

COMMONWEALTH OF VIRGINIA
Virginia Lottery
CONTRACT

CONTRACT NUMBER: PA0001008 *pom*

TITLE: **Axis Camera Monitoring and Maintenance**

CONTRACT TERM: February 26, 2022 – February 25, 2024

ISSUED BY: Virginia Lottery
600 East Main Street
Richmond, Virginia 23219

CONTRACTOR: Deltacom Security, LLC
404 Pine Street SE, Suite 201
Vienna, VA 22180
FIN 82-1892696

PURPOSE: Contractor shall provide Axis camera monitoring and maintenance for the security system at all Virginia Lottery locations in accordance with this Contract and supporting documents herein.

TOTAL AMOUNT OF CONTRACT (estimated): \$184,254.17

INVOICE ADDRESS: Virginia Lottery
Attention: Accounts Payable
600 East Main Street
Richmond, Virginia 23219

CONTRACT OFFICER: Pamela S. Mackey, 804/692-7641

ACCOUNTING DATA: Cost Code: 330; Account Codes: 1253

Deltacom Security, LLC

Virginia Lottery

By: *[Signature]* By: *[Signature]*
Signature

Darrell Mack
Print Name

Pamela S. Mackey
Print Name

President February 23, 2022
Title Date

Sr. Contract 2-23-22
officer Title Date

This is a Contract between Deltacom Security, LLC ("Contractor" or "Deltacom"), and the Virginia Lottery ("Lottery"), an agency of the Commonwealth of Virginia; both sometimes hereinafter referred to as the "Parties".

The Lottery and the Contractor agree that the terms and conditions of this Contract shall be:

- I. CONTRACT TERM:** The term of this Contract shall be from February 26, 2022 through February 25, 2024 with three (3) optional one-year renewals.
- II. SCOPE OF SERVICE:** The Contractor shall provide monitoring and maintenance of the Lottery's current closed-circuit television security system located at four (4) locations in the metropolitan Richmond area, and at six (6) Customer Service Centers ("CSC"), located throughout Virginia as listed below. The closed-circuit television security system is a combination of Axis fixed cameras and Axis domes reporting to Network Video Recorders ("NVRs") and monitors and being recorded onto virtual servers.

Lottery Locations:

Lottery Headquarters ("HQ")
600 E. Main Street
Richmond, VA 23219
804/692-7000

Prize Zone West ("PZW")
1620 E. Parham Road
Richmond, VA 23228
804/692-7950

CBS 6, WTVR-TV
3301 West Broad Street
Richmond, VA 23230
804/868-5000

Northern Virginia
14550 Potomac Mills Rd.
Woodbridge, VA 22192
703/494-1501

Shenandoah Valley
1790-26 E. Market Street
Harrisonburg, VA 22801
540/433-7979

Hampton Roads
2306-2308 W. Mercury Blvd.
Hampton, VA 23666
757/825-7800

Central Virginia
Longwood Village Shopping Center
1524 S. Main Street
Farmville, VA 23901
434/392-7294

Roanoke Valley
1287 Towne Square Blvd.
Roanoke, VA 24012
540/561-7011

Southwest Virginia
408 E. Main Street
Abingdon, VA 24210
276/676-5540

Carolina Avenue Data Center
4683 Carolina Avenue
Richmond, VA 23222
804/228-7788

The above locations may change during the Contract term. Contractor shall be responsible for furnishing, installing, and maintaining equipment installed at any new location. The Lottery and Contractor shall negotiate new equipment pricing. Also, any additional security equipment purchased by the Lottery will be included for service at the time of installation or at the end of any applicable warranty period.

Contractor shall provide all personnel, labor, management, tools, materials, equipment, and freight necessary to provide monitoring, on call repair, service support and applicable routine preventative maintenance for all components of the Lottery's closed-circuit television security system. The Contractor shall be required to repair or replace hardware upon failure and correct software problems, corrupted files or program anomalies.

A. Existing Equipment

Cameras at HQ and CSCs (Total: 91 cameras & 9 NVRs)

Farmville - Central VA	6 cameras + NVR
Hampton - Hampton Roads	10 cameras + NVR
Harrisonburg - Shenandoah Valley	5 cameras + NVR
Abingdon - Southwest VA	7 cameras + NVR
Roanoke - Roanoke Valley	6 cameras + NVR
Woodbridge - Northern VA	10 cameras + NVR
PZW Richmond - Prize Zone West	6 cameras + NVR
Richmond - Carolina Ave. Data Ctr.	3 cameras + NVR
Richmond - WTVR CBS6	2 cameras + NVR
Richmond - HQ	36 cameras + Windows Server (Contractor not responsible for maintaining server)

B. Requirements

1. Monitoring Capabilities

- a. Monitoring capabilities will be defined as a Contractor having the ability to determine 24/7 whether or not all Axis cameras and NVRs are functioning at full capacity and are recording all motion activities at all Lottery locations.
- b. Contractor shall be subcontracting with YourSix to provide 24/7 monitoring capabilities and be responsible for responding, troubleshooting, and managing the Lottery's Axis digital cameras and NVRs at all locations. YourSix shall manage the Lottery's multiple locations within a single computer screen. The YourSixOS platform shall be used by the Lottery to view all camera locations in real time or access previously stored footage. The Lottery shall be able to

