



**State of Oklahoma
Office of Management and
Enterprise Services
Information Services Division**

Solicitation

1. Solicitation#: 4350000009

2. Solicitation Issue Date: 09/24/2012

3. Brief Description of Requirement:

The State of Oklahoma Office of Management and Enterprise Services / ISD Procurement Division on behalf of the State of Oklahoma Lottery Commission (OLC) is currently accepting proposals for a comprehensive solution for online and/or instant ticket operations.

4. Response Due Date: 11/15/2012

Time: 3:00 PM CST

5. Issued By and Return Sealed Bid To:

Personal or Common Carrier Deliver:

Office of Management & Enterprise Services
3115 N. Lincoln Blvd.
Oklahoma City, OK 73105

U.S. Postal Deliver:

Office of Management & Enterprise Services
3115 N. Lincoln Blvd.
Oklahoma City, OK 73105

6. Contracting Officer:

Name: Hurtisine Franklin

Phone: (405) 521-6419

Email: Hurtisine.Franklin@omes.ok.gov

7. Solicitation Type:

Invitation to Bid

Request for Proposal

Request for Quote

Request for Information



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A. GENERAL PROVISIONS

The following provisions shall apply where applicable to the solicitation.

A.1. Definitions

As used herein, the following terms shall have the following meaning unless the context clearly indicates otherwise:

- A.1.1. "Acquisition" means items, products, materials, supplies, services and equipment a State agency acquires by purchase, lease purchase, lease with option to purchase, or rental pursuant to the Oklahoma Central Purchasing Act;
- A.1.2. "Addendum" means a written modification to a contract.
- A.1.3. "Alteration" means a modification an offeror makes to a solicitation response prior to the response due date.
- A.1.4. "Alternate or alternative offer" means an offer, which contains an intentional substantive variation to a basic provision, specification, term or condition of the solicitation.
- A.1.5. "Amendment" means a written change, addition, correction, or revision to a solicitation made by the state agency responsible for making the acquisition.
- A.1.6. "Bid" means an offer in the form of a bid, proposal or quote an offeror submits in response to a solicitation;
- A.1.7. "Bidder" means an individual or business entity that submits a bid or proposal in response to an invitation to bid or a request for proposal. When used in this Chapter, bidder is synonymous with a "supplier", "vendor", or "offeror" responding to a solicitation.
- A.1.8. "Business Entity" means any individual, business, partnership, joint venture, corporation, S-corporation, limited liability corporation, limited liability partnership, limited liability partnership, sole proprietorship, joint stock company, consortium, or other legal entity recognized by statute;
- A.1.9. "COTS" means Commercial off the Shelf.
- A.1.10. "Contract" means the final agreement under which the services and/or products shall be governed.
- A.1.11. "Contractor" means the Business Entity with whom the State enters into this contract.
- A.1.12. "Close of business" means 5:00PM Central Time.
- A.1.13. "Closing Date" is the date the RFP closes, also proposal opening date, and response due date;
- A.1.14. "Government Entities" means State Agencies, Boards, Commissions, Authorities, Oklahoma Counties, Cities, Schools, Hospitals, Regents of Higher Education, Colleges, Universities, Municipalities, or political subdivisions;
- A.1.15. "Minor Deficiency" or "minor informality" means an immaterial defect in a p or variation in a bid from the exact requirements of a solicitation that may be correct or waived without prejudice to other offerors. A minor deficiency or informality does not affect the price, quantity, quality, delivery or conformance to specifications and is negligible in comparison to the total cost or scope of the acquisition.
- A.1.16. "Offer" shall be synonymous with "bid", "proposal", "quote" or other similar term;
- A.1.17. "Offeror" shall be synonymous with "vendor", "bidder", or other similar term;
- A.1.18. "Procuring Agency" means the State of Oklahoma Agency initiating the procurement.
- A.1.19. "Request for Information or RFI" means a non-binding procurement practice used to obtain information, comments, and feedback from interested parties or potential suppliers prior to issuing a solicitation.
- A.1.20. "State" means the government of the State of Oklahoma, its employees and authorized representatives, including without limitation any department, agency, or other unit of the government of the State of Oklahoma. References to "State" in this document refer to the Office of State Finance.
- A.1.21. "State Agency" includes any office, officer, bureau, board, counsel, court, commission, institution, unit, division, body, or house of the executive or judicial branches of the State government, whether elected or appointed, excluding only political subdivisions of the State.
- A.1.22. "State CIO" is the State Chief Information Officer, as used herein the CIO has the same authority as the State Purchasing Director for all IT and Telecommunications purchasing. For IT and Telecommunication purchasing, references in Oklahoma Central Purchasing Act and Oklahoma Administrative Code 580 to the "State Purchasing Director" shall be replaced with the "State Chief Information Officer". For this RFP, the same effect shall apply;



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A.1.23. "Solicitation" means a request or invitation by the State Purchasing Director or a State agency for an offeror to submit a priced offer to sell acquisitions to the State. A solicitation may be an invitation to bid, request for proposal, or a request for quotation;

A.2. Offer Submission

- A.2.1. Submitted offers shall be in strict conformity with the instructions to offeror, and shall be submitted with a completed "Responding Bidder Information" DCS-FORM-CP-076, and any other forms completed as required by the solicitation.
- A.2.2. Offers shall be submitted to the State Agency identified in the front page of this solicitation, in a single envelope, package, or container and shall be sealed. The name and address of the offeror shall be inserted in the upper left corner of the single envelope, package, or container. **SOLICITATION NUMBER AND SOLICITATION RESPONSE DUE DATE AND TIME MUST APPEAR ON THE FACE OF THE SINGLE ENVELOPE, PACKAGE, OR CONTAINER.**
- A.2.3. The required certification statement, "Certification for Competitive Bid and/or Contract (Non-Collusion Certification)", OSF-FORM -004, must be made out in the name of the offeror and must be properly executed by an authorized person, with full knowledge and acceptance of all its provisions.
- A.2.4. All offers shall be legibly written or typed. Any corrections to offers shall be initialed. Penciled bids and penciled corrections shall NOT be accepted and shall be rejected as non-responsive.
- A.2.5. All offers submitted shall be subject to the Oklahoma Central Purchasing Act, the Central Purchasing Rules, the Information Services Act and other statutory regulations as applicable, these General Provisions, any Special Provisions, solicitation specifications, required certification statement, and all other terms and conditions listed or attached herein, all of which are made part of this solicitation.
- A.2.6. By submitting a proposal, contractor agrees not to make any claims for damages or have any rights to damages, because of any misunderstanding or misrepresentation of the specifications or because of any misinformation or lack of information.
- A.2.7. If a contractor fails to notify the State of an error, ambiguity, conflict, discrepancy, omission or other error in the SOLICITATION, known to the contractor, or an error that reasonably should have been known by the contractor, the contractor shall submit an proposal at its own risk; and if awarded the contract, the contractor shall not be entitled to additional compensation, relief, or time, by reason of the error or its later correction. If a contractor takes exception to any requirement or specification contained in the SOLICITATION, these exceptions must be clearly and prominently stated in their response.
- A.2.8. Offeror should note that this solicitation reflects those changes in the existing operation to increase efficiencies and streamline business environment in the State of Oklahoma. All previous solicitations or resultant contracts should not be either depended upon, perceived or interpreted to have any relevance on this exclusive solicitation.

A.3. Solicitation Amendments

- A.3.1. If an "Amendment of Solicitation", DCS-FORM-CP-011 (or other format as provided), is issued, then the offeror shall acknowledge receipt of any/all amendment(s) to solicitations by signing and returning the solicitation amendment(s). Amendment acknowledgement(s) may be submitted with the offer or may be forwarded separately. If forwarded separately, amendment acknowledgement(s) must contain the solicitation number and response due date and time on the front of the envelope. The State must receive the amendment acknowledgement(s) by the response due date and time specified for receipt of bids for the offer to be deemed responsive. Failure to acknowledge solicitation amendments may be grounds for rejection.
- A.3.2. No oral statement of any person shall modify or otherwise affect the terms, conditions, or specifications stated in the solicitation. All amendments to the solicitation shall be made in writing by the State.
- A.3.3. It is the contractor's responsibility to check the State's website frequently for any possible amendments that may be issued. The State is not responsible for the contractor's failure to download any amendment documents required to complete a solicitation.

A.4. Offer Change

- If the offeror needs to change an offer prior to the solicitation response due date, a new offer shall be submitted to the State with the following statement "This offer supersedes the offer previously submitted" in a single envelope, package, or container and shall be sealed. The name and address of the offeror shall be inserted in the upper left corner of the single envelope, package, or container. **SOLICITATION NUMBER AND SOLICITATION RESPONSE DUE DATE AND TIME MUST APPEAR ON THE FACE OF THE SINGLE ENVELOPE, PACKAGE, OR CONTAINER.**

A.5. Certification Regarding Debarment, Suspension, And Other Responsibility Matters

By submitting an offer to this solicitation:



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- A.5.1. The prospective primary participant and any subcontractor certifies to the best of their knowledge and belief, that they and their principals or participants:
- A.5.1.1. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal, State of Oklahoma or local department or agency;
 - A.5.1.2. Have not within a three-year period preceding this solicitation been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) contract; or for violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - A.5.1.3. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph A.5.1.2. of this certification; and
 - A.5.1.4. Have not within a three-year period preceding this solicitation had one or more public (Federal, State or local) contracts terminated for cause or default.
- A.5.2. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to its offer.

A.6. Offer Public Opening

Sealed offers MAY BE OPENED UPON PUBLIC REQUEST, by the requesting agency identified in the front page of this solicitation, at the time and date specified in the solicitation as Response Due Date and Time.

A.7. Offers Subject To Public Disclosure

Unless otherwise specified in the Oklahoma Open Records Act, Central Purchasing Act, or other applicable law, documents and information an offeror submits as part of or in connection with an offer are public records and subject to disclosure. Offerors claiming any portion of their offer as proprietary or confidential must specifically identify what documents or portions of documents they consider confidential and identify applicable law supporting their claim of confidentiality. The State Purchasing Director shall make the final decision as to whether the documentation or information is confidential pursuant to 74 O.S. §85.10.

A.8. Late Offer

Offers received by the State after the response due date and time shall be deemed non-responsive and shall NOT be considered for any resultant award.

A.9. Legal Contract

- A.9.1. Submitted offers are rendered as a legal offer and when accepted by the State, shall constitute a contract.
- A.9.2. The contract resulting from this solicitation shall consist of the following documents in order of preference: State of Oklahoma Statutes, contract award documents, including but not limited to the Purchase Order, Contract Modifications, required certification statement, and change orders; the solicitation including any amendments; and the successful offer to the extent that the offer does not conflict with the requirements of the contract award documents or solicitation or applicable law. In the event there is a conflict between any of the preceding documents, the contract award documents prevail over the solicitation, and both the contract award documents and the solicitation shall prevail over the successful offer.
- A.9.3. Any contract(s) awarded pursuant to the solicitation shall be legibly written or typed.

A.10. Pricing

- A.10.1. Offers shall remain firm for a minimum of one-twenty (120) days from the solicitation closing date.
- A.10.2. Offerors guarantee unit prices to be correct.
- A.10.3. In accordance with 74 O.S. §85.40, ALL travel expenses to be incurred by the contractor in performance of the contract shall be included in the total bid price/contract amount.
- A.10.4. All costs incurred by the offerors for proposal preparation and participation in this competitive procurement shall be the sole responsibility of the offerors. The State of Oklahoma shall not reimburse any offeror for any such costs.

A.11. Firm Fixed Price

Unless the solicitation specifies otherwise, an offeror shall submit a firm, fixed price for the term of the contract.



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A.12. Pricing Requirements

If offeror pricing does not meet requirements of a solicitation, the offer may be considered non-responsive.

A.13. Manufacturers Name and Approved Equivalent

Unless otherwise specified in the solicitation, manufacturers' names, brand names, information, and/or catalog numbers listed in a specification are for information and not intended to limit competition. Offeror may offer any brand for which they are an authorized representative, which meets or exceeds the specification for any item(s). However, if offers are based on equivalent products, indicate on the offer form the manufacturer's name and number. Offeror shall submit sketches, descriptive literature, and/or complete specifications with their offer. Reference to literature submitted with a previous offer shall not satisfy this provision. The offeror shall also explain in detail the reason(s) why the proposed equivalent will meet the specifications and not be considered an exception thereto. Offers that do not comply with these requirements are subject to rejection.

A.14. Rejection of Offer

The State reserves the right to reject any offers that do not comply with the requirements and specifications of the solicitation. An offer may be rejected when the offeror imposes terms or conditions that would modify requirements of the solicitation or limit the offeror's liability to the State. Other possible reasons for rejection of offers are listed in OAC 580:15-4-11

Attempts to impose unacceptable conditions on the State, or impose alternative terms not in the best interest of the State shall not be tolerated. Continued attempts to impose unacceptable conditions or terms on the State shall result in a determination of your non-responsiveness of your offer due to the lack of compliance with the terms and conditions of negotiation or the solicitation.

A.15. Award of Contract

- A.15.1. The State may award the contract to more than one offeror by awarding the contract(s) by item or groups of items, or may award the contract on an ALL OR NONE basis, whichever is deemed by the State to be in the best interest of the State of Oklahoma.
- A.15.2. Contract awards shall be made to the lowest and best offer(s) unless the solicitation specifies that best value criteria is being used.
- A.15.3. In order to receive an award or payments from the State of Oklahoma, vendor must be registered. The vendor registration process can be completed electronically through the DCS website at the following link:
<https://www.ok.gov/dcs/vendors/index.php>.
- A.15.4. It is the preference of the State to award to a single vendor. However, the State reserves the right to award to multiple vendors when it has been determined to be in the best interest of the State.

A.16. Contract Modification

- A.16.1. The contract issued as a result of this solicitation is under the authority of the State personnel signing the Contract. The contract may be modified only through a written Contract Modification, signed by the State.
- A.16.2. Any change to the contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by a person who is not specifically authorized by the Office of State Finance in writing, or made unilaterally by the contractor, is a breach of the contract. Unless otherwise specified by applicable law or rules, such changes, including unauthorized written Contract Modifications, shall be void and without effect, and the contractor shall not be entitled to any claim under a contract based on those changes. No oral statement of any person shall modify or otherwise affect the terms, conditions, or specifications stated in the resultant contract.

A.17. Delivery, Inspection and Acceptance

- A.17.1. Unless otherwise specified in the solicitation or awarding documents, all deliveries shall be F.O.B. Destination. The contractor shall prepay all packaging, handling, shipping and delivery charges and firm prices quoted in the offer shall include all such charges. All products and/or services to be delivered pursuant to the contract shall be subject to final inspection and acceptance by the State at destination. "Destination" shall mean delivered to the receiving dock or other point specified in the purchase order. The State assumes no responsibility for goods until accepted by the State at the receiving point in good condition. Title and risk of loss or damage to all items shall be the responsibility of the contractor until accepted by the receiving agency. The contractor shall be responsible for filing, processing, and collecting any and all damage claims accruing prior to acceptance.
- A.17.2. Contractor(s) shall be required to deliver products and services as offered on or before the required date. Deviations, substitutions, or changes in products and services shall not be made unless expressly authorized in writing by the State.



A.18. Invoicing and Payment

- A.18.1. Contractor shall be paid upon submission of an accurate and proper invoice(s), as defined by Title 62 O.S. §34.73, to the agency, at the prices stipulated on the contract. Failure to provide accurate invoices may result in delay of processing invoices for payment. Pursuant to 74 O.S. §85.44B, invoices shall be paid in arrears after products have been delivered or services provided. Invoices shall contain the purchase order number, a description of the services provided, and the dates of those services.
- A.18.2. Interest on late payments made by the State of Oklahoma is governed by Title 62 O.S. §34.71 and 62 O.S. §34.72.

A.19. Tax Exemption

State agency acquisitions are exempt from sales taxes and federal excise taxes. Offerors shall not include these taxes in price quotes.

A.20. Audit and Records Clause

- A.20.1. As used in this clause, "records" includes books, documents, accounting procedures and practices, and other data, regardless of type and regardless of whether such items are in written form, in the form of computer data, or in any other form. In accepting any contract with the State, the successful contractor(s) agree any pertinent State or Federal agency shall have the right to examine and audit all records relevant to execution and performance of the contract.
- A.20.2. The contractor(s) is required to retain records relative to the contract for the duration of the contract and for a period of seven (7) years following completion and/or termination of the contract. If an audit, litigation, or other action involving such records is started before the end of the seven-year period, the records are required to be maintained for two (2) years from the date that all issues arising out of the action are resolved, or until the end of the seven (7) year retention period, whichever is later.

A.21. Non-Appropriation Clause

The terms of any contract and any Purchase Order issued for multiple years under the contract are contingent upon sufficient appropriations being made by the Legislature or other appropriate government entity. Notwithstanding any language to the contrary in the solicitation, purchase order, or any other contract document, the procuring agency may terminate its obligations under the contract if sufficient appropriations are not made by the Legislature or other appropriate governing entity to pay amounts due for multiple year agreements. The Requesting (procuring) Agency's decisions as to whether sufficient appropriations are available shall be accepted by the contractor and shall be final and binding.

