE**:

By signing and submitting a proposal under this solicitation, the Offeror certifies that if awarded the Contract, it will have the following insurance coverage at the time the Contract is awarded. For construction contracts, if any subcontractors are involved, the subcontractor will have workers' compensation insurance in accordance with §§ 2.2-4332 and 65.2-800 et seq. of the *Code of Virginia*. The Offeror further certifies that the Offeror and any subcontractors will maintain this insurance coverage during the entire term of the Contract and that all insurance coverage will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission.

<u>Minimum Insurance Coverages and Limits Required for Most Contracts:</u>

- 1. Workers' Compensation Statutory requirements and benefits. Coverage is compulsory for employers of three or more employees, to include the employer. Offerors who fail to notify the Commonwealth of increases in the number of employees that change their workers' compensation requirements under the *Code of Virginia* during the course of the Contract shall be in noncompliance with the Contract.
- 2. Employer's Liability \$100,000.
- 3. Commercial General Liability \$1,000,000 per occurrence. Commercial General Liability is to include bodily injury and property damage, personal injury and advertising injury, products and completed operations coverage. The Commonwealth of Virginia must be named as an additional insured and so endorsed on the policy.
- 4. Automobile Liability \$1,000,000 per occurrence. (Only used if motor vehicle is to be used in the Contract.

R. **NONDISCRIMINATION OF OFFEROR**:

A Offeror or Offeror shall not be discriminated against in the solicitation or award of this Contract because of race, religion, color, sex, national origin, age, disability, faith-based organizational status, any other basis prohibited by state law relating to discrimination in employment or because the Offeror employs ex-offenders unless the Lottery, department or institution has made

a written determination that employing ex-offenders on the specific Contract is not in its best interest. If the award of this Contract is made to a faith-based organization and an individual, who applies for or receives goods, services, or disbursements provided pursuant to this Contract objects to the religious character of the faith-based organization from which the individual receives or would receive the goods, services, or disbursements, the public body shall offer the individual, within a reasonable period of time after the date of his objection, access to equivalent goods, services, or disbursements from an alternative provider.

S. **PAYMENT**:

1. To Prime Offeror:

- a. Invoices for items ordered, delivered and accepted shall be submitted by the Offeror directly to the payment address shown on the purchase order/Contract. All invoices shall show the Lottery Contract number and/or purchase order number; social security number (for individual Offerors) or the federal employer identification number (for proprietorships, partnerships, and corporations).
- b. Any payment terms requiring payment in less than 30 days will be regarded as requiring payment 30 days after invoice or delivery, whichever occurs last. This shall not affect offers of discounts for payment in less than 30 days, however.
- c. All goods or services provided under this Contract or purchase order, that are to be paid for with public funds, shall be billed by the Offeror at the Contract price, regardless of which public agency is being billed.
- d. The following shall be deemed to be the date of payment: the date of postmark in all cases where payment is made by mail, or the date of offset when offset proceedings have been instituted as authorized under the Virginia Debt Collection Act.
- Unreasonable Charges. Under certain emergency e. procurements and for most time and material purchases, final job costs cannot be accurately determined at the time orders are placed. In such cases, Offerors should be put on notice that final payment in full is contingent on a determination of reasonableness with respect to all invoiced charges. Charges which appear to be unreasonable will be researched and challenged, and that portion of the invoice held in abeyance until a settlement can be reached. Upon determining that invoiced charges are not reasonable, the Lottery shall promptly notify the Offeror, in writing, as to those charges which it considers unreasonable and the basis for the determination. A

Offeror may not institute legal action unless a settlement cannot be reached within 30 days of notification. The provisions of this section do not relieve the Lottery of its prompt payment obligations with respect to those charges which are not in dispute.

2. To Subcontractors:

- a. A Offeror awarded a Contract under this solicitation is hereby obligated:
 - To pay the subcontractor(s) within seven (7) days of the Offeror's receipt of payment from the Lottery for the proportionate share of the payment received for work performed by the subcontractor(s) under the Contract;
 - ii. To notify the Lottery and the subcontractor(s), in writing, of the Offeror's intention to withhold payment and the reason.
- b. The Offeror is obligated to pay the subcontractor(s) interest at the rate of one percent per month (unless otherwise provided under the terms of the Contract) on all amounts owed by the Offeror that remain unpaid seven (7) days following receipt of payment from the Lottery, except for amounts withheld as stated in (2) above. The date of mailing of any payment by U. S. Mail is deemed to be payment to the addressee. These provisions apply to each sub-tier Offeror performing under the primary Contract. A Offeror's obligation to pay an interest charge to a subcontractor may not be construed to be an obligation of the Lottery.