- quickly navigate between cameras across all locations and respond to incidents on-demand.
- c. Contractor shall set up, configure, maintain, manage, monitor, update and install network video recorders ("NVRs") and digital cameras to the Lottery's production enterprise network.
 - d. The following workflow shall occur when a call is placed or when an issue is discovered with a camera or NVR:
 - 1) YourSix shall monitor the Lottery's closed circuit television system 24/7 and provide seamless backups which shall be done in the background with no interruptions.
 - 2) If any issues are detected, YourSix shall send a report to the issue to Deltacom along with a call. Deltacom shall remote into the system and determine if the fix can be handled remotely or not.
 - 3) If necessary, Deltacom shall dispatch a technician to the location of the issue. The onsite technician shall work with Axis tech support, if necessary, to resolve the issue as tech support has the ability to remote into the cameras and NVRs to resolve the issue.
 - 4) If the technician cannot resolve the issue, a replacement camera shall be used until the issue with the permanent camera is resolved. If it is determined that the problem is with the NVR, Contractor shall contact the Lottery's contact to obtain approval to send the NVR out of service or to be replaced. The cloud would continue to do the recording, with the SIM card as the backup.
 - e. Contractor shall retain six (6) months of video footage from each camera. After six (6) months, Contractor shall export and store video footage for an additional six (6) month period accessible to Lottery personnel.
 - f. Contractor shall utilize a triple redundancy module to secure footage is captured from all security cameras.
 - 1) The first level of securing footage shall be via cloud storage. All footage shall be stored through the YourSix SmartSecure platform to provide secure remote access, automated device management, cloud-based virtual management system ("VMS")/access control interface with technical support. Per access to the Cloud

- storage timeline, designated Lottery users shall be capable of playing both local footage recordings and cloud footage recordings. On-boarding the cameras to the cloud shall be performed by the Contractor and invoiced to the Lottery at the \$116/hr. labor rate. Any cameras added to the Lottery's inventory shall be on-boarded to the cloud prior to installation.
- 2) The second level of securing footage shall be based upon video footage stored locally inside each camera using a 128GB Axis SIM card. The Contractor shall purchase these cards and insert them in all currently installed cameras. Installation shall be performed by the Contractor and invoiced to the Lottery at the \$116/hr. labor rate. Any cameras added to the Lottery's inventory shall contain a SIM card at time of installation.
 - 3) The third level of securing footage shall be via a network attached storage appliance or NVR. All Lottery locations have an NVR storage appliance except HQ; a server is used at that location. Contractor shall perform NVR backup and NVR storage management.
- g. Contractor shall perform any remote software upgrades, firmware upgrades and security patches on the Axis digital cameras and NVRs at all locations as they are issued by Axis.
- h. Contractor shall coordinate with Lottery personnel prior to performing any remote firmware updates, software upgrades and security patches on the Axis digital cameras and NVRs at all locations. The Lottery prefers any upgrades be applied after hours to ensure the cameras and NVRs are running at peak performance after the upgrade. If updates must be performed during Lottery working hours, Contractor shall schedule updates in coordination with the Lottery to ensure the least amount of disturbance possible. Contractor shall maintain a record of all upgrades applied and when they occurred.
- i. Contractor shall be able to take calls and dispatch service 24/7/365 through live answering. A technician shall always be on call with a backup technician also on call. If necessary, the technicians can utilize Axis technical support to troubleshoot camera equipment issues. The technicians shall have basic IT, workstation, server, networking and troubleshooting skills for users or administrators of

the Lottery's enterprise network environment to remotely trouble-shoot and resolve issues. Contractor shall provide a toll-free phone number to be utilized by Lottery personnel when issues arise.

- j. Contractor shall provide reports on a monthly and quarterly basis. These reports shall include information relating to the overall performance of the Axis camera system. In the event of a system issue, report shall outline course of events, steps taken to troubleshoot, and steps taken to resolve the issue. These reports could be requested to be provided via email, hard copy or presentation format.
- k. Contractor shall provide suggestions for improving performance, picture quality and reporting.

2. Manage/Replace Requirements

- a. Contractor is authorized to sell and service/maintain Axis cameras. Contractor shall maintain authorization for each technician for the entire term of the Contract and subsequent renewal options exercised at the sole discretion of the Lottery.
- b. Contractor shall be responsible for becoming familiar with the types of existing Lottery IT equipment and connections.
- c. Contractor's processes ensure all NVRs shall be configured to the Lottery's specifications so that any NVR that is replaced shall be replaced by a NVR that has been programmed at the Contractor's Vienna, VA office. The NVR shall be plugin play ready and dropped off or next day delivered to the Lottery location. Recording shall continue to the cloud regardless of the status of the NVR.
- d. For this Contract, Contractor shall be subcontracting with VSC Fire & Security, Inc. Subcontractor has immediate access to the supplemental resources of 15 district offices including in Richmond.
- e. Contractor shall use Jobber, a software product for scheduling and record keeping, to monitor and manage individual service projects. All job site technician's notes, floor plans, emails and other forms of communications shall be kept together for access by Contractor's technicians and office staff.
- f. The Contractor shall contact the designated Lottery representative to confirm a date and time for maintenance visits, which shall be the least disruptive to day-to-day operations and the integrity of existing building security.
- g. If needed for any CSC relocations or upgrades to

equipment, Contractor shall obtain and pay for all necessary permits, permit application fees, licenses or any fees required. The Contractor shall comply with all laws, ordinances, regulations and building code requirements applicable to the work. With the Lottery's CSCs being located in several different cities/counties, the Contractor is presumed to be familiar with all state and local laws, ordinances, code rules and regulations that may in any way affect the work. Ignorance on the part of the Contractor shall in no way relieve them of responsibility.

- h. Any electrical deficiencies related to the Lottery's security system in any of the locations shall be the responsibility of the Contractor to upgrade. The Lottery is not aware of any electrical deficiencies in any of the locations, but if deficiencies exist, the Contractor shall be responsible for upgrading them.
- i. Contractor shall make repairs/restoration to finishes and building elements if damaged by requested system upgrade/installation.
- j. Lottery shall have the capability to run reports in reference to location access history.