A.22. Choice of Law

Any claims, disputes, or litigation relating to the solicitation, or the execution, interpretation, performance, or enforcement of the contract shall be governed by the laws of the State of Oklahoma.

A.23. Choice of Venue

Venue for any action, claim, dispute, or litigation relating in any way to the contract shall be in Oklahoma County, Oklahoma.

A.24. Termination for Cause

- A.24.1. The contractor may terminate the contract for default or other just cause with both a 30-day written request and upon written approval from the State. The State may terminate the contract for default or any other just cause upon a 30-day written notification to the contractor.
- A.24.2. The State may terminate the contract immediately, without a 30-day written notice to the contractor, when violations are found, when conditions preclude the 30-day notice, or when the State determines that, an administrative error occurred prior to contract performance.
- A.24.3. If the contract is terminated, the State shall be liable only for payment for products and/or services delivered and accepted.

A.25. Termination for Convenience

- A.25.1. The State may terminate the contract, in whole or in part, for convenience if the State Purchasing Director or the State CIO determines that termination is in the State's best interest. The State shall terminate the contract by delivering to the contractor a Notice of Termination for Convenience specifying the terms and **effective date of** contract termination. The contract termination date shall be a minimum of 60 days from the date the Notice of Termination for Convenience is issued by the State.
- A.25.2. If the contract is terminated, the State shall be liable only for products and/or services delivered and accepted, and for costs and expenses (exclusive of profit) reasonably incurred prior to the date upon which the Notice of Termination for Convenience was received by the contractor.
- A.25.3. If the contract is terminated, the State shall be liable only for payment for products and/or services delivered and accepted



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A.26. Insurance

The contractor shall maintain and provide proof to the State of the following insurance during the term of this agreement:

Worker's Compensation and Employer's Liability Insurance in accordance with applicable law.

Commercial General Liability Insurance on a per occurrence basis with limits of liability not less than \$1,000,000 per occurrence and aggregate combined single limit, Personal Injury, Bodily Injury and Property Damage.

Automobile Liability Insurance with limits of liability of not less than \$1,000,000 per occurrence combined single limit including Bodily Injury and Property Damage. Coverage shall include all owned vehicles, all non-owned vehicles, and all hired vehicles.

Professional Errors and Omissions Insurance shall include Consultant's Computer Errors and Omissions Coverage with limits not less than \$1,000,000 per claim and in the aggregate.

A.27. Employment Relationship

The contract does not create an employment relationship. Individuals performing services required by this solicitation or a resulting contract are not employees of the State of Oklahoma or the procuring agency. The contractor's employees shall not be considered employees of the State of Oklahoma nor of the procuring agency for any purpose, and accordingly shall not be eligible for rights or benefits accruing to State employees.

A.28. Compliance with the Oklahoma Taxpayer And Citizen Protection Act Of 2007

By submitting an offer for services, the offeror certifies that they, and any proposed subcontractors, are in compliance with 25 O.S. §1313 and participate in the Status Verification System. The Status Verification System is defined in 25 O.S. §1312 and includes but is not limited to the free Employment Verification Program (E-Verify) available at www.dhs.gov/E-Verify.

A.29. Compliance with Applicable Laws

The products and services supplied under the contract shall comply with all applicable Federal, State, and local laws and the contractor shall maintain all applicable licenses and permit requirements.

A.30. Gratuities

The right of the contractor to perform under this contract may be terminated, by written notice, if the Contracting Officer determines that the contractor, or its agent or another representative offered or gave a gratuity (e.g., an entertainment or gift) to any State employee directly involved in this solicitation. Furthermore, a contractor convicted of such violation may also be suspended or debarred.

A.31. Preclusion from Resulting Contracts

Any contractor that has provided any consulting services or technical assistance that resulted in any specifications or concepts in this solicitation, either directly or indirectly, is precluded from the award of such contract and from securing a sub-contractor that has provided such services.

A.32. Mutual Responsibilities

The State and contractor agree that under this Agreement:

- A.32.1. Neither party grants the other the right to use any trademarks, trade names, or other designations in any promotion or publication without express written consent by the other party.
- A.32.2. This is a non-exclusive agreement and each party is free to enter into similar agreements with others.
- A.32.3. Each party grants the other only the licenses and rights specified. No other licenses or rights (including licenses or rights under patents) are granted.
- A.32.4. Where approval, acceptance, consent, or similar action by either party is required under this agreement, such action shall not be unreasonably delayed or withheld.

A.33. Background Checks and Verifications

At the sole discretion of the State, the contractor may be subject to user background checks. The contractor must submit the required background check information to the State in a timely manner. The State may not allow any access prior to completion of background verification.

A.34. Confidentiality

- A.34.1. Pursuant to Title 62 O. S. §34.12.(C). "The Office of State Finance and all agencies of the executive branch of the State shall not be required to disclose, directly or indirectly, any information of a State agency which is declared to be confidential or



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privileged by State or Federal statute or the disclosure of which is restricted by agreement with the United States or one of its agencies, nor disclose information technology system details that may permit the access to confidential information or any information affecting personal security, personal identity, or physical security of State assets.”

If required for the performance of this contract, the above information may be given to the contractor after the contract is awarded in accordance with the requirements of this section.

The contractor shall maintain strict physical security of all data and records entrusted to it. If certain functions are sub-contracted in accordance with the terms expressed herein, the contractor shall insure that the sub-contractor maintains strict physical security of all data and records transmitted to the sub-contractor.

The contractor shall never turn data or records over to a third party unless specifically authorized to do so by the State's CIO, the State Agency Director, or in compliance with a valid court order.

A.35. Unauthorized Obligations

At no time during the performance of this contract shall the contractor have the authority to obligate the State or the agency for payment of any goods or services over and above the awarded contract. If the need arises for goods or services over and above the contract for this project, contractor shall cease the project and contact agency for approval prior to proceeding.

A.36. Electronic and Information Technology Accessibility

Pursuant to Title 74, Section 85.7d. and OAC 580:15-6-21 electronic and information technology procurements, solicitations, agreements, and contracts shall comply with applicable Oklahoma Information Technology Accessibility Standards issued by the Oklahoma Office of State Finance

EIT Standards may be found at www.ok.gov/DCS/Central_Purchasing/index.html or http://www.ok.gov/OSF/documents/isd_itas.doc

1) For Information Technology or Communications Products, Systems and Applications not requiring development and/or customization. The contractor shall provide a description of conformance with the applicable Oklahoma Information Technology Accessibility Standards for the proposed product, system, or application by means of either a Voluntary Product Accessibility Template (VPAT) or other comparable document, upon request.

The contractor shall indemnify and hold harmless the State of Oklahoma and any Oklahoma Government entity purchasing the products, systems, or applications not requiring development and/or customized by the contractor from any claim arising out of the contractor's failure to comply with applicable Oklahoma Information Technology Accessibility Standards subsequent to providing certification of compliance to such Standards.

2) For Information Technology or Communications Products, Systems or Applications requiring development and/or customization. The contractor shall provide a description of conformance with the applicable Oklahoma Information Technology Accessibility Standards for the proposed product, system, or application developed and/or customized by means of either a Voluntary Product Accessibility Template (VPAT) or other comparable document, upon request. Additional requirements and documentation may be required and compliance shall be necessary on the contractor's part. Such requirements shall be stated in documents such as State Bids, Request for Proposals, Contracts, Agreements, Purchase Orders, and Amendments.

The contractor shall indemnify and hold harmless the State of Oklahoma and any Oklahoma Government entity purchasing the products, systems, or applications from the contractor, from any claim arising out of the contractor's failure to comply with applicable Oklahoma Information Technology Accessibility Standards subsequent to providing certification of compliance to such Standards. However, the contractor shall no longer have an obligation to indemnify the State for liability resulting from products, systems or applications developed and/or customized that are not in compliance with applicable Oklahoma Information Technology Accessibility Standards ("Standards") after the State has tested and confirmed that the product, system or application meets the accessibility requirements in the Standards.

A.37. Patents and Copyrights

If in the performance of this contract, contractor uses any Product covered by a third party's patent or copyright, it is mutually agreed and understood without exception that the contractor's contract prices shall include all royalties or costs charged by the third party arising from the use of such patent or copyright. If such royalties or costs are not covered in the contractor contract price, contractor's obligations are as outlined immediately below.

A.37.1. If a third party claims that a product the contractor provides to an Procuring Agency infringes that party's patent or copyright, the contractor shall defend the State against that claim at contractor's expense and pay all costs, damages, and attorney's fees that a court finally awards, provided the State: (i) promptly notifies the contractor in writing of the claim; and (ii) to the extent authorized by the Attorney General of the State Oklahoma, allows the contractor to control, and cooperates with the contractor in, the defense and any related settlement negotiations; provided however, that if the Attorney General of the State of Oklahoma does not authorize the contractor to have sole control of the defense and any related settlement negotiations, then to the extent allowed by Oklahoma law, contractor shall have no obligation to indemnify the State of Oklahoma under this Section.



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If such a claim is made or appears likely to be made, the State agrees to permit contractor to enable the State to continue to use the Product, or to modify it, or replace it with one that is at least functionally equivalent. If the contractor determines that none of these alternatives is reasonably available, the State agrees to return the product to the contractor upon written request. Contractor shall then give the State a refund equal to the net book value for the product, provided the State has followed applicable accounting principles. Net book value is the original cost of the product amortized over three (3) years using the straight-line accounting method of depreciation.

A.37.2. Contractor has no obligation regarding any claim based on any of the following: (i) anything the State provides which is incorporated into a product; (ii) modification of a product by any party other than contractor, contractor's representative or contractor's sub-contractor, or any State employee acting at the contractor's direction, or a program's use in other than its Specified Operating Environment; (iii) the combination, operation, or use of a product with other products not provided by contractor as a system, or the combination, operation or use of a product with any product, data, or apparatus that contractor did not provide; or (iv) infringement by a non-contractor product alone, as opposed to its combination with products contractor provides to the State as a system.

A.38. Federal Terms and Conditions

The following terms apply if federal monies are used to fund this solicitation:

Equal Opportunity and Discrimination

The contractor certifies they are an Equal Opportunity Employer, a provider of services and/or assistance, and is in compliance with the 1964 Civil Rights Act, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, as amended and Executive Orders 11246 and 11375. The provider assures compliance with the Americans with Disabilities Act of 1990 (Public Law 101-336), all amendments to, and all requirements imposed by the regulations issued pursuant to this act.

Lobbying

The contractor certifies compliance with the Anti-Lobbying law, Section 1352, Title 31 of the U.S. Code, and implemented at 45 CFR Part 93, for persons entering into a grant or cooperative agreement over \$100,000.00 as defined at 45 CFR 93, Section 93.105 and 93.110.

Drug-Free Workplace

The contractor certifies compliance in providing or continuing to provide a drug-free workplace in accordance with the Drug-Free Workplace Act of 1988, and implemented at 45 CFR part 76, Subpart F, for grantees, as defined at 45 CFR Part 76, Sections 76.605 and 76.610.

Environmental Protection

If the payments pursuant to the contract are expected to exceed \$100,000.00, then the contractor must comply with all applicable Federal Laws such as Section 306 of the Clean Air Act (42 U.S.C. 1857 (L)), Section 508 of the Clean Water Act (33 U.S.C. 1638), Executive Order 11738, and Environmental Protection Agency Regulations (40 C.F.R Part 15), which prohibit the use under nonexempt Federal contract, grant or loans of facilities included on the EPA List of Violating Facilities.

A.39. Assignment

Contractor's obligations under this contract may not be assigned or transferred to any other person, firm, or corporation without the prior written consent of the State.

A.40. Severability

If any provision for this contract shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this contract is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

A.41. Failure to Enforce

Failure by the State of Oklahoma at any time to enforce the provisions of the contract shall not be construed as a waiver of any such provisions. Such failure to enforce shall not affect the validity of the contract or any part thereof or the right of the State of Oklahoma to enforce any provisions at any time in accordance with its terms.

A.42. Licensed Software

Under no circumstances shall the contractor be required to install or maintain software packages that it has reason to believe are not properly licensed.

All software/software licensing previously installed by the agency remains the responsibility of the agency. Software used by the contractor in performance of this contract is the responsibility of the contractor.



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A.43. Contract

The contract shall be for indefinite delivery and indefinite quantity for the products/services awarded.

A.44. Conflict of Interest

Contractor must disclose any contractual relationship or any other relevant contact with any State personnel, or other State contractors involved in the development of this solicitation that result in a contract. Any conflict of interest shall, at the sole discretion of State, be grounds for termination of project involvement; provided that such termination must be made within a reasonable time after disclosure of such relationships or contacts.

In addition to any requirements of law or through a professional code of ethics or conduct, the contractor and the contractor's employees performing services for the State are required to disclose any outside activities or interest that conflict or may conflict with the best interests of the State. Further, such employees shall not plan, prepare, or engage in any activity that conflicts or may conflict with the best interests of the State of Oklahoma during the period of this agreement without prior written approval of the State. Prompt disclosure is required under this paragraph if the activity or interest is related, directly or indirectly, to any person or entity currently under contract with or seeking to do business with the State, its employees, other third-party individuals, or entities holding contracts with the State.

A.45. Limitation of Liability

To the extent any limitation of liability is construed by a court of competent jurisdiction to be a limitation of liability in violation of Oklahoma law, such limitation of liability shall be void.

A.46. Media Ownership (Disk Drive and/or Memory Chip Ownership)

- A.46.1. In conjunction with the Oklahoma Computer Equipment Recovery Act and the Office of State Finance's Information Security, Policies, Procedures, and Guidelines – Media Sanitization Procedures for the Destruction or Disposal of all Electronic Storage Media: disk drives and memory cards purchased with or for use in leased equipment under this contract remain the property of the State of Oklahoma.
- A.46.2. Disk drives and memory cards purchased with or included in leased or purchased equipment under this contract shall remain the property of the State of Oklahoma; therefore, 'Keep Your Hard Drive' costs must be included in the offeror's proposed cost.
- A.46.3. Personal Identification Information may be retained within electronic media devices and components; therefore, the State shall not allow the release of electronic media either between State Agencies or for the resale of refurbished equipment that has been in use by State entities, by the contractor to the general public or other entities. Electronic Media Retention by the State entities for equipment whether purchased or leased shall also be applied to replacement devices and components the selected offeror's may supply during the downtime (repair) of equipment purchased or leased through this contract. If a device has to be removed from a location for repairs, there shall be sufficient safeguards in place (such as a record of hard drive serial numbers) to protect the Personal Identification Information that may be stored within the hard drive/memory of the device.
- A.46.4. The State of Oklahoma IT Security Policies may be found at:
- A.46.5. <http://www.ok.gov/OSF/documents/InfoSecPPG.pdf>

A.47. Offshore Services

No offshore services are provided pursuant to this contract.

A.48. Failure to Provide

The contractor's repeated failure to provide defined services, without reasonable basis as determined by the sole discretion of the State of Oklahoma's chief Information Officer, shall constitute a material breach of the contractor's obligations, which may result in cancellation of the contract.

A.49. Agency Policies

The contractor's employees and/or sub-contractors must adhere to the agency policies pertaining to acceptable use of Internet and electronic mail, facility and data security, press releases, and public relations. It is up to the contractor to review and relay agency policies covering the above to the consulting staff.

A.50. Compliance with Technology Policies

The contractor agrees to adhere to the State of Oklahoma "Information Security Policy, Procedures, and Guidelines" available at:

www.ok.gov/OSF/documents/StateOfOklahomaInfoSecPPG_osf_12012008.pdf



A.51. **Emerging Technologies**

The State of Oklahoma reserves the right to modify the terms of this contract at any time to allow for technologies not identified elsewhere under this document. If there are repeated requests for an "emerging technology" and the State feels it is warranted to add such technologies, the State reserves the right to include such technology hereunder or to issue a formal modification or amendment to the contract.

A.52. **Ownership Rights**

- A.52.1. It is understood and agreed that the Software is being developed by the contractor for the sole and exclusive use of the State of Oklahoma. Moreover, except with regard to any deliverable based on contractor's reusable or pre-existing intellectual property ("Utilities"), the State of Oklahoma shall be deemed the sole and exclusive owner of all right, title, and interest therein, including all copyright and proprietary rights relating thereto.
- A.52.2. Except for any utilities, all work performed by the contractor of software and any supporting documentation therefore shall be considered as Works for Hire (as such are defined under the U.S. Copyright Laws) and, as such, shall be opened by and for the benefit of State of Oklahoma.