The Lottery encourages Offerors and subcontractors to accept electronic and credit card payments.

T. PERSONNEL SECURITY CLEARANCES:

Section 58.1-4008 of the *Code of Virginia* (Virginia Lottery Law) requires that all Board members, officers and employees of any vendor of lottery online or instant ticket goods or services working directly on a Contract with the Virginia Lottery for such goods or services shall be subject to a criminal background search to be conducted by the chief security officer of the Virginia Lottery. Additionally, Lottery Regulation 5-20-410 extends this to include any parent or Subsidiary Corporation of the vendor, and any shareholder of 5% or more of the vendor, its parent or Subsidiary Corporation.

No person who has been convicted of a felony, bookmaking or other form of illegal gambling, or of a crime involving moral turpitude, shall be employed

on Contracts with vendors described in this section.

No Board member, officer, or employee of a vendor to the Virginia Lottery of online or instant ticket goods or services working directly on a Contract for such goods or services, or any person residing in the same household of such Board member, officer or employee, shall purchase a lottery ticket or share, or receive a prize paid on a ticket purchased by or transferred to such person.

U. **PRECEDENCE OF TERMS**:

The following General Terms and Conditions, APPLICABLE LAWS AND COURTS, ANTI-DISCRIMINATION, ETHICS IN PUBLIC CONTRACTING, IMMIGRATION REFORM AND CONTROL ACT OF 1986, DEBARMENT STATUS, ANTITRUST, MANDATORY USE OF STATE FORM AND TERMS AND CONDITIONS, CLARIFICATION OF TERMS, PAYMENT shall apply in all instances. In the event there is a conflict between any of the other General Terms and Conditions and any Special Terms and Conditions in this solicitation, the Special Terms and Conditions shall apply.

V. **QUALIFICATION OF OFFEROR**:

The Lottery may make such reasonable investigations as deemed proper and necessary to determine the ability of the Offeror to perform the services/furnish the goods and the Offeror shall furnish to the Lottery all such information and data for this purpose as may be requested. The Lottery reserves the right to inspect Offeror's physical facilities prior to award to satisfy questions regarding the Offeror's capabilities. The Lottery further reserves the right to reject any proposal if the evidence submitted by, or investigations of, such Offeror fails to satisfy the Lottery that such Offeror is properly qualified to carry out the obligations of the Contract and to provide the services and/or furnish the goods contemplated therein.

W. TAXES:

Sales to the Commonwealth of Virginia are normally exempt from State sales tax. State sales and use tax certificates of exemption, Form ST-12, will be issued upon request. Deliveries against this Contract shall usually be free of Federal excise and transportation taxes. The Commonwealth's excise tax exemption registration number is 54-73-0076K.

X. TESTING AND INSPECTION:

The Lottery reserves the right to conduct any test/inspection it may deem advisable to assure goods and services conform to the specifications.

Y. TRANSPORTATION AND PACKAGING:

By submitting their proposal, all Offerors certify and warrant that the price offered for FOB destination includes only the actual freight rate costs at the lowest and best rate and is based upon the actual weight of the goods to be shipped. Except as otherwise specified herein, standard commercial packaging, packing and shipping containers shall be used. All shipping containers shall be legibly marked or labeled on the outside with purchase

order number, commodity description, and quantity.

Z. **USE OF BRAND NAMES**:

Unless otherwise provided in this solicitation, the name of a certain brand, make or manufacturer does not restrict Offerors to the specific brand, make or manufacturer named, but conveys the general style, type, character, and quality of the article desired. Any article which the public body, in its sole discretion, determines to be the equivalent of that specified, considering quality, workmanship, economy of operation, and suitability for the purpose intended, shall be accepted. The Offeror is responsible to clearly and specifically identify the product being offered and to provide sufficient descriptive literature, catalog cuts and technical detail to enable the Lottery to determine if the product offered meets the requirements of the solicitation. This is required even if offering the exact brand, make or manufacturer specified. Failure to furnish adequate data for evaluation purposes may result in a lower score of Offeror's proposal. Unless the Offeror clearly indicates in its proposal that the product offered is an equivalent product, such proposal will be considered to offer the brand name product referenced in the solicitation.