3. Testing and Inspection

- a. If new equipment is installed during the Contract term, Contractor shall demonstrate new equipment at each location in the presence of a Lottery contact(s). All necessary programming must be operational to consider the system complete and functioning.
- b. After demonstration, the system shall be subject to a 15-day testing period by the Lottery. Contractor equipment which is found to not meet specifications or other requirements may be rejected and require replacement by the Contractor. Unless otherwise notified or mutually agreed, acceptance shall become effective at the end of the 15-day testing period.
- c. If Contractor equipment is rejected and requires replacement because it is found to not meet specifications or other requirements, a new 15-day testing period may or may not be initiated. The Lottery and the Contractor shall come to an agreement regarding whether a new testing period is necessary depending on the severity of the replacement. The decision shall be documented in writing and added to the resulting Contract file.

4. Training

- a. Contractor shall be responsible for all training of Lottery personnel in the proper operation of newly installed equipment at each location, if necessary.
- b. All training shall be at no cost to the Lottery and include all related materials and documentation.
- c. The Lottery is flexible regarding how training shall be conducted by the Contractor (e.g., face-to-face, webinar, etc.).

5. Warranty

- a. One (1) year warranty on parts and labor is required, in addition to providing an unconditional warranty covering parts and labor needed to repair any defective equipment.
- b. Contractor warranty shall commence on the date of final acceptance of each newly installed camera, NVR, etc.
- c. Contractor shall resolve issues pertaining to warrantied parts, service, and support directly with the manufacturer. The Lottery will not be referred to a third-party vendor.

6. Annual Inventory List

- a. Contractor shall provide an annual inventory list to the Contract Administrator. Each inventory list shall include additional items installed by the Contractor after provision of the previous list. Documentation shall include equipment status, such as if under warranty or under maintenance Contract. Deleted items shall be removed from the inventory list, in addition to, being removed from the maintenance Contract. Frequent equipment installations may require repeated inventory list submissions.

7. Preventative Maintenance, Repairs and Excessive Downtime

- a. Preventative Maintenance
 - 1) Contractor shall inspect equipment located at all the Lottery locations a minimum of three (3) times per year. Inspections shall include cleaning and testing of the equipment. All testing of capabilities shall be coordinated with Lottery Security and local authorities, if

- necessary.
- 2) Parts shall be replaced, without additional charge, that have been broken or worn as a result of normal use and which are necessary for machine servicing and maintenance adjustments. Active components (electrically powered or driven) shall be individually identified and covered under this Contract.
 - 3) All NVRs shall be connected to a UPS, or a network stack connected to a UPS which the Axis NVR is connected to for backup purposes if an outage occurs at any of the locations.
 - 4) A written report of the results of each preventative maintenance visit shall be provided to the Lottery designee.
 - 5) Contractor shall provide all patches, fixes, revisions, updates, upgrades, and minor releases to both the software and its supporting documentation for the entire term of the Contract and subsequent renewal options exercised at the sole discretion of the Lottery.

b. Repairs (Service Calls)

- 1) Contractor shall respond to service calls as required by the Lottery on a seven (7) days per week, 24 hours per day basis, including state holidays. For Richmond locations, on-site response time for standard service calls (equipment and software) shall be within four (4) hours following initial notification. For CSC locations, on-site response time for standard service calls (equipment and software) shall be within 24 hours following initial notification.
- 2) Service shall be performed by a trained staff.
- 3) Contractor shall provide a flat hourly rate for labor. This rate shall be all inclusive of travel, per diem, mileage, overtime, incidentals, parts delivery, environmental fees, fuel, or other miscellaneous surcharges.
- 4) The cost of repair parts or other additional costs shall be approved in writing by the Lottery prior to repairs being made.
- 5) The Lottery shall be billed per maintenance/ service call.
- 6) No additional charges shall be incurred by the Lottery in the event a service call is placed, but it is determined that no problem existed with the equipment.

- 7) Repairs required due to accident, misuse, abuse, neglect, theft, acts of God, lightening, vandalism, electrical power failure, fire, water, or other casualty, and repairs made necessary by service performed by personnel other than those of the Contractor are not included in the annual maintenance price but shall be billed at the time and materials rate indicated in the Pricing Schedule.
- 8) Contractor shall only respond to service call requests from the Lottery Contract Administrator and/or designated Lottery personnel at the CSCs.
- 9) No modifications to the equipment except those specified and submitted in writing by the Technical Service Department after receiving written approval from the Lottery Contract Administrator shall be initiated.

8. Excessive Downtime

- a. Equipment and/or software furnished during the Contract term shall be capable of continuous operation. Should the equipment or software become inoperable for a period of more than 24 hours, the Contractor agrees to pro-rate maintenance charges to account for each full day of inoperability. The period of inoperability shall commence upon initial notification. In the event equipment and/or software furnished during the Contract remains inoperable for more than three (3) consecutive calendar days, the Contractor shall promptly replace the equipment or software at no charge upon request of the Lottery. Such replacement shall be with new, unused product(s) of comparable quality, and must be installed and operational within two (2) days following the request for replacement. Should equipment and/or software furnished prior to the Contract term be replaced, the Lottery shall be invoiced for the cost of the parts.
- b. Axis cameras shall be programmed and serviced remotely in most cases. Technicians shall access the problem and determine if the camera can be fixed through programming remotely or replaced with a new camera.