A.53. **Right of Use**

- A.53.1. The State has the right to use or not use the software, not including any utilities, and to use, reproduce, re-use, alter, modify, edit, or change the software as it sees fit and for any purpose. However, contractor shall bear no liability for any changes the State makes to such software.
- A.53.2. In the event that it should be determined that any of such software or supporting documentation does not qualify as a "Work Made for Hire", contractor irrevocably grants to the State an non-exclusive, irrevocable license to use such portion. With respect to any Utilities, the State shall have the right to perpetual, internal use of the Utilities included in the deliverable.
- A.53.3. Contractor shall assist the State and its Agents, upon request, in preparing U.S. and foreign copyright, trademark, and/or patent applications covering Software. Contractor shall sign any such applications, upon request, and deliver them to the State. The State of Oklahoma shall bear all expenses **that it causes to be incurred in connection with such copyright, trademark, and/or patent protection.**

A.54. **Source Code Escrow Reference Title 62 O.S. 34.31**

- No State agency, as defined by Section 250.3 of Title 75 of the Oklahoma Statutes, nor the Purchasing Division of the Department of Central Services, unless otherwise provided by Federal law, shall enter into a contract for the acquisition of customized computer software developed or modified exclusively for the agency or the State, unless the contractor agrees to place into escrow with an independent third party the source code for the software and/or modifications.
- A.54.1. The contractor must agree to place the source code for the software and any upgrades supplied to an agency in escrow with a third party acceptable to the agency and to enter into a customary source code escrow agreement which includes a provision that entitles the agency to receive everything held in escrow upon the occurrence of any of the following:
- a) A bona fide material default of the obligations of the contractor under the agreement with the agency;
 - b) An assignment by the contractor for the benefit of its creditors;
 - c) A failure by the contractor to pay, or an admission by the contractor of its inability to pay, its debts as they mature;
 - d) The filing of a petition in bankruptcy by or against the contractor when such petition is not dismissed within sixty (60) days of the filing date;
 - e) The appointment of a receiver, liquidator or trustee appointed for any substantial part of the contractor's property;
 - f) The inability or unwillingness of the contractor to provide the maintenance and support services in accordance with the agreement with the agency; or
 - g) The ceasing of a contractor of maintenance and support of the software.

The fees of any third-party escrow agent subject to this section shall be borne by the contractor.

A.54.2. As used in this section:

- a) "State agency" shall include all State agencies, whether subject to the Central Purchasing Act or not, except the Oklahoma Lottery Commission; and
- b) "Source code" means the programming instruction for a computer program in its original form, created by a programmer with a text editor or a visual programming tool and saved in a file.



A.55. Right to Renegotiate

Prior to exercising the State's right to cancel a contract, the State may renegotiate an existing contract with a contractor for the purpose of obtaining more favorable terms for the State, provided that the term of the contract is not modified.

A.56. Publicity

The award of this contract to contractor is not in any way an endorsement of contractor or contractor's services by the State and shall not be so construed by contractor in any advertising or publicity materials. Contractor agrees to submit to the State all advertising, sales promotion, and other publicity matters relating to this contract wherein the State's name is mentioned or language used from which the connection of the State's name therewith may, in the State's judgment, be inferred or implied. Contractor further agrees not to publish or use such advertising, sales promotion, or publicity matter without the prior written consent of the State. Nor shall contractor release any informational pamphlets, notices, press releases, research reports, or similar public notices concerning this project without obtaining the prior written approval of the State.

A.57. Mandatory and Non-Mandatory Terms

A.57.1. Whenever the terms "shall", "must", "will", or "is required" are used in this RFP, the specification being referred to is a mandatory specification of this RFP. Failure to meet any mandatory specification may cause rejection of the Offeror's Proposal.

A.57.2. Whenever the terms "can", "may", or "should" are used in this RFP, the specification being referred to is a desirable item and failure to provide any item so termed shall not be cause for rejection.

A.58. Special Provisions

Special Provisions apply with the same force and effect as these General Provisions. However, conflicts or inconsistencies shall be resolved in favor of the Special Provisions.



B. SPECIAL PROVISIONS

B.1. Glossary of Terms

- B.1.1. "Average Lost Sales" or "Estimated Lost Sales", in reference to liquidated damages (LD's), will be included in the Vendor's proposal for all appropriate items, including items mentioned in this RFP as being subject to LD's. Vendor proposals will be evaluated by OLC and agreed to LD's will be included in any contract resulting from this solicitation.
- B.1.2. "Board" The Board of Trustees of the Oklahoma Lottery Commission, the body which governs the Oklahoma Lottery Commission.
- B.1.3. "Claim Centers" means facilities located throughout the State where players can redeem prizes and/or fill out the appropriate forms to claim a prize.
- B.1.4. "Commission" - the Oklahoma Lottery Commission of the State of Oklahoma charged with carrying out and effectuating the purposes and provisions of the Oklahoma Lottery Act, which was initially approved by a vote of the people.
- B.1.5. "Contractor" – A vendor, offeror, or bidder that has been awarded a contract by the State.
- B.1.6. "Computer Gaming System" means the primary system hardware and software required to support online games sales, prize validations and payments and related accounting, security and management functions.
- B.1.7. "District Offices" - OLC facilities separate from the OLC headquarter location in Oklahoma City.
- B.1.8. "Drawing" -an activity where the winning numbers for a lottery game are selected.
- B.1.9. "Equipment" means personal property a state agency acquires for its use, which is an item or product and shall include all personal property used or consumed by a state agency that is not included within the category of materials and supplies.
- B.1.10. "Hot Back-Up" means the secondary computer gaming system which duplicates the primary system and is capable of performing all functions necessary to support all online games and functionality. The secondary system resides in a separate location than the primary site.
- B.1.11. "Instant Ticket" -a lottery ticket that requires the player to remove a coating to determine if a prize has been won.
- B.1.12. "Lottery", "lotteries", "lottery game", or "lottery games" means an activity conducted by the Commission under the Oklahoma Education Lottery Act through which prizes are awarded or distributed by chance among persons who have paid for a chance or other opportunity to receive a prize, including, but not limited to, instant tickets and on-line games, but excluding charity bingo and games conducted pursuant to the Oklahoma Charity Games Act, poker, blackjack, slot machines, pull tab machines, card games, dice, dominos, roulette wheels, or other similar forms of gambling, or electronic or video forms of these gambling activities, or games where winners are determined by the outcome of a sports contest, or pari-mutuel betting conducted pursuant to the Oklahoma Horse Racing Act.
- B.1.13. "Materials" or "supplies" include all property except real property or equipment that a state agency acquires for its use or consumption.
- B.1.14. "Net proceeds" - all revenue derived from the sale of lottery tickets or shares and all other monies derived from the lottery less operating expenses.
- B.1.15. "OLC" -The Oklahoma Lottery Commission.
- B.1.16. "Prime Vendor" a single vendor that is able to provide a comprehensive solution for online and/or instant ticket operations described in this RFP and retains ultimate responsibility for all design, implementation, operation and maintenance services provided by any subcontractor and any claims or liabilities arising from or related to the subcontractor's performance.
- B.1.17. "Services" or "contractual services" mean direct engagement of the time and effort of a contractor for the primary purpose of performing an identifiable task rather than for the furnishing of an end item of supply.
- B.1.18. "Share" means any intangible evidence issued by the lottery to provide participation in a lottery game.
- B.1.19. "The Act" - Oklahoma Education Lottery Act (The "Act"), Title 3A, & et seq. of the Oklahoma Statutes.
- B.1.20. "Ticket" means any tangible evidence issued by the lottery to provide participation in a lottery game.



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- B.2.2. If this Solicitation results in a single contract for Online and Instant Ticket services, then "Vendor net instant ticket sales" shall equal the same definition as for "Net instant ticket sales" applied only to instant tickets printed by the single contractor selected pursuant to this RFP. "Other Vendor net instant ticket sales" shall equal the same definition as for "Net instant ticket sales" applied only to tickets printed by another instant ticket contractor.
- B.2.3. If this Solicitation results in separate contracts for Online and Instant Ticket services, then "Vendor net instant ticket sales" shall equal the same definition as for "Net instant ticket sales" applied only to Instant tickets printed by the Instant Ticket contractor selected pursuant to this RFP. "Other Vendor net instant ticket sales" shall equal the same definition as for "Net instant Ticker sales" applied only to tickets printed by another instant ticker contractor.
- B.2.4. "Net online sales" shall equal:
- Online tickets sold during the week.
 - When sales are the result of advance purchases, the amount of advance purchases shall be counted as sales in the weeks when the purchase occurred.
 - Total online sales will be reduced by the number of online promotional tickets issued by the OLC in any given week.
- B.2.5. "Net instant ticket sales" shall equal:
- The total face value of instant tickets activated for sale during the week
 - LESS the total face value of activated tickets returned by retailers during the given week, as well as the total face value of defective tickets or stolen tickets based on numbers reported to OLC during the given week; and
 - LESS the total face value of instant promotional tickets issued by OLC during the given week. Adjustments for active field inventory will be made at the Contract conclusion.

B.2.6. Non-revenue software maintenance

Updates /modifications to the Computer Gaming System (CGS) requested by OLC, as related to changes to functionality for items not related to additions of revenue producing games or other game changes to correct problems in systems / games that are designed to produce revenue. This does not include changes required in order to comply with technology and security requirements established by the Multi-State Lottery Association (MUSL), the cost of which will be included in base operations provided by the Vendor.

B.3. Contract Term, Renewal and Extension

- B.3.1.1. Under Oklahoma law, the State may not contract for a period longer than one (1) year. By mutual consent of the parties hereto, it is intended that there shall be nine (9) options to renew, each for duration of one (1) year.
- B.3.1.2. After the initial term of one year, the Agreement may be renewed annually. Prior to each renewal the State will review the terms and conditions to determine validity with current state statutes and rules. If required prior to renewal, the State will work with the contractor to incorporate any required changes to this agreement.
- B.3.1.3. The State, at its sole option, may choose to exercise an extension for 90 days beyond the final renewal option period, at the contract compensation rate for the extended period. If this option is exercised, the State shall notify the contractor in writing prior to contract end date. The State, at its sole option, may choose to exercise subsequent 90 day extensions, by mutual consent and at the contract compensation rate, to facilitate the finalization of related terms and conditions of a new award or as needed for transition to new contractor.
- B.3.1.4. Notification to exercise the option to renew the contract shall be set forth, in writing, by the State at least 30 days prior to the end of each contract period. The contract shall be contingent upon approval by the State. If a decision is made not to exercise an option period, notice shall be sent at least 30 days prior to the end of the current contract period.

B.4. Contractors and Sub-Contractors Obligations

- B.4.1. The contractor may use sub-contractors in support of this contract; however, the contractor shall remain solely responsible for the performance of this contract.
- B.4.2. All payments for products or services shall be made directly to the contractor. If sub-contractors are to be used, the sub-contractors shall be identified in the Proposal and shall include the nature of the services to be performed. The State reserves the right to approve any and all sub-contractors providing services under this contract.



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- B.4.3. All contractor and sub-contractor changes after award, including changes of the actual employees performing services on this contract, are subject to approval by the State. No payments shall be made to the contractor for services performed pursuant to this contract by unapproved employees of a sub-contractor.
- B.4.4. Contractor's employees or agents, if any, who perform services for the State under this agreement shall also be bound by the provisions of this agreement. At the request of the State, contractor shall provide adequate evidence that such persons are their employees or agents. In accordance with the section on "Employment Relationship", the State shall not be responsible to contractor's employees for any employee benefit or any obligation relating to employment, including health insurance benefits, workers' compensation insurance, paid vacation, or any other employee benefit.
- B.5. Warranties**
- B.5.1. By submitting a response to this Solicitation, Offeror warrants that it currently is, and will at all times remain, lawfully organized and constituted under all federal, state and local laws, ordinances and other authorities of its domicile and that it currently is, and will at all times remain in full compliance with all legal requirements of its domicile and the State of Oklahoma.
- B.5.2. By submitting a response to this SOLICITATION, Offeror warrants and agrees that it will keep all equipment in working condition, and it shall make all reasonable efforts to prevent anything that may materially impair the operations thereof.
- B.5.3. Offeror shall not permit such equipment to be used in violation of any provision of the Contract and any amendments thereto, any statute or any regulation of OLC. Offeror shall not encumber such equipment or otherwise dedicate the use of such equipment in such a way as to compromise the ability of Offeror to perform the services provided in the Contract

C. SOLICITATION SPECIFICATIONS

C.1. Overview

The State of Oklahoma Office of Management and Enterprise Services /ISD Procurement Division on behalf of the State of Oklahoma Lottery Commission (OLC) is currently accepting proposals for a comprehensive solution for online and/or instant ticket operations described in this Solicitation. Offerors may submit proposals for either: Online Lottery Games and Operating System or Instant Game Services or both.

Offerors are encouraged to provide an integrated gaming system that will meet the needs of OLC for the term of the RFP. Offerors should be innovative in developing their Proposals; however, OLC also believes that offerors should be provided with guidelines as to functionality desired by OLC. OLC has provided certain specifications, requirements and functional features which are detailed in this Solicitation. Specification/Requirements for the "Online Lottery Games and Operating System" are contained in Section C.2. The specification/ requirements for instant Games Services can be found in Section C.3.

All Technical responses to this Solicitation should address the issues or subject matter discussed in the various sections of the solicitation.

This solicitation is designed to provide flexibility to allow proposals to be creative, innovative and thorough enough to provide the OLC with the required solutions.

Proposals should be integrated in all aspects of lottery operations. Proposals should address any items that are not specifically mentioned in this RFP but which are integral to the smooth and efficient operation of the proposed services. Those items not specifically requested in this solicitation shall be specifically identified in the appropriate sections of the Proposal. All required supplies and materials necessary for the success of the overall operation of OLC are to be included in the base Proposal price, even though those items may not be specifically requested under this RFP.

If the State awards a contract for instant and online operations to separate entities, Offeror shall cooperate fully and in good faith, and assist to the extent reasonable and practical to accomplish said conversion in a timely and economical fashion and at no additional cost to OLC for such assistance. Offeror may be charged LD for violations of this requirement. A violation of this requirement shall be limited to the activities related to the smooth and timely transition from one Vendor to another Vendor. Offeror will be contacted and given a reasonable timeframe, as defined by the OLC, to correct any violation before Liquidated Damages (LD) will be assessed.

Proposed LD shall be included in Offeror's response to this SOLICITATION

OLC is interested in knowing what service(s) or product(s) offerors will offer, over and above those, which are specifically required in this SOLICITATION. Offeror should explain why such service(s) or product(s) would benefit OLC in achieving its sales and profitability goals. Costs if any should be **listed as optional** services in the pricing section (Section G).

C.2. Online Lottery Games and Operating System Technical Specifications/Requirements

C.2.1. COMPUTER GAMING SYSTEM (CGS),

- C.2.1.1. Offeror must describe and discuss in detail their proposed integrated solution for conversion from the existing Computer Gaming System (CGS), if required, and for the operation of the CGS to be included in the offeror's proposal and related services, including online lottery games.
- C.2.1.2. Offeror must provide all required equipment and software necessary to make functional all primary and back-up data centers, claim centers located throughout the state and the central prize claim operations for both online and instant games. The hardware, software, terminals, game draw personal computers (PCs), monitors and communications equipment must be installed to operate efficiently and dependably and also to allow for future growth and ease of integration with third party applications and/or hardware.
- C.2.1.3. Offeror must certify that the computing equipment, terminals, monitors and PCs meet Underwriters Laboratories or equivalent certification.
- C.2.1.4. Offeror must have the CGS system (including all hardware and software), which has successfully passed the Vendor's systems acceptance test and retested by the OLC (if applicable), operational on or before August 9, 2013. The contractor may be charged Liquidated Damages (LD) if the complete system is not operating within that timeframe. The LD shall be based on estimated lost sales. Proposed LD shall be included in the Offeror's response to this Solicitation. If the contractor has met all of its responsibilities and the system is inoperable because of problems with the data network outside of the contractor's responsibilities, the contractor will not be subject to these LD.
- C.2.1.5. The CGS must accept and transmit transactions during all sales periods. The contractor may be charged LD if the central computer configuration malfunctions, has degraded

performance, or otherwise is unable to accept and transmit transactions during sales periods. LD shall be based on average lost sales. Offeror's proposal will include detailed definitions as to what conditions constitute CGS LD. Offeror shall provide periodic operational reports showing system performance related to calculations of the agreed to LD.