X. **METHOD OF PAYMENT:**

Invoices shall be rendered to the Virginia Lottery, 900 East Main Street, Richmond, VA 23219, Attention: Accounts Payable. All invoices shall be Net 30 and indicate Contract number, date of goods/services provided and a brief description of goods/services provided. Failure to provide the above information will result in the invoice being returned to the Contractor. The Lottery will not be liable for any resulting delays in payment as a result thereof. The Lottery reserves the right to make payment via Visa Corporate Purchasing Card.

XI. **PRICING**:

The Offeror agrees to furnish the goods/services as specified herein, and in compliance with the terms and conditions of this Request for Proposal.

Offeror shall provide pricing in a **separate envelope** from the technical proposal. Pricing shall be submitted based on the categories provided below and shall list all associated services within category and associated price of each service. Should an option not have an associated charge, Offeror shall indicate NC for "no charge".

| Base System Requirements | Section IV, Letter A |
|--------------------------------|-----------------------|
| VA Lottery Specified Options | Section IV, Letter B |
| Value-Added Invited Options | Section III, Letter C |

XII. **ADDENDA**:

Offeror hereby acknowledges receipt of and incorporation of all requirements of any

| addenda issued for this Request for Proposals: | |
|------------------------------------------------|--|
|------------------------------------------------|--|

| Addendum No | Dated |
|-------------|-------|
| Addendum No | Dated |
| Addendum No | Dated |

XIII. SIGNATURE AND OFFEROR PROFILE SHEET:

All proposals must be signed below in order to be considered.

All prices shall be F.O.B. to the delivery address(s) as specified herein. Freight, delivery costs, and incidental charges shall be included in the proposal price(s).

In compliance with this Request for Proposal #10267AR and subject to all conditions thereof, the undersigned offers and agrees to furnish any or all items and/or services proposal herein.

| | Complete Legal Name of Fir | im | |
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XIV. OFFERORS CHECKLIST:

The intent of the checklist is to assist the Offeror in providing a responsive proposal. It may not include all the requirements necessary to submit a responsive proposal. It is the responsibility of the Offeror to read the entire solicitation.

| Offeror has clear understanding of goods/services requested |
|---------------------------------------------------------------------------------------------------------------------------------------|
| Offeror understands and agrees to all Special and General Terms & Conditions |
| Any tables/boxes within the Special Terms and Conditions must be completed by the Offeror (Offeror must write in these tables/boxes). |
| Offeror understands when proposal is due |
| Offeror understands where to mail or deliver proposal |
| Offeror understands that once a proposal is opened it is a binding document |
| Offeror signed and provided all information requested on RFP Signature Page |
| Offeror understands that contact with the Contract Specialist is encouraged if any questions arise prior to submitting a proposal |
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Appendix A

Technical Background:

The standard technologies used for application development and integrations at the Virginia Lottery are described as follows:

- <u>Microsoft Windows</u> operating systems for development and deployment.
- <u>Active Directory</u> identity management system. Windows domain authentication is the default authentication used by internal applications and services.
- <u>SQL Server</u> RDBMS for development
- <u>Microsoft Visual Studio Team System</u> Integrated Development Environment (IDE) and toolset used throughout the development cycle.
- ASP.NET with AJAX development framework.
- <u>C#.NET</u> programming language.
- <u>Web services</u> for application integrations and application data access (through application services and shared enterprise services).
- <u>Windows Communication Foundation</u> (WCF) with <u>wsHttpBinding</u> as the default service technology and binding protocol for service development.
- IIS for application and service hosting, including AJAX services.
- <u>Microsoft Team Foundation Server</u> (TFS) and its Source Control repository for storing project artifacts and source code.
- <u>SQL Server Reporting Service</u> (SSRS) for developing application reports.
- SQL Server Integration Service (SSIS) for data integrations.

All technical solutions will be evaluated by an Architecture Review Board and may be required to submit architectural documentation. The required level of conformity to the above standards will be dependent upon the degree of application and data integrations and customizations necessary.