9. Disaster Recovery Plan

- a. Contractor shall continue to provide security monitoring during excessive downtime and short-term downtime by having the cameras attached to a battery/uninterruptible power supply [UPS]). The maximum amount of use time expected for backup power supply would be approximately 45 minutes.
- b. Contractor has also proposed a triple redundancy module to secure footage is captured from all security cameras. See page 3, B. Requirements, 1. Monitoring Capabilities, letter d. for additional detail.

10. Maintenance/Repair Checklists

- a. Contractor shall follow the steps outlined in the checklist provided as Attachment One prior to arrival, during and prior to departure of a maintenance/repair service call. An Axis camera listing is also attached to the Contract for the technician to indicate cameras were involved in a location visit.

C. Access to Lottery Resources

The following controls shall be adhered to when remotely accessing the Lottery network or working onsite:

Common Rules for Lottery Network Access

1. Contractor shall not use personal devices to connect to Lottery resources. Only Lottery-owned devices or devices owned by the Contractor's company shall be utilized.
2. As appropriate for the type of device, Contractor-owned devices shall contain active firewall, and antivirus updated with the latest signatures before connecting to the Lottery's network.
3. The Contractor-owned device shall contain the latest operating system version with the following exceptions:
 - a. If the Contractor's IT department has not completed testing of the latest version, an earlier version may be used.
 - b. The Contractor shall not use a device unpatched for more than 90 days to connect to the Lottery's network (assuming a patch was issued within the last 90 days).
 - c. If the device's Operating System company (e.g. Microsoft, Apple) has issued a critical patch, the

Contractor shall install that patch within two (2) weeks unless the OS company retracts the patch.

4. Lottery IT resource access shall be structured in such a way that Contractors can only access the specific system(s) for which they are responsible.
5. Contractor shall utilize only Lottery ITSC approved methods for remote access (e.g. RSA/VPN).

Installing Updates and Fixes

1. The Contractor shall receive approval from the Contract Administrator prior to installing updates or fixes to the system.
2. Prior to granting approval, the Contract Administrator shall open a Heat to log the issue and contact the Network Center to obtain the current OS and database patch levels. The Contract Administrator shall provide this information to the Contractor as part of the approval process. Alternatively, the Contract Administrator may arrange for Network Center staff to directly contact the Contractor to discuss the system configuration.
3. Lottery human intervention is required for Contractor remote access. This may take the form of the Lottery maintaining possession of the RSA SecurID token or other measures deemed appropriate by the ITSC or Information Technology Services department. At present, RSA SecurID tokens are utilized, and the Contractor will contact Lottery Data Center Operations to receive the token code for remote access once approval has been granted by the Contract Administrator.
4. Actions taken shall be logged using a system journal, log file, or other means such as a "jump box".

III. SPECIAL TERMS AND CONDITIONS:

A. ADVERTISING:

When a Contract is awarded for supplies, equipment, or services, no indication of such sales or services to the Lottery shall be used in product literature or advertising without the Lottery Executive Director's prior written approval. The Contractor shall not state in any of its advertising or product literature that the Lottery has purchased or uses its products or services.

B. AUDIT:

The Contractor shall retain all books, records, and other

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

C. **CANCELLATION OF CONTRACT:**

The Lottery reserves the right to cancel and terminate any resulting Contract, in part or in whole, without penalty, upon 60 days written notice to the Contractor. In the event the initial Contract period is for more than 12 months, the resulting Contract may be terminated by either party, without penalty, after the initial 12 months of the Contract period upon 60 days written notice to the other party. Any Contract cancellation notice shall not relieve the Contractor of the obligation to deliver and/or perform on all outstanding orders issued prior to the effective date of cancellation.

D. **CONTINUITY OF SERVICES:**

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

1. To exercise its best efforts and cooperation to affect an orderly and efficient transition to a successor;
2. To make all Lottery owned facilities, equipment, and data available to any successor at an appropriate time prior to the expiration of the Contract to facilitate transition to successor; and
3. That the Lottery Contracting Officer shall have final authority to resolve disputes related to the transition of the Contract from the Contractor to its successor.

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

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

E. DISCOUNTS, PROMPT PAYMENT:

Discounts for prompt payment will be shown on the Contract and taken if invoices are processed and payment made within the stipulated time frame. If discounts are not offered, payment shall be made 30 days after receipt of an accurate invoice by the Lottery's Accounts Payable Department.

F. INDEMNIFICATION:

Contractor agrees to indemnify and hold harmless the Commonwealth, the Lottery, their officers, directors, agents and employees (collectively, "Commonwealth's Indemnified Parties") from and against any and all losses, damages, claims, demands, proceedings, suits and actions, including any related liabilities, obligations, losses, damages, assessments, fines, penalties (whether criminal or civil), judgments, settlements, expenses (including attorneys' and accountants' fees and disbursements) and costs (each, a "Claim" and collectively, "Claims"), incurred by, borne by or asserted against any of Commonwealth's Indemnified Parties to the extent such Claims in any way relate to, arise out of or result from: (i) any intentional or willful conduct or negligence of any employee, agent, or subcontractor of the Contractor, (ii) any act or omission of any employee, agent, or subcontractor of the Contractor, (iii) breach of any representation, warranty or covenant of the Contractor contained herein, (iv) any defect in the Contractor-provided products or services, or (v) any actual or alleged infringement or misappropriation of any third party's intellectual property rights by any of the Contractor-provided products or services. Selection and approval of counsel and approval of any settlement shall be accomplished in accordance with all applicable laws, rules and regulations. For state agencies, the applicable laws include §§ 2.2-510 and 2.2-514 of the *Code of Virginia*. In all cases involving the Commonwealth or state agencies, the selection and approval of counsel and approval of any settlement shall be satisfactory to the Commonwealth.