- C.2.1.6. Offeror's proposal must describe key characteristics of CGS that are included in the base pricing such as: control and security features; processing times; validation functions; promotion ticket capabilities; reporting capabilities; and random number generating functions.
- C.2.1.7. The OLC currently has approximately 2,200 full service online retailer terminals in approximately 1,950 separate retail locations. All responses to this RFP must take this into consideration, and Offeror System configuration must support, that load at start-up and throughout the contract. In addition, Vendor's proposal must describe the growth capacity that is included in their baseline proposal.
- C.2.1.8. Once the CGS has been accepted by OLC, Offeror must not modify the software or database of the system without the prior express written approval from the State. Offeror may be charged LD for unauthorized software modifications and for use of unauthorized software in addition to any other LD that may occur as a result. Proposed LD shall be included in Offeror's response to this solicitation. All changes to the CGS must be tracked in accordance with MUSL and OLC requirements.
- C.2.1.9. The location of the primary data center site and the location of the hot back-up site shall be proposed by Offeror and must be approved by the OLC. Offeror will be responsible for all of the gaming system related costs of developing, starting, maintaining, upgrading and operating the data center and claim centers. The OLC will require Offeror to maintain and provide staffing for the primary and secondary central gaming system sites twenty-four hours a day, seven days a week. The primary and hot backup gaming systems must have a time-synchronizing mechanism to ensure that both locations are processing 100% of the transaction data.
- C.2.1.10. In the event that the CGS at the primary site becomes inoperable due to a disaster, Offeror shall be required to switch system operations to the hot back-up facility within fifteen minutes of the primary system becoming inoperable. Offeror may be charged LD, if after fifteen minutes, system operations have not been switched to the hot back-up facility. Offeror must have the primary site fully operational within 90 days of a disaster. Offeror may be charged LD for every day that the primary site is not operational after the 90 days. Proposed LD shall be included in Offeror's response to this SOLICITATION
- C.2.1.11. Fail-safe operation is required at both the primary and hot backup sites. Fault tolerant hardware and software at each site will satisfy this requirement. The goals of this requirement are to minimize service interruptions, to prevent loss or corruption of data resulting from hardware or software failure and to prevent loss of processing capability resulting from component failure. The system must permit timely switching to a backup processor or site within 10 minutes maximum and must permit sales and all other gaming transactions for a minimum of twenty (20) hours per day, seven (7) days per week. The System must record all transactions processed and that information must be available to the OLC.

C.2.2. RETAILER OPERATED TERMINALS

- C.2.2.1. Offeror must ensure retailer operated terminals are installed and functional no later than August 8, 2013. Each Proposal must describe Offeror's plan to accomplish this. Offeror may be charged LD if the retailer terminals are not installed and functional within the specified time frame. LD will be based on average lost sales. Proposed LD shall be included in Offeror's response to this Solicitation.
- C.2.2.2. The terminal models proposed shall be of a size and appearance that will ensure retailer acceptance. The terminals, including random number generating functions, must be certified by an approved independent testing laboratory.
- C.2.2.3. Offeror's proposal must describe terminal functionality for terminals proposed in the offeror's response, including but not limited to: open system architecture standards utilized; industry standard communication protocols utilized; interactive touch screens; validation and cancellation of online tickets; all instant ticket receipt, activation, settlement and return sales functions; game selection functions; play types allowed; acceptance of manual wagers and use of play slips; use of display units and audible sound capabilities; cashing functions; repeat, reprint and bulk print functions; easy pick; promotions and promotional tickets; bar code and UPC scan rates and capabilities; retailer level functions; training mode and help functions; advance sales functions; accounting functions; thermal branding; receipt of messages from the OLC; and report printing functions.

C.2.3. REQUIRED SYSTEM INTERFACES

- C.2.3.1. Offeror's proposal must describe how the system will receive and process instant ticket game inventory data from the instant ticket vendor on a daily, or more frequent, basis and how Offeror will provide instant pack status data and retailer maintenance data to the instant ticket vendor on, at a minimum, a daily basis.
- C.2.3.2. Offeror's proposal must describe how they expect to accomplish these interface requirements and detail all control and security procedures to ensure data integrity between the two systems.

C.2.4. PRIZE VALIDATION AND PAYMENT

- C.2.4.1. Offeror's Proposal must describe how Offeror will ensure the validation and payment of prizes in accordance with the game rules and regulations and working papers while maintaining a high degree of integrity and security. Offeror's Proposal must describe the prize validation and payment system that will enable OLC designated staff to validate and pay prizes of all values for both online and instant games, including, but not limited to, cash prize payments; functionality related to payment of annuity grand prizes; payment of prizes previously validated but not paid; payment of legitimate prizes from partially stolen or returned packs; payment of multiple prizes to one winner; and payment of prizes with one or more setoffs as required by the Act. These functions will be operated by the OLC's staff at its headquarters (for prizes of all values, including grand prize annuity payments).

The OLC is also allowed by law to have retail locations which can validate prizes up to and including \$5,000 for both online and instant games. Final validation and authorization for payment of prizes greater than \$600 will be performed by OLC staff at its headquarters.

Vendor's proposal should describe the ability of the system to print IRS Form W-2G when prizes are paid. Check printers and maintenance, if other than standard office laser printers or copier/printers, should be included in the Proposal.

- C.2.4.2. The Act provides that attachments, garnishments, or executions authorized and issued pursuant to law shall be withheld if timely served upon the OLC. This subsection shall not apply to payment of prizes by a retailer. Offeror should describe how their system will accomplish this requirement.
- C.2.4.3. Proposal should describe the online terminal system, including all proposed hardware and software necessary to process and validate online and instant ticket sales. This system must be fully installed and operational on or before August 9, 2013. Failure to have the system in place and working in conjunction with the instant ticket Vendor's requirements by this date may result in LD until such delay is corrected. LD will be based on average lost sales. Proposed LD shall be included in Offeror's response to this Solicitation.
- C.2.4.4. Offeror must ensure that tickets input for validation, of all types, are legitimate prior to payment and that once validated and paid, they are paid only once. The Proposal should describe the various control processes that are available in the System regarding validation and the payment of prizes (such as a two-step process whereby one person first validates the prize and a second person pays/prints the prize check; and the option that OLC staff may perform both steps).
- C.2.4.5. Offeror should describe in detail how the proposed System will ensure the processing of valid prize payments. At a minimum, the System should be able to:
 - a) allow same day validation of prizes for online games with draws occurring more often than once a day or occurring earlier in the day prior to system shutdown;
 - b) allow dual entry of winning draw information between Offeror and the OLC, and Internal Control System ("ICS") winner verification, prior to setting any online draw to a "pay" status;
 - c) allow for varying claim periods based on the individual online or instant game as required in the Act;
 - d) verify the validity of a ticket prior to validation; ensure that a ticket has not been previously paid or cancelled, does not fall within a blocked range (if an instant ticket),

that it is presented within the required claim period and includes all required validation codes; and

- e) process all online and instant ticket validations in real-time with no batching of transactions.

C.2.5. ADDITION AND MODIFICATION OF GAMES

- C.2.5.1. Offeror's Proposal must describe appropriate timeframes for development of specifications followed by Vendor and OLC testing and Vendor installation of new games or changes to existing games and system functionality.
- C.2.5.2. Offeror must install additional games and enhancements to existing games if ordered by the OLC. Offeror may be charged LD if a new game or an enhancement to an existing game is not installed or after installation if the new game or existing game enhancement is not working in conformance with signed specifications within the required time frame. The LD shall be based on estimated average lost sales, as determined by OLC, for each day or portion thereof that the game is not operational after the agreed-to date of operation. Proposed LD shall be included in Offeror's response to this Solicitation.

C.2.6. GAMING SYSTEM COMMUNICATIONS NETWORK

- C.2.6.1. Offeror will provide a functional communications network that will comply with MUSL requirements, and will meet the needs of the system and accommodate the anticipated growth in the retailer network. The network must be designed to meet the needs of the online terminals and to connect all network devices to the primary data center as well as the hot backup site and the ICS and must support data communications to retailer locations, all OLC offices, terminals used for OLC events, and the instant ticket packaging warehouse.
- C.2.6.2. Offer must describe a functional communications network that will comply with MUSL requirements, and will meet the needs of the system and accommodate the anticipated growth in the retailer network.
- C.2.6.3. Offeror's proposal should describe how they will implement, monitor and operate all elements of a communications network that best meets the overall objectives of this SOLICITATION. Offeror should be creative in network design in order to allow for flexibility, growth, and throughput and cost effectiveness. Proposal should describe the network, appropriate security measures and its cost benefits to the OLC in clear detail. The successful Supplier will be responsible for all installation and operating costs.

C.2.7. RETAILER APPLICATION AND CONTRACT TRACKING SYSTEM

- C.2.7.1. Offeror's proposal should describe how the system will track and monitor incoming retailer application and describe the related functionality.

C.2.8. RETAILER MASTER FILE

- C.2.8.1. Offeror's Proposal must include a retailer master file as a part of its System, and describe the functionality and maintenance of this file.

C.2.9. IRS TAX REPORTING SYSTEM

- C.2.9.1. Offeror's Proposal should describe how they will provide to the OLC the data files necessary to meet annual IRS tax reporting and remittance requirements required of the OLC.

C.2.10. RETAILER ACCOUNTING AND BILLING SYSTEM

- C.2.10.1. Offeror must provide a retailer accounting and billing system for online and instant ticket activities. The Proposal should describe how the proposed software will accomplish retailer accounting; detailed billing; reporting; pack status detail; OLC staff ability to inquire about various components using multiple criteria for individual retailers and for corporate accounts; OLC staff ability to enter adjustments to retailer accounts; production of weekly and ad hoc Electronic Funds Transfer (EFT) files and its ability to interact with other system modules. Describe the basic operator requirements to accomplish each, including example screens and menus, if applicable.

C.2.11. INTERNAL CONTROL SYSTEMS (ICS)

- C.2.11.1. Offeror must provide an internal control system (ICS) which will, at a minimum, be duplexed or redundant; both to be housed at separate locations as determined by the OLC. The ICS will comply with security requirements identified by OLC and as required by the Multi-State Lottery Association (MUSL); will utilize the detailed transactions from Offeror's log file to provide system control totals by game on a daily and draw basis; and will provide OLC with Offeror's log file, ability to take possession

of draw day data through the ICS, or other required file via a direct communication link which must provide, at a minimum, draw balancing for all online games daily, specifically balancing with the online Computer Gaming System on request. The Proposal should describe Offeror's plan to accomplish this.

C.2.12. INSTANT GAME FILE MAINTENANCE

C.2.12.1. Offeror's Proposal must describe their instant game file maintenance and how it will load instant game related files to the System. These files must include at a minimum, game start/end parameters, prize validation information, pack information and periodic file updates to be received no less frequently than daily from the instant ticket vendor. The System must be able to provide pack status history information.

C.2.13. MANAGEMENT REPORTS

C.2.13.1. The OLC is seeking ways to utilize data on the System for purposes of enhanced management reporting capabilities. Vendor's Proposal should describe proposed System reporting tools and capabilities and address hardware and reporting functionality. Vendors should describe how their reports can improve management control.

C.2.14. LOTTERY GAME MANAGEMENT AND BACK OFFICE SOFTWARE

Offeror's Proposal should describe their lottery management terminals and how they will do the following:

C.2.14.1. Provide management terminal-level access to OLC staff as needed to perform gaming- related and back office management related activities using software that is compatible with Lottery hardware and operating systems and providing for printing capability from all Lottery management terminals.

C.2.14.2. Vendor's Proposal should describe the game management features which should include, at a minimum, the following:

- a) Entry and confirmation of winning numbers;
- b) Online capability to select, sort, view and list a detailed transaction listing;
- c) Selectively enable or disable any or all retailer terminals' capability to sell, cancel, validate or cash tickets; and
- d) Selectively broadcast messages from the central system.

C.2.14.3. Vendor's Proposal should describe the back office management features which should include, at a minimum, the following:

- a) Retailer application tracking and contracting;
- b) Retailer master file maintenance;
- c) Retailer accounting, including adjustments; and
- d) Instant game management, including game start/end, pack status changes, inventory accounting and ticket validation activities.

C.2.15. ONLINE SYSTEM SOFTWARE DEVELOPMENT AND SUPPORT

C.2.15.1. Offeror must maintain and modify the System software once it becomes operational and develop future software at the request of the OLC. The cost for this support must be included in the base price.

C.2.15.2. Vendor's Proposal should describe any limitations for annual non-revenue software maintenance updates to accommodate changes requested by the OLC. Proposed costs of exceeding the limits must be included in the cost proposal.

C.2.15.3. Vendor's Proposal should describe its software change management and data security approach to accommodate software changes and updates, and to ensure the quality and data integrity of its software applications, including, at a minimum, its acceptance testing methodology and software change documentation procedures. If the CGS Offeror fails to provide a quality assurance test plan as specified or report on the quality assurance test as specified, Offeror may be charged LD. Proposed LD shall be included in Offeror's response to this SOLICITATION.

C.2.16. TECHNICAL AND OPERATIONAL SUPPORT

C.2.16.1. Vendor's Proposal should describe the technical support included in the Proposal. Such support may take the form of consultation, answering questions, assistance in diagnosing problems and providing

additional hardware or software capabilities as requested by the OLC through the contract term. Offeror should describe its plan for providing this support including staff resources and the staff's physical location.

C.2.17. OPERATIONAL SERVICES

C.2.17.1. Offeror will have certain operating responsibilities; however, OLC will retain overall management of the entire gaming operation. Those functions for which Offeror, at its own cost, will be directly responsible, and which should be discussed in the Section C.2.18 through C.2.31.

C.2.18. RETAILER TRAINING

C.2.18.1. Offeror must provide a comprehensive training program in the use of appropriate retailer terminals as well as training new retailers and retraining existing retailers on both the online and instant products. Describe your training program, including, but not limited to, any appropriate start-up or transition period. At a minimum address the following:

- (a) Length of training;
- (b) Topics to be discussed;
- (c) Method of delivery;
- (d) Procedure for tracking attendance;
- (e) Who will deliver the training (Offeror outside source);
- (f) Provide a sample retailer manual (indicate what other materials might be provided); and;
- (g) Any alternate training Offeror can /may provide (video, DVD, etc.)
- (h) How training will be provided in conjunction with the Instant System offeror if a different vendor
- (i) "Train the Trainer" approach which may be used in corporate accounts.

C.2.19. OLC STAFF TRAINING

C.2.19.1. Offeror will be responsible for training OLC staff in the use of retailer terminals and on management terminals. Describe your training program. At a minimum address the following regarding Retailer terminal operation

- (a) Prize payment;
- (b) Retailer master file maintenance;
- (c) Retailer accounting;
- (d) Management and reporting.
- (e) Prize liability monitoring; and
- (f) Provide a user manual for OLC staff.

C.2.20. MARKETING SUPPORT

C.2.20.1. Offeror should be prepared to play a role in OLC's marketing program. The Proposal should describe Offeror's expertise in this area, describe Vendor's approach to the expanding industry, include Vendor's existing library of games and should describe Offeror's proposed approach to the following functions.

- (a) Marketing support for online games, as well as for conducting research on possible future games and making recommendations for the OLC's approval.
- (b) Development, maintenance and growth of the retailer network and suggesting possible incentive programs for online game products.
- (c) Evaluation of sales data, the development of trend analysis and the implementation of programs in response to that data.

C.2.21. HOTLINE SERVICES

C.2.21.1. Offeror will provide a retailer hotline for purposes of receiving and responding to inquiries and requests from retailers. Describe your approach to this function and address how the hotline services will be staffed and managed to ensure timely, professional and accurate response to all calls. *The OLC will maintain a separate hotline for retailer accounting problem resolution.* The Proposal should also discuss the following features included in the Proposal

- a) Telephone call management equipment capabilities: handling all incoming calls; use toll free circuits; recording and monitoring capabilities; handling of calls when circuits are busy; use of pre-recorded messages and proper queuing of calls; statistical reporting capabilities; training of hotline staff to perform diagnostic tests and determine network communications problems and training of hotline staff to take stolen ticket reports and take appropriate action as directed by OLC procedures.
- b) Hotline equipment should have a display of line and drop status allowing the hotline operator to see if a line is operational, if a drop is polling, if a drop or line is down, and if a retailer is signed on or not signed on.

C.2.22. EQUIPMENT MAINTENANCE AND SUPPLIES

- C.2.22.1. Offeror's Proposal should describe Offeror's procedures for the maintenance and repair of the central system hardware, network, printers, and retailer operated terminals, claims terminals and management terminals. The Proposal should describe anticipated staffing required to provide this support and provide an appropriate schedule for responding to service requests in the Oklahoma City and Tulsa metropolitan areas and in non-metropolitan areas. Vendor's Proposal should describe its proposed plan for the following:
 - (a) The staffing levels, including during the contract start-up or transition phase for the System and online lottery games;
 - (b) The staffing levels for covering the repair functions; and
 - (c) The planned location of staff.
 - (d) The background investigations that will be conducted on staff.
- C.2.22.2. Offeror must repair in a timely manner a retailer terminal that has been reported to Offeror as malfunctioning. Offeror may be charged LD if Offeror fails to repair or replace a retail terminal within the time period agreed upon in any contract resulting from this solicitation. LD will be based on average lost sales. Proposed LD shall be included in Offeror's response to this SOLICITATION. The Proposal should describe the conditions that indicate a terminal is malfunctioning.
- C.2.22.3. Offeror will be responsible for providing all supplies to the OLC and all active retailers including but not limited to, ticket stock, ribbons, play slips, play stations, pens and pencils. The Proposal should describe how this will be accomplished.

C.2.23. CORPORATE ACCOUNTS

- C.2.23.1. A Vendor's Proposal should address how it will interact with OLC's corporate accounts personnel and describe any special procedures that will be available to facilitate corporate account marketing and accounting needs.

C.2.24. RETAILER RECRUITMENT

- C.2.24.1. Offeror will play a key role in retailer recruitment. While the OLC will maintain control over the contracting function, Offeror will be expected to maintain and grow the retailer network including recruitment of minority-owned retailers. The Proposal should describe how this will be accomplished.