In the event that a Claim is commenced against any of Commonwealth's Indemnified Parties alleging that use of the Contractor-provided products or services, including any components thereof, or that the Contractor's performance or delivery of any product or service under this Contract infringes any third party's intellectual property rights and the Contractor is of the opinion that the allegations in such Claim in whole or in part are not covered by this indemnification provision, Contractor shall immediately notify the Lottery in writing, via certified mail, specifying to what extent the Contractor believes it is obligated to defend and indemnify under the terms and conditions of this Contract. The Contractor shall in such event protect the interests of the Commonwealth's Indemnified Parties and secure a continuance to permit the Lottery to appear and defend their

interests in cooperation with the Contractor as is appropriate, including any jurisdictional defenses the Lottery may have.

In the event of a Claim pursuant to any actual or alleged infringement or misappropriation of any third party's intellectual property rights by any of the Contractor-provided Deliverables, Products, Software, Services, Solution, including Solution Components, Application and Licensed Services, as applicable, or Contractor's performance, and in addition to all other obligations of the Contractor in this Section, the Contractor shall at its expense, either (a) procure for all Authorized Users the right to continue use of such infringing Deliverables, Products, Software, Services, Solution, including Solution Components, Application and Licensed Services, as applicable, or any component thereof; or (b) replace or modify such infringing Deliverables, Products, Software, Services, Solution, including Solution Components, Application and Licensed Services, as applicable, or any component thereof, with non-infringing Deliverables, Products, Software, Services, Solution or Solution Component(s), Application and Licensed Services, as applicable, satisfactory to the Lottery. And in addition, the Contractor shall provide any the Lottery with a comparable temporary replacement products and/or services or reimburse the Lottery for the reasonable costs incurred by the Lottery in obtaining an alternative product or service, in the event the Lottery cannot use the affected Deliverable, Product, Software, Services, Solution or Solution Component(s), Application and Licensed Services, as applicable, or any component thereof. If the Contractor cannot accomplish any of the foregoing within a reasonable time and at commercially reasonable rates, then the Contractor shall accept the return of the infringing Deliverables, Products, Software, Services, Solution, Solution Component, Application and Licensed Services, as applicable, or any component thereof, along with any other components rendered unusable by the Lottery as a result of the infringing component, and refund the price paid to the Contractor for such components.

G. **INSPECTION OF JOB SITE:**

Contractor has inspected a representative sample of the job sites and is aware of the conditions under which the work must be accomplished.

H. **LIMITATION OF LIABILITY:**

To the maximum extent permitted by applicable law, the Contractor will not be liable under this Contract for an indirect, incidental, special or consequential damage, or damages from loss of profits, revenue, data or use of the supplies, equipment and/or services delivered under this Contract. This limitation of liability will not apply, however, to liability arising from: (a) personal injury or death; (b) defect or deficiency caused by willful misconduct or

negligence on the part of the Contractor; or (c) circumstances where the Contract expressly provides a right to damages, indemnification or reimbursement.

I. **MAINTENANCE:**

Upon expiration of the specified warranty period on any new equipment installed, the Contractor shall provide one (1) additional one-year period of on-site maintenance (including labor, parts, and travel) at the prices set forth in the pricing schedule. Maintenance shall not include external electrical work, providing supplies, and adding or removing accessories not provided for in the Contract. Maintenance shall also not include repairs of damage resulting from: acts of God, transportation between state locations, negligence by state personnel, or other causes not related to ordinary use in the production environment in which installed.

J. **NEW EQUIPMENT:**

Unless otherwise expressly stated, any equipment furnished under the Contract shall be new, unused equipment.

K. **NOTICE OF MATERIAL LEGAL DISPUTE:**

Contractor shall notify the Lottery of its involvement in any legal dispute that is or may become material to this Contract. Contractor shall provide the Lottery with pertinent, non-privileged details upon request.

L. **PERFORMANCE, CONTRACTOR:**

Contractors providing goods and services to the Lottery are required to perform in accordance with the terms and conditions of their Contract. When contractual requirements are not met the following actions may be taken (at the Lottery's option):

1. **Contractor Complaint Form:**

If a Contractor fails to perform in accordance with the terms and conditions of the Contract, the Lottery will prepare a Contractor Complaint Form and forward to the Purchasing Office. This form will be sent to the Contractor for a corrective action plan.

2. **Default:**

If the Contractor is non-responsive to the complaint form or does not satisfy the corrective action plan submitted in the complaint form or provides an unsatisfactory corrective plan as determined by the Lottery, the Contractor may, at the Lottery's discretion, be placed in default and notified via Contractor Complaint Form.

3. Ineligible for Award:
Once placed in default, the Contractor will be ineligible to do business with the Lottery for purchases exceeding \$10,000 for a period of **three (3) years**.
4. Re-procurement of Goods and Services:
In addition to a Contractor's ineligibility for award of programs over \$10,000, the Lottery may procure the goods and/or services from other sources and hold the Contractor responsible for the price difference of the original Contract amount and the amount of the new Contract. The Lottery will follow competitive principles as outline herein for the re-procurement.

The vendor will remain in default until the re-procurement costs have been paid to the Lottery. The vendor is still subject to the three (3) year ineligibility based on the default regardless as to when the re-procurement cost is paid.