C.2.25. TICKET STOCK AND PLAY SLIPS

- C.2.25.1. Offeror will provide the ticket stock and play slips for the online terminals. The ticket stock must be a premium, top coated, high sensitivity, gaming ticket grade. The Proposal should describe the size, readability/accuracy rate, etc. of the play slips proposed and to be provided and how. Offeror will provide adequate quantities of the most current selection of play slips, terminal ribbons or ink cartridges, ticket stock or any other supplies necessary for the operation of the terminals for each game being played.
- C.2.25.2. Offeror may be charged LD if any retailer becomes unable to sell tickets due to Offeror's failure to provide adequate supplies. The LD shall be based on the average lost sales.
- C.2.25.3. The Proposal should describe the conditions that indicate a terminal is malfunctioning.

C.2.26. OPTION FOR TICKET CHECKERS

- C.2.26.1. Vendor's Proposal must include and describe how they will provide, deliver, install and maintain ticket checkers at OLC and retail locations as requested by OLC.

- C.2.26.2. The Proposal should describe the size and capabilities of the device, allowing players to self-validate winning online and instant tickets and propose criteria for suggested retail locations where the ticket checkers should be installed.
- C.2.26.3. The Proposal should include the cost of ticket checkers and maintenance during the term of the contract under the optional pricing proposals.

C.2.27. PLAY STATIONS

OLC estimates it will have approximately 1,200 play stations assigned to various retail locations at the end of the current contract. Vendor's Proposal must describe a plan for providing and maintaining the required play stations as needed by OLC.

- C.2.27.1. Offeror will provide a play station unit at each newly approved online retailer location and a replacement at locations where the play station is worn or damaged, at OLC request.
- C.2.27.2. Each play station shall include storage for materials, an area to display posters, winning numbers and related OLC information, space for play slips, brochures and pencils and space for customers to complete play slips.
- C.2.27.3. Play stations should match the play stations currently in use by the OLC, in look and functionality. Play stations will become the property of OLC but maintenance, repair and replacement will be the responsibility of Offeror.

C.2.28. ELECTRONIC DISPLAYS

- C.2.28.1. Offeror will provide, and the Proposal must describe the electronic displays for terminals which display jackpot or other promotional messages that are included in the Proposal.
- C.2.28.2. The Proposal must describe how Offeror will ensure for delivery and installation of these electronic displays at each approved online retailer location, as needed.

C.2.29. WIRELESS JACKPOT SIGN MAINTENANCE

Offeror will be responsible for timely delivery and installation of retail jackpot signage as provided by OLC. Offeror will be responsible for the maintenance of such signage during the contract. OLC currently has approximately 1,000 jackpot signs, and anticipates acquiring additional signage.

- C.2.29.1. Vendor's system must be able to work with these signs.
- C.2.29.2. The Proposal should describe how Offeror will ensure proper communications with this signage and describe how Offeror will provide timely installation and maintenance of these signs

C.2.30. SECURITY PLAN

- C.2.30.1. Offeror must maintain a security program that protects the integrity of all online game and instant ticket transactions and protects the physical environment that houses the system's software and hardware components. Offeror's proposal must describe in detail its approach to ensure that these security control objectives will be met.
- a) The OLC will require Offeror to have a Statement of Auditing Standards SSAE16 Third Party Controls Review performed by an independent CPA firm at Offeror's expense. Offeror's Proposal should describe how any audit recommendations regarding any of the online Vendor's activities shall be corrected by Offeror and indicate appropriate deadlines for making the changes.
 - b) Offeror will be required to maintain all aspects of gaming systems so that they are in compliance with security standards of the Multi-State Lottery Association (MUSL), unless otherwise grandfathered in by MUSL. Offeror's Proposal should describe how Offeror will comply with this requirement and establish appropriate deadlines to correct any areas that are not in compliance. Cost for this will be included in the base price quote and will not apply to any agreed-to resource cc) limitations regarding system modifications, revisions or amendments.
 - c) The security plan should address, at a minimum, the following:
 - Physical security of all facilities;
 - The security features of the System proposed;
 - Employee security, including background checks of officers, employees and subcontractors;

- d) Game security, including online game security controls and instant ticket validation controls.
- Game security features and controls should include at a minimum:
 - Pool summary data immediately following pool closing.
 - At game cutoff, create a report (printed or electronic) at the management terminals showing time of day, net game pool and total of wagered numbers.
 - Online ability for OLC to select, sort, view and list a detailed transaction listing.
 - The ability to establish and monitor liability limits for fixed payoff games and initiate the cut-off of wagering as required.
 - All records time stamped to the nearest second.
 - Insure that only completed transactions are recorded on the system. Transactions cannot be duplicated.
 - Tickets cannot be duplicated on terminal equipment.
 - Control of access at file and application levels.
 - All commands executed by system operators and any system warning or problem messages must be logged immediately on a numerically sequenced console log file, a copy of which will be provided daily or more frequently as requested by the OLC.
 - Security features and control of ticket stock;
 - Adequate organizational segregation of duties;
 - Restriction of access to gaming system processing functions, files and programs to authorized users only;
 - Physical security restrictions to preclude unauthorized persons from accessing the data center site or operations;
 - Control procedures for software change management and documentation, including updating of service and operational manuals, written procedures and updating of the source code maintained in an escrow account;
 - Data security, including data encryption, transaction logging with time stamp, terminal and central system re-send and ticket printing confirmation;
 - Ensuring that every transaction is written to at least three media before authorization is given to print the ticket, which includes the primary and secondary central systems and the hot backup system at the alternate site;
 - The use of User ID/password for access to authorized software and related programs residing in the terminals and management workstations, and provide an audit trail of sign-on attempts and successes on non-erasable/modifiable magnetic media;
 - Use of validation algorithms for inquiry, validation and reporting on any winning wagers;
 - Serial number encryption for external serial numbers printed on the tickets; and,
 - Establishing network security firewalls to prevent unauthorized access to the gaming or communications network, and prevent viruses from the attacking the system.
 - Other security features as required by the Multi-state Lottery Association (MUSL).

C.2.31. **DISASTER RECOVERY PLAN**

Availability of the Computer Gaming System is of utmost importance to the OLC. Contractors must quickly recover from any condition resulting in loss of System(s) availability or communication to retailers in an expeditious manner.

- C.2.31.1. Offerors must describe in detail their plan to recover from any system(s) and/or communications failures, including the expected responsibilities of the OLC in plan administration.
- C.2.31.2. The plan must include the recommended frequency for testing and the method by which the results will be communicated to the OLC.
- C.2.31.3. The disaster recovery plan is subject to OLC's approval and must be updated annually.

C.2.32. LIQUIDATED DAMAGES (LD)

By submitting a proposal in response to this SOLICITATION, Offerors acknowledge that failure on their part, or any of their subcontractors, to deliver the products and /or services according to the timelines set forth and in the quantity and quality necessary for successful operation of OLC will result in loss or damage to OLC which might be impossible to compute or estimate accurately and thus LD may be assessed to Offeror by OLC, and the Online Gaming Offeror agrees to pay OLC, as and for LD, without proof of actual or specified loss, unless otherwise specified, the amounts agreed to in any contract resulting from this procurement

- C.2.32.1. Offeror's Proposal must include proposed LD where requested throughout this SOLICITATION, and those proposed LD must be summarized at this point in the Proposal.
- C.2.32.2. In all instances of LD, Offeror will remit damages directly to OLC, deduct them from weekly invoices, or at the option of OLC, OLC may withhold amounts otherwise due to Offeror.
- C.2.32.3. Offeror shall agree and understand that all assessments of LD shall be within the discretion of OLC and shall be in addition to, not in lieu of, the rights of OLC to pursue other appropriate remedies.
- C.2.32.4. Payment of LD shall in no event impair the obligation or liability of Offeror's surety to perform according to the terms of its bond and the contract.
- C.2.32.5. Offeror shall understand that the LD described herein shall not be construed as a penalty.
- C.2.32.6. LD for Online Gaming Services Vendors must refer to the appropriate descriptions in the referenced subsections for details.

C.3. INSTANT GAME SERVICES

This SOLICITATION includes two separate sections regarding Technical Specifications: "Online Lottery Games and Operating System" (C.2.) and "Instant Game Services" (C.3.). Offerors may submit Proposals that address either or both of these sections. As noted in the Pricing Section, pricing may be submitted separately for each section and for both sections combined. All items listed in this SOLICITATION are to be provided in the base proposal price unless identified as "optional."

C.3.1. TECHNICAL SPECIFICATIONS

The objective of this SOLICITATION is to encourage an innovative and flexible instant ticket gaming solution. Offerors should be innovative in developing their Proposals; however, OLC also believes that Offerors should be provided with guidelines as to functionality desired by OLC. For this reason, OLC has provided certain specifications, requirements and functional features which are detailed in this SOLICITATION.

Every response to this SOLICITATION should address the issues or subject matter discussed in the various sections of this SOLICITATION. This SOLICITATION is designed to provide flexibility to allow Offeror proposals to be creative, innovative and thorough enough to provide the OLC with the solutions needed. Proposals should be integrated in all aspects of lottery operations and address any items that are not specifically mentioned in this SOLICITATION but which are integral to the smooth and efficient operation of the proposed services should be included in the Proposal. Those items not specifically requested under this SOLICITATION shall be specifically identified in the appropriate sections of the Proposal. All required supplies and materials necessary for the success of the overall operation of OLC are to be included in the base Proposal price, even though those items may not be specifically requested under this Solicitation.

C.3.2. INSTANT GAME SPECIFICATIONS

- C.3.2.1. It is OLC's intent to receive Proposals for the printing of instant game tickets using current "state of the art" production techniques, including the services necessary to design and produce secure, instant tickets throughout the term of the contract. A Vendor's Proposal shall include recommended specifications as to the following:
 - a) "Working Paper" structure;
 - b) Ticket stock construction and durability;
 - c) Ticket size and orientation;
 - d) Perforations;
 - e) Industry tolerances;
 - f) Display/graphics printing;
 - g) Overprint design and rub-off cover;
 - h) Printing design security;
 - i) Barcode technology
 - j) Number of "Voids" needed by the OLC;
 - k) Prize fund management;

- l) Retailer validation codes;
- m) Colors, ink and coating characteristics;
- n) Game data fonts and sizes;
- o) Design and reconstruction of barcode validation number;
- p) Shelf life;
- q) Ticket and package numbering;
- r) Ticket packaging;
- s) Universal product codes;
- t) Security certifications;
- u) Any other pertinent ticket specifications necessary to insure security and marketability;
- v) Security tickets for each game.

C.3.2.2. LIMITATIONS AND EXCEPTIONS

If an Offeror has any limitations in regard to the capability of printing a variety of words, letters, numbers, characters, or unique symbols in various combinations of colors, these must be fully and clearly specified in the Proposal

C.3.2.3. UV COATING

All tickets printed by Offeror must contain full UV coating over the entire front surface of the ticket to provide a glossy finish.

C.3.2.4. INSTANT TICKET DISPENSER INSERTS

Offeror will provide OLC with instant ticket dispenser inserts that are produced locally in relationship to OLC Headquarters, and paid for by Vendor. The number of inserts will be enough to provide an insert for 90% of the packs in each print run unless otherwise agreed in writing.

C.3.2.5. SAMPLE TICKETS

Offeror shall include sample (voided) tickets with their proposal that accurately depict the capabilities of their printing presses including but not limited to colors, rub, registration, coatings, etc. If offeror has multiple presses, samples from each press should be included and clearly labeled with press name or number.

C.3.2.6. QUALITY SPECIFICATIONS

C.3.2.6.1. Offeror's proposal should address the following items: quality specifications in order for OLC to ensure the acquisition of instant game products that are marketable; production of tickets of varying sizes, variances allowable for ticket dimensions established in the Working Papers for each instant game, guarantees that the tickets are tamper-proof by any practical means, quality limitations and/or deviations that adversely affect the security of the tickets.

C.3.2.6.2. Offeror must provide 1 terminal/computer and monitor capable of allowing OLC to perform press checks of the tickets prior to actual printing. Terminal and monitor must be of sufficient capability to allow OLC to determine adherence to ticket specifications, including the use of appropriate colors on the tickets.

C.3.2.7. GAME PLANNING PROCESS

- C.3.2.7.1. Offeror's proposal should describe their ability to accomplish quick turnarounds and flexibility in print schedules and how they will ensure that ticket inventory remains available for ordering or for re-ordering, with no lapses in sales for any game.
- C.3.2.7.2. Offeror's proposal should include a complete description and timeline of the instant ticket planning process for a game, from the development stage to the "available in the warehouse for distribution" stage. This should be provided for a new game launch, as well as a reorder.
- C.3.2.7.3. Offeror's proposal should describe the team that will be available to OLC for such processes, as well as the percentage of time expected to be dedicated to OLC.
- C.3.2.7.4. Offeror's Proposal should include a plan for the introduction of instant tickets during the start-up / transition phase of the contract. The plan must deal with existing ticket stock that is in the field, calculation of sales related thereto and any necessary payments to the current OLC gaming vendor.
- C.3.2.7.5. Offeror's Proposal should describe how they will provide instant tickets in accordance with working papers as signed by the Executive Director, in the expected quantities and in the timeframe specified in the working papers. Offeror may be charged LD for violations of this requirement. Proposed LD shall be included in Offeror's response to this SOLICITATION.

C.3.3. OVERALL SECURITY SPECIFICATIONS

- C.3.3.1. An understanding of the overriding importance of security in all phases of design, materials procurement, production, transportation, storage, distribution, validation and disposition of game tickets is to be made manifest in the procedures, methods, controls and accounting systems of the security plan. It is intended that all sections and paragraphs of this SOLICITATION have implied the essential need for security, though such may not be explicitly stated. Offeror's proposal must make clear and specify the precautions, safeguards, inspections, reporting and other measures that will relate to the entire instant ticket program and its parts.
- C.3.3.2. Offeror will have the capability and integrity required to maintain constant vigilance against any breach of security. Failure to meet or to maintain OLC security will be grounds for exclusion from further consideration, or if a Contract has been awarded, will be grounds for immediate cancellation of the Contract.
- C.3.3.3. A Vendor's Proposal must describe Offeror's overall security plan by which it intends to produce the recommended instant game tickets including:
 - a) Plant security;
 - b) Game ticket construction security;
 - c) Anti-counterfeiting and validation security;
 - d) Redemption security; and
 - e) Game design security.

C.3.4. TICKET SECURITY REQUIREMENTS

Neither winning tickets nor non-winning tickets shall be recognizable by the human eye from any characteristics of the tickets other than by the play symbols concealed by the rub-off material. In particular, and without limitation, the following must be true:

- a) **Physical Features.** The odds of winning any prize of any level on a given ticket must not vary from the approved prize structure by virtue of any characteristics of the tickets including, but not limited to, any variation or irregularity in the front or back display printing, stock, perforations, cuts, exposed pack numbers, exposed ticket numbers, bar code, staples, folds, packaging; color or thickness or texture of rub-off material, overprints, protective coating, and printing registration or non- registration. If the game is produced in more than one production batch, winners shall be recreated for each such batch and shall not bear any identifying characteristics. Vendors shall describe the control of "odds" at all levels and overall, when tickets are printed in more than one production batch for a game.
- b) **Invasive Techniques.** It shall not be possible to ascertain whether a ticket is a winning or non-winning ticket, using a practical or economical technique, unless the application of the technique renders the ticket not saleable to the public or causes the ticket to be easily recognizable as having been tampered with. In particular, it shall not be possible to "see-through" the rub-off spots, or the back of paper card stock tickets, with any practical available device or technique including, without limitation, high-intensity light, infrared light, ultraviolet light, x-rays,

photography, microscopes, optical fibers, heat, freezing, mechanical means, cutting or peeling, electrostatics, chemical means, electrical means, copying machine intrusion techniques, or microsurgery.

- c) Tickets shall not bear any words, symbols, or numbers that in any way would permit a person to identify or locate a winning ticket.

C.3.4.1. Vendors must describe security methods utilized in insuring ticket security from vendors printing facility to the appropriate distribution warehouse.

C.3.5. SECURITY CERTIFICATION

C.3.5.1. Offeror shall submit with its Proposal copies of the most recent and applicable laboratory test reports and other certifications assuring the security of Vendor's instant lottery tickets against practical compromise by reasonably comprehensive technical effort. OLC reserves the right to cancel the Contract at any time if the successful contractor or OLC's tests show any representative sample of production tickets can be practically compromised. Vendors should outline the tests they routinely require. Vendors are required to perform for each game provided under the Contract the routine tests outlined.

C.3.6. PLANT SECURITY

C.3.6.1. The plant(s) and warehouse(s) in which the lottery tickets are to be produced and stored must be equipped with a complete plant security system that is acceptable to OLC. The plant(s) and warehouse(s) may be inspected for security prior to or after Proposal opening if OLC deems such an inspection is necessary. Offeror shall describe how it will protect OLC from financial loss in the event of a disaster at the warehouse that destroys the inventory of tickets.