5. Number of Complaints:
 - a) For Term Contracts: if the Contractor has received three (3) or more complaints within the initial Contract period as documented by Contractor Complaint Forms, the Contractor may, at the Lottery's discretion, be ineligible to submit a bid/proposal if the goods/services are re-solicited at expiration of Contract. Ineligibility shall apply even though a satisfactory resolution to all complaints occurred.
 - b) For a Renewal Period: if the Contractor has received three (3) or more complaints within a renewal period as documented by Contractor Complaint Forms, the Contractor may, at the Lottery's discretion, be ineligible to submit a bid/proposal if the goods/services are re-solicited at expiration of Contract. Ineligibility shall apply even though a satisfactory resolution to all complaints occurred.
 - c) For Spot Purchases: if the Contractor has received three (3) or more complaints within a period of one (1) year as documented by Contractor Complaint Forms, the Contractor may, at the Lottery's discretion, be ineligible to do business with the Lottery for purchases exceeding \$10,000 for a period of one (1) year after the issuance of the third Contractor Complaint Form. Ineligibility shall apply even though a satisfactory resolution to all complaints occurred.

M. **PREVENTIVE MAINTENANCE:**

The Contractor shall provide necessary preventive maintenance, required testing and inspection, calibration and/or other work

necessary to maintain the equipment in complete operational condition. A written report of the results of each preventative maintenance visit shall be provided to the Lottery upon visit completion.

N. **PRIME CONTRACTOR RESPONSIBILITIES:**

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

O. **PRODUCT AVAILABILITY/SUBSTITUTION:**

Substitution of a product, brand or manufacturer after the award of Contract is expressly prohibited unless approved in writing by the Contract Officer. The Lottery may, at its discretion, require the Contractor to provide a substitute item of equivalent or better quality subject to the approval of the Contract Officer, for a price no greater than the Contract price, if the product for which the Contract was awarded becomes unavailable to the Contractor.

P. **QUANTITIES:**

Current quantities of cameras may change during the term of the Contract. The Lottery may wish to have the Contractor install additional equipment or remove equipment.

Q. **RENEGOTIATION OF CONTRACT:**

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

R. **RENEWAL OF CONTRACT:**

This Contract may be renewed by the Lottery for three (3) successive one-year periods under the terms and conditions of the original Contract except as stated in 1. and 2. below. Price increases/decreases may be negotiated only at the time of renewal. Written notice of the Lottery's intention to renew shall be given

approximately 90 days prior to the expiration date of each Contract period.

1. If the Lottery elects to exercise the option to renew the Contract for an additional one-year period, the Contract price(s) for the additional one year shall not exceed the Contract price(s) of the original Contract increased/decreased by more than the percentage increase/decrease of the "Other Services" category, Series ID CWUR0000SAS367 of the CPI-W section of the Consumer Price Index of the United States Bureau of Labor Statistics for the latest 12 months for which statistics are available.
2. If during any subsequent renewal periods, the Lottery elects to exercise the option to renew the Contract, the Contract price(s) for the subsequent renewal period shall not exceed the Contract price(s) of the previous renewal period increased/decreased by more than the percentage increase/decrease of the "Other Services" category, Series ID CWUR0000SAS367 of the CPI-W section of the Consumer Price Index of the United States Bureau of Labor Statistics for the latest 12 months for which statistics are available.

S. **SECURITY CLEARANCE – VIRGINIA LOTTERY:**

All Contractor personnel, entering Main Street Centre, are required to obtain security clearance prior to their arrival at the work site. For information on the clearance process, call Lottery Security at 804-692-7226. Failure to obtain the necessary security clearance will result in access to the building being denied.

The Lottery strongly encourages the Contractor to seek security clearance from Lottery Security in a timely manner once a Contract has been extended. It may take five (5) – ten (10) days to receive security clearance for all the workers prior to their arrival.

T. **SECURITY LICENSE:**

In accordance with § 9.1-139 of the *Code of Virginia* (1950), the Contractor shall be licensed by the Department of Criminal Justice Services for solicitations which include the following work: installation, service, maintenance, or design of security equipment; security officer service; and/or private investigator service. Licenses must be obtained prior to submitting a proposal.

Private Security Services Business License: 11-15782

For assistance, the Contractor may contact the Department of Criminal Justice Services at 804-786-0460.

- U. **SMALL, WOMEN- AND MINORITY-OWNED (SWaM-OWNED) BUSINESS SUBCONTRACTING AND EVIDENCE OF COMPLIANCE:**
There will be no subcontracting to SWaM businesses for the performance of this Contract.
- V. **SOFTWARE UPGRADES:**
The Lottery shall be entitled to all upgraded versions of the software/firmware covered in the Contract that becomes available from the Contractor and provide all patches, fixes, revisions, updates, and minor releases to the software.
- W. **SUBCONTRACTS:**
No portion of the work shall be subcontracted without prior written consent of the Lottery. In the event that the Contractor desires to subcontract some part of the work specified herein, the Contractor shall furnish the Lottery the names, qualifications and experience of their proposed subcontractors. The Contractor shall, however, remain fully liable and responsible for the work to be done by its subcontractor(s) and shall assure compliance with all requirements of the Contract.
- X. **WARRANTY:**
All materials and new equipment shall be fully guaranteed against defects in material and workmanship for a period of one (1) year following date of installation and final acceptance. Should any defect be noted by the Lottery, the Purchasing Office will notify the Contractor of such defect or non-conformance. Notification will state either (1) that the Contractor shall replace or correct, or (2) the Lottery does not require replacement or correction, but an equitable adjustment to the Contract price will be negotiated. If the Contractor is required to correct or replace, it shall be at no cost to the Lottery and shall be subject to all provisions of this clause to the same extent as materials initially delivered. If the Contractor fails or refuses to replace or correct the deficiency, the Lottery may have the materials corrected or replaced with similar items and charge the Contractor the costs occasioned thereby or obtain an equitable adjustment in the Contract price.
- Y. **CONFIDENTIALITY (LOTTERY):**
The Lottery agrees that neither it nor its employees, representatives, or agents shall knowingly divulge any proprietary information with respect to the operation of the software, the technology embodied therein, or any other trade secret or proprietary information related thereto, except as specifically authorized by the Contractor in writing or as required by the Freedom of Information Act or similar law. It shall be the Contractor's responsibility to fully comply with § 2.2-4342F of the *Code of Virginia*.