C.3.7. EMPLOYEE SECURITY

C.3.7.1. Offeror must establish a program to ensure that all those involved in the design, production, distribution or sale of the instant lottery tickets are precluded from ascertaining or being knowledgeable of the location of winning tickets. The Proposal shall outline the procedures that will be implemented to address this requirement.

C.3.8. TICKET TESTING

OLC may arrange for quality, security, and bar code testing of tickets by an independent laboratory selected by OLC at the time of the initial production of tickets by the successful contractor and as deemed necessary by OLC thereafter. OLC will pay for any such tests not provided by Vendor. The purpose of the testing will be to determine if the ticket meets the following three (3) primary quality and security criteria:

- a) *Marketability*- Is construction of the ticket secure enough for the ticket to endure reasonable environmental rigors and still be readily marketable? Vendors should describe their recommended tolerance for ticket construction.
- b) *Compromising*- is construction of the ticket secure enough for the ticket to withstand attempts to determine if the ticket is a winning or a non-winning ticket without removing a readily noticeable amount of the coatings on the play area of the ticket within a reasonable time frame, by methods and materials available to the retailers?
- c) *Alteration*-. Is construction of the ticket secure enough for the ticket to withstand attempts to alter the play data, prize amounts, or bar code and produce a redeemable winning ticket from a non-winning ticket, and/or increase the prize amount on the ticket by methods and materials available to the public?

C.3.8.1. Failure of any ticket to pass any of the tests may be cause for additional testing to:

- a) Determine the repeatability and practicality of the method.
- b) Determine the range of ticket production pools in which the problem is repeated. If ten percent (10%) or more of the pools within a game are rejected, then OLC shall be entitled, at its sole option, to reject the whole game.

C.3.9. GAME PRODUCTION AND PRIZE GUARANTEES

Offeror's Proposal shall describe the methods and procedures by which it guarantees:

- a) That each game is printed in conformity with all game specifications included in the Working Papers;
- b) That each game is printed in conformity with the prize structure included in the Working Papers so that prizes will constitute no more than the percentage of revenue stated, and larger prizes are all present in delivered tickets within stated tolerances;

- c) That winning tickets are distributed with no discernible pattern throughout the entire population of a game.

C.3.9.1. Offeror will be required to submit, at no additional cost to OLC, a report by a certified public accounting firm relating to agreed-upon procedures for each game's production, related to the above.

C.3.10. **WINNER'S FILE**

Offeror will submit for each game a computer file containing all prizes for the game, including grand prize entry tickets and annuity type prizes, if any. Low tier prizes will be separate from mid and high tier prizes or as specified in the Working Papers. The information will include only validation number, play spots and prize code (prize amount) for the tickets actually produced and delivered. Offeror should describe all possible secure methods for transmitting the file to OLC or an online systems vendor, as may be required.

C.3.11. **WAREHOUSING OF NEW TICKETS**

The successful contractor will be responsible for the storage of new tickets from the time they are printed until they are distributed to retailers or OLC's office. Facilities, organization and procedures must be designed to ensure the security and integrity of the games. The OLC is not mandating a specific location for the warehouse.

C.3.11.1. Offeror's Proposal must include a plan for warehousing, distribution of tickets, and ticket returns that describes where the tickets will be warehoused prior to distribution, specifically identifying the location of the warehouse facility and any intermediary facility.

C.3.11.2. Offeror should submit a warehouse-staffing plan, including the resume of the proposed warehouse manager.

C.3.11.3. Proposal must describe the procedures and controls that will be in place to ensure the confidentiality and integrity of game information. In particular, printing systems and data must not be accessible to those involved in the warehousing activities and vice versa.

C.3.11.4. The Proposal must include:

- a) A Description of the Security Controls, including the Access Control System(s) and Procedures;
- b) Security Equipment and Procedures;
- c) Intrusion Detection and Monitoring Equipment and Procedures; and
- d) Fire Prevention and Detection, and Flood Detection.

C.3.11.5. All procedures and controls must be approved by OLC in writing prior to start-up of instant sales.

C.3.12. **TELEMARKETING AND TICKET ORDERING AND INVENTORY CONTROL SYSTEM**

OLC requires that Offeror provide a full-service telemarketing program, ticket ordering system and inventory control system to prevent retailer instant ticket outages and maximize OLC sales and profitability. Offeror's Proposal must describe their plan to address this requirement and the following items.

C.3.12.1. The Proposal must describe, at a minimum, how Offeror accomplishes the ticket order entry processing for:

- a) Retailer initiated orders;
- b) Emergency orders;
- c) Reissues of returned packs;
- d) Capability to restrict a retailer from ordering;
- e) Tracking and confirmation of pack deliveries;
- f) Real-time monitoring of warehouse inventory;
- g) Initial allocations for new games;
- h) Sales and account information available to telemarketers; and
- i) Call features and scheduling.

C.3.12.2. The Proposal must describe and the telemarketing and inventory control system must have the capability to perform as follows. Offeror may be charged LD for violations of these requirements. Suggested LD shall be included in Offeror's response to this SOLICITATION.

- a) The system must be available for 20 hours per day.

- b) Handle all instant ticket processes and functions from any instant ticket terminal and printer
- c) Accept and process ticket inventory data files produced by a secondary instant ticket offeror for up to four (4) instant games a year for purposes of warehousing and distribution to retailers.
- d) Create and provide inventory data files of packs ordered, distributed and returned for transfer to the online gaming system on a daily, or more frequent basis as determined by the OLC.
- e) Accept and process ticket inventory data files (i.e., pack status, etc.) and retailer file maintenance data files from the online gaming system on a daily, or more frequent, basis as determined by the OLC.
- f) Allow the creation of ad-hoc reports online, and to print reports as may be required by the OLC.
- g) Restrict system access to authorized OLC staff only and other personnel as approved by the OLC.

C.3.12.3. Offeror must describe in its response the following:

- a) How the system will allow the OLC staff appropriate access via proposed hardware/software communication configuration to the software applications;
- b) A proposed plan for interfaces between the instant inventory system and an online gaming system;
- c) A proposed backup system plan to ensure little or no interruption of services, and the business recovery plans to return to normal processing;
- d) The proposed security plan including system software (i.e., passwords, data transfer integrity, etc.) and physical controls;
- e) Where the contractor plans to locate the staff performing the telemarketing and ticket ordering functions.

C.3.13. DISTRIBUTION OF TICKETS FROM OTHER VENDORS

Contractor may be required to distribute annually up to four (4) instant ticket games purchased by OLC from other vendors. These tickets will be properly stored, protected, marketed and distributed by contractor along with contractor's tickets. Contractor may be compensated for properly handling these tickets and pricing should be provided as a separate cost in the Proposal. Vendor's Proposal should describe how any such tickets will be received, warehoused and distributed.

C.3.14. TICKET ORDER PACKAGING

The successful contractor will be responsible for the filling and packing of ticket orders. The procedures to be used must focus on the need for security, integrity, efficiency and accuracy. Offeror's proposal must contain a detailed plan for the packaging of tickets for delivery to retailers. It should address all aspects of the operation including:

- a) Staffing and organization;
- b) Physical layout of packing area;
- c) Hours of operation during the week, on weekends and during holiday periods;
- d) Picking and packing procedures and controls;
- e) Packing materials; and
- f) Carrier(s) (if known) or method of delivery to be used, including a description of Offeror's current relationship with the carrier.

C.3.15. INSTANT TICKET DISTRIBUTION

Proposal must include a complete description of the distribution plan, including staffing, training, and procedures.

C.3.15.1. The successful contractor will be responsible for delivering instant tickets to retailers and OLC's office. Deliveries must be made as soon as possible, but no later than two (2) business days after the order is placed. Proof of delivery must be obtained and provided on request to OLC. Contractor may be charged LD for violations of this requirement. Proposed LD shall be included in offeror's response to this Solicitation.

C.3.15.2. The successful contractor shall assume full financial responsibility for picking up any tickets printed by contractor or any games printed by other vendors that must be picked up.

C.3.15.3. In addition to tickets, the successful contractor may, in special instances, be required to deliver other OLC materials (such as point of sale material, online game supplies, retailer manuals and newsletters) at no additional charge to OLC.

C.3.15.4. Offeror must ensure that the distribution is secure, effective, and efficient and presents a positive image of OLC to retailers and others

C.3.16. PACK ACTIVATION AND TICKET VALIDATION SYSTEM

OLC requires Offeror to provide a secure instant ticket distribution and instant ticket validation system designed to minimize retailer system intervention and maximize OLC sales and profitability.

C.3.16.1. Offeror must fully describe their proposed plan for pack activation, ticket validation and cooperation with the online vendor, as applicable.

C.3.17. RETURNED TICKETS

The successful contractor will be responsible for the return of undeliverable, unaccepted and unsold tickets. Full packs of returned tickets from active games should be reissued.

C.3.17.1. Offeror response must include a description of the procedures that will be used to return, document, and store full and partial packs (including damaged tickets) returned from retailers, and how this information will be communicated on a timely basis with the online vendor's CGS as applicable.

C.3.18. INSTANT TICKET DESTRUCTION

The successful contractor must provide for the secure disposal of unsold, damaged tickets in an environmentally responsible manner. Offeror's response must include a plan for ticket destruction and a description of all ticket destruction procedures.

C.3.19. FIELD SALES STAFF

The successful contractor will provide a field sales staff.

C.3.19.1. Offeror's proposal must provide a proposed job description for the position of field representative and describe how Offeror will provide field sales staff services to the Retailer network in a professional manner which will satisfy the needs of all Retailers in all geographic areas of the State, in a manner consistent with the dignity of the State and the policies of the OLC.

C.3.19.2. Offeror's proposal must describe their staffing plan indicating the total number of field representatives proposed on an ongoing basis, taking into consideration vacations, holidays, training meetings, employee illness, extended employee absences and other job assignments.

- a) The staffing plan should list a proposed quantity of field representatives and supervisory personnel that will be utilized to insure that retailers receive sufficient level of service, including a plan for visiting each Retailer on a regular basis.
- b) The Proposal should describe the procedure that will be used in the recruitment, hiring and training of field representatives and supervisory staff, including the minimum requirements contemplated for the job. All of the candidates must meet Offeror qualifications/considerations as stated in the Act, and must be approved by OLC. The Proposal should describe how Offeror will conduct credit and criminal background investigations and will ensure that field representatives have a valid driver's license, and have not been convicted of any drunken driving offenses. The Proposal should provide assurances that appropriate action will be taken if employees fail to maintain a valid driver's license, a clean driving record and clear financial and criminal records after being hired. Any required drug testing should be described.
- c) The Proposal should describe proposed compensation for field representatives, including the minimum base salary contemplated. If compensation is expected to be based in any manner on sales performance, the Proposal should provide assurances that field representatives will be equally attentive to all OLC products and not just to selected products, and that all field representatives will adhere to OLC marketing sales requirements. Any sales incentives provided to field sales staff must be based on both instant and online OLC product sales or for OLC promotions as otherwise may be authorized by the OLC Executive Director.
- d) The Proposal should discuss how Offeror staffing plan will integrate with the current OLC sales staff that will provide direction and monitor Offeror sales staff during the term of the contract and how this relationship will be properly maintained by Offeror staff, and how OLC sales staff will receive the same training provided to Offeror staff. Training materials should be submitted to OLC for prior approval.

C.3.20. FIELD STAFF RESPONSIBILITIES

Offeror proposal should describe Field Staff responsibilities and the execution for each of the following:

- C.3.20.1. Describe how Field representatives will recover unsold instant tickets or accounting forms or materials from Retailers within their territory. Documentation, delivery and security of those items should be discussed.
- C.3.20.2. Describe how Field representatives will deliver point-of-sale, sell-in materials and other OLC materials to all Retailers in their territory as may be required by the OLC. Describe how materials will be distributed to field representatives to insure the timely delivery of such materials.
- C.3.20.3. Describe how Field representatives will install and maintain non-electronic instant ticket dispensers at all Retailer locations, how they will develop and administer promotional programs with Retailers in their territory and how the OLC can be assured that field representatives will conduct their business in a manner consistent with the policies of the OLC.
- C.3.20.4. Discuss how Offeror will investigate any reports of misconduct on the part of field representatives, how Offeror will take appropriate action based on the results of the investigation and how Offeror will notify OLC of investigations and the need to dismiss or re-assign any field representative.
- C.3.20.5. Describe the recommended process for OLC to demand the dismissal or termination or re-assignment of any field representative.

C.3.21. MARKETING SERVICES

Offeror's Proposal should describe how Offeror can play a role in OLC's marketing program and how they will work closely with OLC as decisions are being made regarding games and implementation schedules.

- C.3.21.1. Offeror's Proposal should describe their expertise in providing marketing support services associated with the design and implementation of an instant lottery game and should describe Offeror's capabilities and a plan for providing these services, addressing game concept research, creative design, original artwork, mechanical artwork and color separations, game specifications, ticket layout, development of games, game design, prize structure, "How to Play" rules, proposed rules defining winning tickets, security tests, inclusion of hash files for specific games and conditions making a ticket invalid. The cost of marketing services is included in the price provided under the Pricing section. No additional charge will be allowed.
- C.3.21.2. Offeror's Proposal should describe staffing available for marketing support services, addressing where they will be located. A complete resume of each individual must be submitted. Consideration will be given during the evaluation process to Vendors providing highly qualified personnel and services that add to the value of their Proposal. OLC reserves the right to give final approval to the individual assigned to the OLC account.

C.3.22. START -UP/ TRANSITION PLAN/ TIMELINE

- C.3.22.1. To insure a seamless transition Offeror shall submit a proposed Start-up/ Transition Plan
- C.3.22.2. Offeror will have the responsibility for developing and implementing a plan to start-up / transition instant ticket sales, set up related facilities, arrange for necessary services and obtain the necessary inventory.
- C.3.22.3. As part of the Proposal, Offeror shall include a start-up plan and timeline for the first eighteen (18) months following the award of the Contract. Each Offeror should include recommendations for the number of games and quantity of tickets for each game for this time period.

C.3.23. TRADEMARK AND SERVICE MARK SEARCH AND REGISTRATION

- C.3.23.1. Offeror, at its sole expense, will conduct trademark and service mark searches for all game names and game themes as defined in the game's specifications used during the term of the Contract. Copies of all such search reports will be delivered to OLC such that no game is provided for sale prior to it being known by Offeror and OLC that there exists no prior usage or other restriction that would prevent OLC from offering the game for sale.
- C.3.23.2. Offeror's Proposal should describe their expertise in this area. Offeror may be charged LD for failure to perform this requirement or where incomplete research results in legal action against the State. Proposed LD shall be included in Offeror's response to this SOLICITATION.
- C.3.23.3. New trademarks and service marks developed for OLC will be registered by legal counsel chosen by OLC in the name of OLC for its sole use.

C.3.24. INSTANT TICKET DISPENSERS

- C.3.24.1. The Oklahoma Lottery has provided existing retailers with instant ticket dispensers as needed. A Vendor's Proposal must include a plan to provide sufficient and appropriately sized dispensers that securely store, display and dispense the required number of full packs of instant tickets using the best marketing and sales approaches, for all new retail locations to be added and to replace existing dispensers as they become excessively worn, broken or of the wrong size for a particular retailer.
- C.3.24.2. Offeror's proposal must describe their plan for distribution and replacement of the dispensers and describe the type of dispensers proposed. Approximately 3,500 multi-unit instant ticket dispensers or their equivalents will be required in the first 48 months of the contract. Vendor's plan should provide for future growth in the OLC retailer base.

C.3.25. OPTION FOR INSTANT TICKET VENDING MACHINES

- C.3.25.1. Offeror's proposal should include an option to provide, install, and maintain instant ticket vending machines (ITVM's) or Player Activated Terminals (PAT's) at select retailer locations.
- C.3.25.2. Offeror's proposal should include a recommendation for the number of machines to be used, a description of the features and capabilities of the machines, recommended locations according to store type or characteristics, recommended technical response times for maintenance and repair, and any other related considerations to help OLC maximize instant sales. Pricing for these optional machines are to be included as optional pricing and not in the base pricing amounts.

C.3.26. RETAILER AND EMPLOYEE TRAINING

Offeror's proposal should describe how offeror will provide retailer and OLC employee training on the various aspects of completing the instant game process, as appropriate. Training may be provided in conjunction with the online gaming system vendor

C.3.27. ADDITIONAL REQUIRED OPERATIONAL ITEMS

Offeror must list other significant services, procedures, materials, supplies, programs, policies, equipment, facilities, etc., necessary for the successful daily operational aspects of the proposed products and services, even though there are no specific requirements for those items listed in this SOLICITATION. Offeror is not released from the responsibility of providing all needed items to make the proposed products and services successful.

C.3.28. DISASTER RECOVERY PLAN

Offeror's proposal should define a disaster recovery plan designed to insure OLC that full operations as contemplated by this SOLICITATION are fully resumed in an expeditious manner in the event of a major disaster at Offeror's primary operations site or at Offeror's ticket production facility. This disaster recovery plan is subject to OLC's approval and must be updated annually

C.3.29. PRODUCTS AND SERVICES

All products and services contemplated in this SOLICITATION must be included in Offeror's cost proposal provided in the Pricing section, unless identified in the SOLICITATION as "optional".

C.3.30. LIQUIDATED DAMAGES

By submitting a proposal in response to this SOLICITATION, Offerors acknowledge that failure on their part, or any of their subcontractors, to deliver the products and /or services according to the timelines set forth and in the quantity and quality necessary for successful operation of OLC will result in loss or damage to OLC which might be impossible to compute or estimate accurately and thus LD may be assessed to Offeror by OLC.

- C.3.30.1. The Instant Ticket Gaming Offeror agrees to pay OLC, as and for LD, without proof of actual or specified loss, unless otherwise specified, the amounts agreed to in any contract resulting from this procurement. Offeror's proposal must include proposed LD where requested throughout this SOLICITATION, and those proposed LD must be summarized at this point in the Proposal.
- C.3.30.2. In all instances of LD, Offeror will remit damages directly to OLC, deduct them from weekly invoices, or at the option of OLC, OLC may withhold amounts otherwise due to Offeror.
- C.3.30.3. Offeror shall agree and understand that all assessments of LD shall be within the discretion of OLC and shall be in addition to, not in lieu of, the rights of OLC to pursue other appropriate remedies.
- C.3.30.4. Payment of LD shall in no event impair the obligation or liability of Offeror's surety to perform according to the terms of its bond and the contract.
- C.3.30.5. Offeror shall understand that the LD described herein shall not be construed as a penalty.
- C.3.30.6. Offeror understands and agrees that Offeror shall not be liable for LD when delays arise out of Force Majeure Events.

D. EVALUATION

D.1. Evaluation and Award

D.1.1. Offers shall be evaluated on the “best value” determination.

D.1.2. The State reserves the right to request demonstrations and question clarifications from any or all responding contractors.

D.2. Proposal Clarification Questions

The State reserves the right, at its sole discretion, to request clarifications of technical proposals or to conduct discussions for the purpose of clarification with any or all contractors. The purpose of any such discussions shall be to ensure full understanding of the proposal. If clarifications are made because of such discussion, the contractor(s) shall put such clarifications in writing.

D.3. Competitive Negotiations of Offers

The State of Oklahoma reserves the right to negotiate with one, selected, all or none of the vendors responding to this solicitation to obtain the best value for the State. Negotiations could entail discussions on products, services, pricing, contract terminology or any other issue that may mitigate the State’s risks. The State shall consider all issues negotiable and not artificially constrained by internal corporate policies. Negotiation may be with one or more vendors, for any and all items in the vendor’s offer.

Firms that contend that they lack flexibility because of their corporate policy on a particular negotiation item shall face a significant disadvantage and may not be considered. If such negotiations are conducted, the following conditions shall apply:

D.3.1. Negotiations may be conducted in person, in writing, or by telephone.

D.3.2. Negotiations shall only be conducted with potentially acceptable offers. The State reserves the right to limit negotiations to those offers that received the highest rankings during the initial evaluation phase.

D.3.3. Terms, conditions, prices, methodology, or other features of the offeror’s offer may be subject to negotiations and subsequent revision. As part of the negotiations, the offeror may be required to submit supporting financial, pricing, and other data in order to allow a detailed evaluation of the feasibility, reasonableness, and acceptability of the offer.

D.3.4. The requirements of the Request for Proposal shall not be negotiable and shall remain unchanged unless the State determines that a change in such requirements is in the best interest of the State Of Oklahoma.

D.3.5. BEST and FINAL – The State may request best and final offers if deemed necessary, and shall determine the scope and subject of any best and final request. However, the vendor should not expect an opportunity to strengthen its offer and should submit its best offer based on the terms and conditions set forth in this solicitation.

D.4. Selection Criteria

D.4.1. Responses to Section C and E

D.4.2. Technical Responses

D.4.3. Attachments A-E

D.4.4. Pricing

D.4.5. Evaluation Process – Determination of Solicitation Responsiveness

A responsive offer is defined as an offer that meets all the general mandatory requirements as outlined below:

- Responding Bidder Information Sheet complete Form 076
- Certification for Competitive Bid and Contract (Non-Collusion Certification) Form 004
- Worker’s Compensation Insurance Certificate
- Amendments, if issued, are acknowledged.

Meeting all requirements outlined above allows the offer to proceed in the evaluation process. Failure to meet all of the above may result in the proposal being disqualified from further evaluation.

Note: The following evaluation process is not presented in any sequence as any selection process may overlap the other in the evaluation.

D.4.6. Evaluation Process - Evaluation of Offer

The technical section of the offer is evaluated based on the required submittals in Section E.

D.4.7. Evaluation Process - Evaluation of Cost

Cost comparisons are performed.

D.4.8. Evaluation Process – Demonstrations

If desired by the evaluation committee, the vendor may be required to provide product/services demonstrations.

D.4.9. Best Value Evaluation of Product/Services

D.4.9.1. Selection

The selection and award of contractor is based upon which contractor best meets the needs of the State.

The State reserves the right to negotiate with one or more contractors, at any point during the evaluation. The State may negotiate any and all content of the offer.

- D.4.10. Contractors should be prepared to participate in oral presentations and demonstrations to define their submittal, to introduce their team, and to respond to any and all questions regarding their offer if requested by the State prior to award.

E. INSTRUCTIONS TO OFFEROR

E.1. Introduction

Prospective contractors are urged to read this solicitation carefully. Failure to do so shall be at the offeror's risk. Provisions, terms, and conditions may be stated or phrased differently than in previous solicitations. Irrespective of past interpretations, practices or customs, offers shall be evaluated and any resultant contract(s) shall be administered in accordance with the plain meaning of the contents hereof. The offeror is cautioned that the requirements of this solicitation can be altered only by written amendment approved by the State and that verbal communications from whatever source are of no effect. In no event shall the offeror's failure to read and understand any term or condition in this solicitation constitute grounds for a claim after contract award.

E.2. Preparation of Offer

E.2.1. Any usage amounts specified are estimates only and are not guaranteed to be purchased.

E.2.2. Information shall be entered on the form provided or a copy thereof.

E.3. Submission of Offer

E.3.1. Completeness of offer(s): It is desirable that the offeror respond in a complete, but concise manner. It is the offeror's sole responsibility to submit information in the offer as requested by the solicitation. The offeror's failure to submit required information may cause its offer to be rejected. However, unnecessary information should be excluded from the offeror's offer.

E.3.2. Copies: the offeror's offer should be paginated and include an original document, plus **Nine (9)** copies for a total of **ten (10) documents**. The documents' front pages should indicate original or copy.

E.3.3. The offeror should include **three (3) "machine readable"** versions, preferably in Microsoft WORD format, on CD or DVD, of the offeror's proposal.

E.4. Proprietary and/or Confidential Information

E.4.1. Offerors claiming any portion of their offer as proprietary or confidential must specifically identify what documents or portions of documents they consider confidential and identify applicable law supporting their claim of confidentiality. The State Purchasing Director shall make the final decision as to whether the documentation or information is confidential pursuant to 74 O.S. §85.10.

E.4.2. if an offeror believes particular information requested by the RFP for evaluation purposes is proprietary, the offeror shall submit that information separate and apart from its response and mark it Proprietary and Confidential. If ISD in its sole discretion agrees the information is proprietary, ISD will maintain the information as Confidential. If ISD does not acknowledge the information as proprietary, ISD will return or destroy the information with proper notice to the offeror and the evaluation will be completed without consideration of the information marked Proprietary. PROPOSALS MARKED, IN TOTAL, AS PROPRIETARY and/or CONFIDENTIAL SHALL NOT BE CONSIDERED.

E.5. Oklahoma Open Records Act

E.5.1. Proposals are subject to public disclosure in accordance with the Open Records Act. To the extent permitted by the Oklahoma Open Records Act, 51 O. S. (2001) § 24A.1-27, the offerors proposals will not be disclosed, except for purposes of evaluation, prior to approval by the CIO of the resulting contract. All material submitted becomes the property of the State of Oklahoma. Proposals will not be considered confidential after a contract is awarded.

E.6. Communications Concerning Solicitation

The contracting officer listed on the cover page of this solicitation is the only individual in which the offeror should be in contact with concerning any issues with this solicitation. Failure to comply with this requirement may result in the offeror response being considered non-responsive and not considered for further evaluation.

E.7. RFP Questions and Clarifications

E.7.1. Offerors who believe solicitation requirements or specifications are unnecessarily restrictive or limit competition may submit a request for administrative review, in writing, to the State. To be considered, a request for review must be received no later than **10/04/2012, 3PM Central Standard Time**. Requests for administrative review of technical or contractual requirements shall include the reason for the request, supported by information, and any proposed changes to the requirements. The State shall promptly respond in writing to each written review request, and where appropriate, issue all revisions, substitutions or clarifications through a written amendment to the solicitation and posted on the OSF website

E.7.2. General Solicitation Questions

Offeror may submit general questions concerning the specifications of the solicitation. All questions and responses regarding this RFP shall be posted to the IT procurement wiki at:

<https://wiki.ok.gov/display/itprocurement/43000009>

E.7.2.1. Questions received via any other means will not be addressed. If your firm is not currently registered with the State of Oklahoma with wiki access, you may go to the link below to request access.

<https://wiki.ok.gov/display/itprocurement/Home>

E.7.2.2. In order to guarantee that your access is created prior to closing date for submitting questions for a solicitation, please request access at least 5 business days prior to the closing date for questions. The State of Oklahoma cannot be responsible for a vendor's lack of access if the request is not made within this timeline.

When posing questions, offeror should be concise, include section references, when possible, do not use tables or special formatting, use simple lists

E.7.3. **Questions shall be answered in the form of an amendment and posted on the OSF website and linked on the wiki.**

E.7.4. **General Solicitation Questions**

E.7.4.1. Offerors are advised that any questions received after **10/18/2012** shall not be answered. Questions must be received by 3 PM Central Time.

E.7.5. **Follow-up Questions- This Solicitation will allow a follow-up period to the initial General Solicitation Questions.**

E.7.6. ***Offerors are advised that any Follow-up questions received after 11/01/2012 shall not be answered. Follow-up Questions must be received by 3PM Central Time. Follow-up questions and responses regarding this RFP shall be posted in the form of an amendment to the IT procurement wiki at:***

<https://wiki.ok.gov/display/itprocurement/435000009>

E.8. **P- Cards**

The State of Oklahoma has issued P-Cards to most State agencies. The current P-Card contract holder utilizes VISA

If awarded a statewide contract will your company accept the State of Oklahoma approved purchase card:

Yes _____ No _____ (check one)

E.9. **Deliverables**

Note: Deliverables are to be in both hard copy and in a single machine-readable format, preferably in Microsoft Word format, on either CD or DVD.

E.9.1. Completed "Responding Bidder Information" DCS/Purchasing Form 076

E.9.2. Completed "Certification for Competitive Bid and Contract" DCS/Purchasing Form 004

E.9.3. References – References provided must contain a contact person with full contact information (i.e., current employer, telephone number, mailing address, e-mail address, and fax number).

E.9.3.1. OLC may review background investigations on employees of Offeror and any subcontractors. The OLC may conduct additional background investigations if necessary and the cost of any additional background investigation will be the responsibility of the OLC as provided in the Act.

E.9.4. Staffing Plan

E.9.4.1. Offeror's Proposal must include an organization chart for the start-up / transition period, including corporate personnel assigned to the OLC project but not proposed to be on site and personnel that will be assigned to the project in Oklahoma. The Proposal should clearly mark all in-state positions proposed. All positions listed should show job titles, work site locations (or areas) and should indicate any that will be part-time, temporary or contract help.

E.9.4.2. Offeror must include a separate organization chart with the same information described in the previous section, showing the proposed personnel that will be assigned to the Oklahoma project after the initial start-up / transition period. The chart should show the reporting paths for each of the proposed functions or activities and the employees filling the positions, including any subcontractors for the project. The OLC Executive Director reserves the right to approve any of Offeror's personnel on the project. All substitutions and new hires will be subject to the approval of the OLC Executive Director.

E.9.4.3. Offeror shall include a résumé for each person proposed as available on the OLC project. Offeror will be required to provide the OLC with résumés or job applications for all employees hired during the contract term.

E.9.5. BONDS

OLC will accept surety bonds containing terms and provisions that are commercially feasible and customary in the industry as long as these terms and conditions do not conflict with Oklahoma law.

All required bonds must be issued by companies or financial institutions which are financially rated A or better by a nationally recognized rating agency and are duly licensed, admitted, or authorized to transact business in the State of Oklahoma.

The form of bond required shall be the standard form of performance bond such as usually and customarily written and issued by surety companies licensed and authorized to do business in the State of Oklahoma. The bond will be used in the event of insolvency or failure by the contractor for any reason, to perform its obligations under the contract. After notification of default or breach procedures, collections against contractor's bond may be instituted for the amount of the damage incurred. Actions against this bond are in addition to any other remedies specified in the SOLICITATION and do not constitute a waiver of any additional remedy.

- E.9.5.1. The successful contractor shall provide OLC evidence of any renewed bonds within thirty (30) days prior to the expiration of the then existing bonds during the term of the Contract. Failure to submit all required bonds in the time specified shall be deemed sufficient cause to cancel the award
- E.9.5.2. Within five (5) business days of award of the Contract, The Successful Contractor shall submit to the State a performance bond or letter of credit payable to OLC from a bank or credit provider acceptable to OLC in the amount of \$5,000,000.00 (five million dollars) unless Contractor assures OLC, to OLC's satisfaction, of the faithful performance of its obligations, by depositing and maintaining with OLC securities that are interest bearing or accruing and that are rated by established, nationally recognized investment rating services. The contract number and dates of performance must be specified in the performance bond.
- E.9.5.3. The successful contractor shall submit a fidelity bond made payable to OLC in the amount of \$2,000,000 (two million dollars) within 30 days after award of the Contract covering any loss to the state due to any fraudulent or dishonest act on the part of the contractor. The fidelity bond shall be in the form of an original bond (no copy or facsimile.) The contract number and dates of performance must be specified in the fidelity bond.
- E.9.5.4. Contractor must maintain both the performance bond and fidelity bond in effect throughout the full term of the contract and any renewal periods.

E.9.6. Company Information

Vendor must provide detailed information on its company, including principals involved, number of employees, location, years in existence, a statement of financial stability, and any litigation or pending litigation for the past five years, or a statement indicating there is no litigation. Proper completion of Attachment A will satisfy this requirement.

E.9.7. Financial Status

Offeror should present information to demonstrate its financial status and performance, in the form of the last three years audited financial statements or the last three years of tax returns. A certified review may be accepted (clarification may be required) Note: This information must be submitted, at the latest, prior to award. If the contractor is a subsidiary of another entity, the last three years audited financial statements of three years tax returns for the parent company must also be submitted. The State reserves the right to withhold award to a contractor who **is deemed financially weak. The State reserves the right to determine financial status at their sole discretion.**

Clarification or additional documents may be requested. FINANCIAL STABILITY DETERMINATION IS A MANDATORY DELIVERABLE.

E.9.8. Response to Requirements as outlined in Section C and E

- E.9.8.1. ATTACHMENT A: FINANCIAL RESPONSIBILITY, SECURITY AND INTEGRITY FORM
- E.9.8.2. ATTACHMENT B: BACKGROUND INVESTIGATION AUTHORIZATION
- E.9.8.3. ATTACHMENT C: CONSENT FOR CRIMINAL BACKGROUND INVESTIGATION
- E.9.8.4. ATTACHMENT D: REQUEST FOR STATE TAX RECORDS
- E.9.8.5. ATTACHMENT E: REQUEST FOR FEDERAL TAX RECORDS
- E.9.8.6. Pricing

E.9.9. **Any software licensing, maintenance, or service agreements the contractor requires, should they be the successful contractor, not submitted with contractor's offer shall not be considered after contract award. MANDATORY DELIVERABLE**

E.10. Notice of Award

A notice of award in the form of a PO or contract resulting from this solicitation shall be furnished to the successful contractor and shall result in a binding contract.

F. CHECKLIST

- F.1. Responding Bidder Information (DCS/Purchasing – Form 076)
- F.2. Certification for Competitive Bid and Contract (OSF/SD/Purchasing – Form 004)
- F.3. Workers Compensation Insurance Certificate
- F.4. Vendor/Payee Form or W-8BEN - as required
- F.5. References (Section E.9.3)
- F.6. Staffing Plan (Section E.9.4)
- F.7. Company Information (Section E.9.6)
- F.8. Financial Status (Section E.9.7)
- F.9. Software licensing, maintenance or service agreements required by contractor (Section E.9.9)
- F.10. Financial Responsibility, Security and Integrity Form- Attachment A
- F.11. Background Investigation Authorization -Attachment B
- F.12. Consent for Criminal Background Investigation- Attachment C
- F.13. Request for State Tax Records -Attachment D
- F.14. Request for Federal Tax Records- Attachment E:
- F.15. Pricing (Section G)

G. PRICE AND COST

G.1. Overview and Instructions

The State recommends that Offerors provide bids for all services they are able to provide.