Z. CONFIDENTIALITY (CONTRACTOR):

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

AA. EXCESSIVE DOWNTIME:

Equipment or software furnished under the Contract shall be capable of continuous operation. Should the equipment or software become inoperable for a period of more than 24 hours, the Contractor agrees to pro-rate maintenance charges to account for each full day of inoperability. The period of inoperability shall commence upon initial notification. In the event the equipment or software remains inoperable for more than three (3) consecutive calendar days, the Contractor shall promptly replace the equipment or software at no charge upon request of the Lottery. Such replacement shall be with new, unused product(s) of comparable quality, and must be installed and operational within two (2) days following the request for replacement.

BB. QUALIFIED REPAIR PERSONNEL:

All warranty or maintenance services to be performed on the items specified in this Contract as well as any associated hardware or software shall be performed by qualified technicians properly authorized to perform such services. The Lottery reserves the right to require documentation of training and at any time during the term of the Contract. All subcontractors utilized during the course of the Contract also are required to be qualified technicians to perform services.

CC. RELOCATION OF EQUIPMENT:

Should it become necessary to move equipment covered by the Contract to another location, the Lottery reserves the right to do so at its own expense. If Contractor supervision is required, the Lottery will provide prior written notice of the move at least 30 days in advance, in which case the Contractor shall provide the required services and be reasonably compensated by the Lottery. Both the compensation to be paid and any adjustment to the maintenance terms resulting from the move shall be as mutually agreed between the parties. Regular maintenance charges shall be suspended on the day the equipment is dismantled and resume once the equipment is again certified ready for operational use.

DD. REPAIR PARTS:

In the event that the performance of maintenance services under the Contract results in a need to replace defective parts, such items may only be replaced by new parts. In no instance shall the Contractor be permitted to replace defective items with refurbished, remanufactured, or surplus items without prior written authorization of the Lottery.

EE. SERVICE REPORTS:

Upon completion of any maintenance call, the Contractor shall provide the Lottery with a signed service report that includes, at a minimum: a general statement as to the problem, action taken, any materials or parts furnished or used, and the number of hours required to complete the repairs.

IV. GENERAL TERMS AND CONDITIONS:

A. ANTI-DISCRIMINATION:

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

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

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

1. The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the Contractor. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this

nondiscrimination clause.

2. The Contractor, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, will state that such Contractor is an equal opportunity employer.
3. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting these requirements.

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

B. ANTITRUST:

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

C. APPLICABLE LAWS AND COURTS:

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

D. ASSIGNMENT OF CONTRACT:

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

E. AVAILABILITY OF FUNDS:

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

F. CHANGES TO THE CONTRACT:

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

1. The parties may agree in writing to modify the scope of the Contract. An increase or decrease in the price of the Contract resulting from such modification shall be agreed to by the parties as a part of their written agreement to modify

the scope of the Contract.

2. The Lottery may order changes within the general scope of the Contract at any time by written notice to the Contractor. Changes within the scope of the Contract include, but are not limited to, things such as services to be performed, the method of packing or shipment, and the place of delivery or installation. The Contractor shall comply with the notice upon receipt. The Contractor shall be compensated for any additional costs incurred as the result of such order and shall give the Lottery a credit for any savings. Said compensation shall be determined by one of the following methods:

By mutual agreement between the parties in writing; or

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

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

G. **DEBARMENT STATUS:**

Contractor certifies that they are not currently debarred by the Commonwealth of Virginia from submitting proposals on contracts for the type of goods and/or services covered by this Contract, nor

are they an agent of any person or entity that is currently so debarred.

H. **DEFAULT:**

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

I. **DRUG-FREE WORKPLACE:**

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

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

J. **ETHICS IN PUBLIC CONTRACTING:**

Contractor certifies that this Contract is made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other Offeror, supplier, manufacturer or subcontractor in connection with this Contract, and that they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.

K. **IMMIGRATION REFORM AND CONTROL ACT OF 1986:**

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

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

L. INSURANCE:

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

Minimum Insurance Coverages and Limits Required for Most Contracts:

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

M. NONDISCRIMINATION OF CONTRACTOR:

A Contractor shall not be discriminated against in the award of this Contract because of race, religion, color, sex, national origin, age, disability, faith-based organizational status, any other basis prohibited by state law relating to discrimination in employment or because the Contractor employs ex-offenders unless the Lottery, department or institution has made a written determination that employing ex-offenders on the specific Contract is not in its best interest. If the award of this Contract is made to a faith-based

organization and an individual, who applies for or receives goods, services, or disbursements provided pursuant to this Contract objects to the religious character of the faith-based organization from which the individual receives or would receive the goods, services, or disbursements, the public body shall offer the individual, within a reasonable period of time after the date of his objection, access to equivalent goods, services, or disbursements from an alternative provider.

N. **PAYMENT:**

1. To Prime Contractor:

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

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

2. To Subcontractors:

- a) A Contractor awarded a Contract is hereby obligated:
 - i. To pay the subcontractor(s) within seven (7) days of the Contractor's receipt of payment from the Lottery for the proportionate share of the payment received for work performed by the subcontractor(s) under the Contract; or
 - ii. To notify the Lottery and the subcontractor(s), in writing, of the Contractor's intention to withhold payment and the reason.
- b) The Contractor is obligated to pay the subcontractor(s) interest at the rate of one (1) percent per month (unless otherwise provided under the terms of the Contract) on all amounts owed by the Contractor that remain unpaid seven (7) days following receipt of payment from the Lottery, except for amounts withheld as stated in (2) above. The date of mailing of any payment by U. S. Mail is deemed to be payment to the addressee. These provisions apply to each sub-tier Contractor performing under the primary Contract. A Contractor's obligation to pay an interest charge to a subcontractor may not be construed to be an obligation of the Lottery.