Price quotes that are a percent of sales should be presented as a percentage and should be carried out to 4 decimal places in percent format only. For example, .01234 of every dollar is 1.1234%. Your quote should be in the same format as 1.1234%. All Offerors should closely examine the definitions of the various net sales definitions used in the pricing.

Offerors may also provide alternative pricing for the services. Calculation for compensation under any alternative pricing proposal must be clearly defined and the Offeror's perceived benefit to the OLC should be clearly explained.

The Lottery is obligated to compensate the Successful Vendor(s) only as a result of sales conducted through the gaming system, from the time that the system has been successfully established and is operating per terms of the contract, but not before August 9, 2013, unless otherwise stipulated in the contract.

- G.1.1. Pricing must be submitted in a separate sealed envelope.
- G.1.2. All items listed in this RFP are to be provided in the base proposal price unless identified as "optional".
- G.1.3. Offerors may submit pricing for both Online Lottery Games and Operating System and Instant Game Services.
- G.1.4. Offerors may submit pricing for the Online Lottery Games only or the Instant Game Services only.

G.2. Contractor's Compensation

G.2.1. Online Lottery games and Operating System - Only

G.2.1.1. The successful contractor's compensation will be a price quoted as a percent of "net online sales" plus a percent of "net instant ticket sales", both as defined in the SOLICITATION. For compensation under this SOLICITATION, percentages will be applied only to the specific sales included in the definition sections of this SOLICITATION.

G.2.1.2. - Percent of net online sales _____%, plus

G.2.1.3. - Percent of net instant ticket sales _____%

G.2.2. Instant Game Services- Only

G.2.2.1. The successful contractor's compensation will be a price quoted as a percent of "vendor Net Instant Ticket Sales" plus a percent of "Other vendor net instant ticket sales", both as defined in the SOLICITATION. For compensation under this SOLICITATION, percentages will be applied only to the specific sales included in the definition sections of this SOLICITATION.

G.2.2.2. - Percent of vendor net instant ticket sales _____%, plus

G.2.2.3. - Percent of Other vendor net instant ticket sales _____%

G.2.3. Online Lottery games and Operating System and Instant Game Services- Combined= All Services

G.2.3.1. The successful contractor's compensation will be a price quoted as a percent of "net online sales" plus a percent of "Vendor net instant ticket sales" plus a percent of "Other Vendor net instant ticket sales", all as defined in the SOLICITATION. For compensation under this SOLICITATION, percentages will be applied only to the specific sales included in the definition sections of this SOLICITATION.

G.2.3.2. - Percent of net online sales _____%, plus

G.2.3.3. - Percent of vendor net instant ticket sales _____%, plus

G.2.3.4. -Percent of other vendor net instant ticket sales _____ %

G.2.4. Optional Services

Offeror should provide pricing for optional services requested by the State or for optional services they wish to make available to the State. Pricing may be presented as a set, one-time cost, as a monthly charge, as a cost per unit or as a cost for the service or product or may be presented as a percent of sales. If presented as a percent of sales, pricing description must identify the specific type of sales used in the pricing, as defined in the SOLICITATION. Please use the following format and number each optional item:

G.2.4.1. Product / Service Name

G.2.4.2. Product / Service description; recommended uses; recommended number of units if applicable; benefits to the OLC to take advantage of this item

G.2.4.3. \$ YYY.YY per month / or per month per unit / or one-time cost for duration of contract or X.XXXX % of sales

ATTACHMENT A

FINANCIAL RESPONSIBILITY, SECURITY AND INTEGRITY FORM

The Oklahoma Education Lottery Act provides that at the time of submitting a bid, proposal, or offer to OLC, OLC may require the information outlined below from vendors. In addition, Oklahoma Law requires that this same information be provided for all subcontractors utilized by a vendor.

[These pages may be copied and used as needed]

PLEASE PROVIDE THE FOLLOWING INFORMATION:

1. A disclosure of the name and address of the vendor and, as applicable, the names and addresses of the following:
 - a. if the vendor is a corporation, the officers, directors, and each stockholder of the corporation. In the case of owners of equity securities of a publicly traded corporation, only the names and addresses of those known to the corporation to own beneficially five percent (5%) or more of such securities need be disclosed,
 - b. if the vendor is a trust, the trustee and all persons entitled to receive income or benefits from the trust,
 - c. if the vendor is an association, the members, officers, and directors, and
 - d. if the vendor is a partnership, limited liability company or joint venture, all of the general partners, limited partners, members or partners in the joint venture;
2. A disclosure of all the states and jurisdictions in which the vendor does business and the nature of the business for each such state or jurisdiction;
3. A disclosure of all the states and jurisdictions in which the vendor has contracts to supply gaming goods or services, including, but not limited to, lottery goods and services, and the nature of the goods or services involved for each such state or jurisdiction;
4. A disclosure of all the states and jurisdictions in which the vendor has applied for, has sought renewal of, has received, has been denied, has pending, or has had revoked a lottery or gaming license of any kind or had fines or penalties assessed to the license, contract, or operation of the vendor and the disposition of such in each such state or jurisdiction. If any lottery or gaming license or contract has been revoked or has not been renewed or any lottery or gaming license or application has been either denied or is pending and has remained pending for more than six (6) months, all of the facts and circumstances underlying the failure to receive such a license shall be disclosed;
5. A disclosure of the details of any finding, conviction, or adjudication of guilt of the vendor, or a person named pursuant to the provisions of paragraph 1 of this subsection with respect to such vendor, in a state or federal court for any felony or any other criminal offense other than a traffic violation. If the vendor, or a person named pursuant to the provisions of paragraph 1 of this subsection with respect to such vendor, is awaiting sentencing on a plea of guilt or nolo contendere to a felony or any other criminal offense other than a traffic violation, disclosure of the details of any such plea shall also be made pursuant to the provisions of this paragraph;
6. A disclosure of the details of any bankruptcy, insolvency, reorganization, or corporate or individual purchase or takeover of another corporation, including bonded indebtedness, or any pending litigation

of the vendor, or a person named pursuant to the provisions of paragraph 1 of this subsection with respect to such vendor; and

7. Attach verification of authorization to conduct business in the State of Oklahoma.
8. For each individual listed in the answer to paragraph 1, list the details of any finding or plea, conviction or adjudication of guilt in a state or federal court, or in another jurisdiction, within ten (10) years for any felony or misdemeanor involving gambling, theft, computer offenses, forgery, perjury, dishonesty or for unlawfully selling or providing a product or substance to a minor, using the following format (attach pages as necessary):

Name of Individual: _____
Charge: _____
Date of proceeding: _____
Custodian of records concerning this proceeding: _____

Outcome of proceeding: _____

9. List the business entities and individuals that are a part of the Vendor Team (employees, subcontractors and employees of subcontractors who will work on the OLC project), and list the years of involvement in the lottery industry for each team member.
10. List all the individuals constituting the Vendor Team who will work on OLC Contract.
11. Does the Vendor have a substantial financial interest in any entity that has supplied consultation services under contract to OLC regarding this RFP? If "yes", please provide details. If "no", so affirm.
12. Does any Oklahoma state elected official have a substantial financial interest in the business enterprise of the Vendor? If "yes", please provide details. If "no", so affirm. Substantial financial interest is defined in Title 3A of the Oklahoma Statutes section 716(C) as including, but not limited to, an ownership interest of 5% or more.
13. List any conflict of interest with the products, promotions and goals contemplated by OLC that could result from other projects in which the Vendor or any of the staff members designated to work on this project are involved. Failure to disclose any such conflict may be cause for Contract termination or disqualification of the Proposal.
14. List all lobbyists and consultants working on behalf of the Vendor Team in connection with this Proposal or any subsequent Contract.
15. State the number of employees working for the company; identify the various company locations and the number of years the company has been in business.

I hereby certify that I am duly authorized to act on behalf of the Vendor. In that capacity, I hereby certify that the Vendor has filed appropriate tax returns as provided by the laws of the State of Oklahoma. I further warrant that the information contained in this Contract Compliance and Financial Disclosure Form is true and complete, and acknowledge that a finding that it is not true or complete may result in a cancellation of the Contract.

I further certify that the Vendor recognizes and acknowledges that there are limitations on certain activities, now and in the future, including, but not limited to, limitation on certain political contributions; limitation of the ability to submit proposals in response to subsequent request for proposals issued by OLC; limitation on the ability to enter into or perform contracts or other arrangements with certain third parties; and limitation on the ability to purchase lottery tickets. The restrictions on the ability to purchase lottery tickets and entering into contracts or other arrangements apply to certain employees of the Vendor as well as the members of all such employees' households. The Vendor will enforce such restrictions upon its employees and subcontractors.

I further certify that the Vendor acknowledges that no person who has been involved in any manner in the development of this contract while employed by the State of Oklahoma may be employed to fulfill any of the services provided for under said contract, and that no such person has been employed by the Vendor to-date.

1. (Print Name of Authorized Representative)

2. (Signature of Authorized Representative)

3. (Title)

4. (Date)

ATTACHMENT B AUTHORIZATION FOR VENDOR BACKGROUND INVESTIGATION

I hereby authorize the Oklahoma Lottery Commission or its designee to conduct a Vendor background investigation (Okla. Code Ann. § 4-51-124(b)) including the criminal and financial credit history of the Vendor named below.

I hereby release all organizations, individuals, agencies, and other employees and agents from any liability that may result from their furnishing such information and authorize all organizations, individuals, agencies, and their employees and agents contacted by the Oklahoma Lottery Commission or its designee, the Oklahoma State Bureau of Investigation, to provide such information. A photocopy of this release will be valid as an original thereof, even though said photocopy does not contain an original writing of my signature.

1. (Print Name of Vendor Submitting Proposal and to be Investigated)

2. (Business Address)

3. (City)

4. (State)

5. (Zip Code)

6. (Print Name of Authorized Representative)

7. (Signature of Authorized Representative)

8. (Title)

9. (Date)

ATTACHMENT C
CONSENT FOR CRIMINAL BACKGROUND INVESTIGATION
(to be completed by each individual listed in Attachment A, paragraph 1)

I hereby authorize the Oklahoma Lottery Commission to receive any criminal history record information pertaining to me that may be in the files of any criminal justice agency.

1. Print Full Name: First, Middle, Last - **no initials**

2. Current Street Address

3. City

4. State

5. Zip Code

6. Sex

7. Race

_____/_____/_____
8. Date of Birth

9. SSN

10. Signature of Individual named in 1 above

11. Title

12. Date

NOTARY ATTESTATION:

State of _____

County of _____

Subscribed and sworn to before me this ____ day of _____, _____

My Commission Expires: _____

Commission #: _____

SEAL

Notary Public

ATTACHMENT D REQUEST FOR STATE TAX RECORDS

(to be completed by each individual listed in Attachment A, paragraph 1)

OKLAHOMA STATE BUREAU OF INVESTIGATION (OSBI)

I hereby request all state taxing authorities to deliver to agent / investigator: _____ of the Oklahoma State Bureau of Investigation (OSBI) copies of my state income tax returns and return information for any requested tax periods that may include all or part of calendar years 2009 and 2010.

1. Print Full Name: First, Middle, Last - *no initials*

2. Current Street Address

3. City

4. State

5. Zip Code

6. Sex

7. Race

8. Date of Birth

9. SSN

List any names and Social Security Numbers under which income taxes were filed, other than the name listed in item 1 above, including the years 2009 and 2010 for which taxes were filed.

10. Name

11. SSN

12. Date

13. Signature of Individual named in 1 above

14. Date

NOTARY ATTESTATION:

State of _____

County of _____

Subscribed and sworn to before me this ____ day of _____, _____

My Commission Expires: _____

Commission #: _____

SEAL

Notary Public

**ATTACHMENT E
REQUEST FOR FEDERAL TAX RECORDS**
(to be completed by each individual listed in Attachment A, paragraph 1)

OKLAHOMA STATE BUREAU OF INVESTIGATION

I hereby request the Internal Revenue Service to deliver to agent / investigator: _____ of the Oklahoma State Bureau of Investigation (OSBI) copies of my income tax returns and return information which were made on IRS Form(s) 1040 for the tax periods of calendar years 2009 and 2010.

1. Print Full Name: First, Middle, Last - *no initials* _____

2. Current Street Address _____

3. City _____ 4. State _____ 5. Zip Code _____

6. Sex _____ 7. Race _____ 8. Date of Birth ____/____/____ 9. SSN _____

List any names and Social Security Numbers under which income taxes were filed, other than the name listed in item 1 above, including the years 2009 and 2010 for which taxes were filed.

10. Name	11. SSN	12. Date
_____	_____	_____
_____	_____	_____
_____	_____	_____

13. Signature of Individual named in 1 above _____

14. Date _____

NOTARY ATTESTATION:

State of _____

County of _____

Subscribed and sworn to before me this ____ day of _____, _____

My Commission Expires: _____

Commission #: _____

SEAL

Notary Public



**State of Oklahoma
Office of Management and
Enterprise Services
Information Services Division**

**Certification for Competitive
Bid and/or Contract
(Non-Collusion Certification)**

NOTE: A certification shall be included with any competitive bid and/or contract exceeding \$5,000.00 submitted to the State for goods or services.

Solicitation or Purchase Order #: 435000009

Supplier Legal Name: _____

SECTION I [74 O.S. § 85.22]:

- A. For purpose of competitive bid,
1. I am the duly authorized agent of the above named bidder submitting the competitive bid herewith, for the purpose of certifying the facts pertaining to the existence of collusion among bidders and between bidders and state officials or employees, as well as facts pertaining to the giving or offering of things of value to government personnel in return for special consideration in the letting of any contract pursuant to said bid;
 2. I am fully aware of the facts and circumstances surrounding the making of the bid to which this statement is attached and have been personally and directly involved in the proceedings leading to the submission of such bid; and
 3. Neither the bidder nor anyone subject to the bidder's direction or control has been a party:
 - a. to any collusion among bidders in restraint of freedom of competition by agreement to bid at a fixed price or to refrain from bidding,
 - b. to any collusion with any state official or employees as to quantity, quality or price in the prospective contract, or as to any other terms of such prospective contract, nor
 - c. in any discussions between bidders and any state official concerning exchange of money or other thing of value for special consideration in the letting of a contract.
- B. I certify, if awarded the contract, whether competitively bid or not, neither the contractor nor anyone subject to the contractor's direction or control has paid, given or donated or agreed to pay, give or donate to any officer or employee of the State of Oklahoma any money or other thing of value, either directly or indirectly, in procuring this contract herein.

SECTION II [74 O. S. § 85.42]:

For the purpose of a contract for services, the supplier also certifies that no person who has been involved in any manner in the development of this contract while employed by the State of Oklahoma shall be employed by the supplier to fulfill any of the services provided for under said contract.

The undersigned, duly authorized agent for the above named supplier, by signing below acknowledges this certification statement is executed for the purposes of:

the competitive bid attached herewith and contract, if awarded to said supplier;

OR

the contract attached herewith, which was not competitively bid and awarded by the agency pursuant to applicable Oklahoma statutes.

Supplier Authorized Signature

Certified This Date

Printed Name

Title

Phone Number

Email

Fax Number



**State of Oklahoma
Office of Management and
Enterprise Services
Information Services Division**

Responding Bidder Information

*"Certification for Competitive Bid and Contract" **MUST** be submitted along with the response to the Solicitation.*

1. **RE: Solicitation #** 4350000009

2. **Bidder General Information:**

FEI / SSN: _____ VEN ID (if unknown, leave it blank): _____

Company Name: _____

3. **Bidder Contact Information:**

Address: _____

City: _____ State: _____ Zip Code: _____

Contact Name: _____

Contact Title: _____

Phone #: _____ FAX#: _____

Email: _____ Website: _____

4. **Oklahoma Sales Tax Permit¹:**

YES – Permit #: _____

NO - Exempt pursuant to Oklahoma Laws or Rules

5. **Registration with the Oklahoma Secretary of State:**

YES – Filing Number: _____

NO - Prior to the contract award, the successful bidder will be required to register with the Secretary of State or must attach a signed statement that provides specific details supporting the exemption the supplier is claiming (www.sos.ok.gov or 405-521-3911).

6. **Workers' Compensation Insurance Coverage:**

Bidder is required to provide with the bid a certificate of insurance showing proof of compliance with the Oklahoma Workers' Compensation Act.

YES – include a certificate of insurance with the bid

NO – attach a signed statement that provides specific details supporting the exemption you are claiming from the Workers' Compensation Act (Note: Pursuant to Attorney General Opinion #07-8, the exemption from 85 O.S. 2001, § 2.6 applies only to employers who are natural persons, such as sole proprietors, and does not apply to employers who are entities created by law, including but not limited to corporations, partnerships and limited liability companies.)²

Authorized Signature

Date

Printed Name

Title

¹ For frequently asked questions concerning Oklahoma Sales Tax Permit, see <http://www.tax.ok.gov/faq/faqbussales.html>

² For frequently asked questions concerning Workers' Compensation Insurance, see

http://www.ok.gov/oid/Consumers/Workers'_Compensation/index.html