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

O. **PERSONNEL SECURITY CLEARANCES:**

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

No person who has been convicted of a felony, bookmaking or other form of illegal gambling, or of a crime involving moral turpitude, shall be employed on Contracts with vendors described in this section.

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

P. **PRECEDENCE OF TERMS:**

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

Q. **TAXES:**

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

R. **TESTING AND INSPECTION:**

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

V. **METHOD OF PAYMENT AND INVOICING:**

Monitoring/preventative maintenance service shall be billed as a single 12-month service invoice. If the Contract is terminated prior to the conclusion of the 12-month timeframe, Contractor shall reimburse the Lottery for the remainder of months not utilized by the Lottery.

Maintenance/service calls shall be billed per occurrence.

Invoices for any newly installed equipment shall list materials by line item and labor unit costs by location. Payment will be made as invoices are submitted upon completion, testing period and acceptance of each location's install.

Invoices shall be rendered directly to:
Virginia Lottery
Attention: Accounts Payable
600 East Main Street
Richmond, VA 23219

or preferably, email invoices to VLAP@valottery.com.

Invoice must contain the following information:

- Virginia Lottery's Contract number;
- description of the goods and services;
- date goods and services were provided;
- invoice total;
- Contractor's Federal Identification Number or Federal Employer's Number.

If this information is not contained in the invoice, the invoice may be returned to the Contractor.

VI. COMPENSATION:

The Lottery and the Contractor agree to the following provisions for compensation:

LOT II. AXIS CAMERA SYSTEM MONITORING AND MAINTENANCE

24/7 Monitoring Service of Axis Camera System

Maintenance and 24/7 Monitoring **\$13,104.00/12 mo. period**

Cloud-Based Storage of Video Footage

\$4,330.00/mo. x 12 mo. = **\$51,960.00/yr.**

128GB Axis SIM Cards for Cameras

91 cameras x \$98.99/card = **\$9,008.09**

Monthly Preventative Maintenance and Repairs at Richmond Offices and Customer Service Centers. This is to cover currently installed equipment.

Farmville - Central VA	\$156.66/mo.
Hampton - Hampton Roads	\$156.66/mo.
Harrisonburg - Shenandoah Valley	\$156.66/mo.
Abingdon - Southwest VA	\$156.66/mo.
Roanoke - Roanoke Valley	\$156.66/mo.
Woodbridge - Northern VA	\$156.66/mo.
PZW Richmond - Prize Zone West	\$156.66/mo.
Richmond - Carolina Ave. Data Ctr.	\$156.66/mo.
Richmond - WTVR CBS6	\$156.66/mo.
Richmond - HQ	\$469.98/mo.
\$1,879.92 Monthly Grand Total	

$\$1,879.92/\text{mo.} \times 12 \text{ mo.} = \mathbf{\$22,559.04/\text{yr.}}$

NOTE: Upgraded Axis camera equipment most recently installed has a manufacturer warranty on the equipment of five (5) years from date of purchase. Some cameras are within the previous three (3) year warranty from date of purchase.

The following Lottery locations have an Axis manufacturer warranty until:

CBS 6, WTVR-TV	July 16, 2022
HQ Prize Zone	September 11, 2022
Carolina Ave. Data Ctr.	November 9, 2023 (1 camera)
	January 29, 2024 (2 cameras)
HQ 6 th Floor	May 11, 2026
HQ 12 th Floor	May 11, 2026

Time and Materials

Labor rate \$116.00/hr.

Replacement part costs
- discount applied 0%

Year 1 of Contract:

$\$13,104.00 + \$51,960.00 + \$9,008.09 + \$22,559.04 = \$96,631.13$

Year 2 of Contract (no SIM cards):

$\$13,104.00 + \$51,960.00 + \$22,559.04 = \$87,623.04$

$\$96,631.13 + \$87,623.04 = \$184,254.17$

Estimated Contract Value for Two (2) Years - \$184,254.17

- VII. INTEGRATION OF CONTRACT:** This Contract is the complete and exclusive agreement between the parties with respect to the subject matter hereof, superseding and replacing any and all prior agreements, communications, and understandings, both written and oral, regarding such subject matter. No alteration, amendment or modification of this Contractor shall be effective unless it is reduced to writing, signed by the parties and attached hereto.

The Axis Maintenance, Replacement, or New Install Checklist

1. Maintenance, replacement, or new install involving Axis NVR or Axis cameras
2. Cleaning of Axis cameras at each location

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1. Contractor will call the Information Security Team contact or the CSC Manager to schedule a date and time to perform maintenance, replacement, or new install of Axis NVR, or install new or replace an Axis camera.
2. Once date and time have been set and approved by CSC Manager, CSC Manager will confirm date and time with Information Security Team contact (James Monteria @ jmonteria@valottery.com).
3. Once maintenance, replacement, or new install has been completed, Contractor will provide a report detailing what services were performed to CSC Manager to sign off and complete the same process on the Lottery Axis Check List. CSC Manager will forward the signed report and Lottery Axis Check List to the Information Security Team contact (James Monteria @ jmonteria@valottery.com) for record keeping.

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1. Contractor will call Information Security Team contact or CSC Manager to schedule a date and time for cleaning the Axis cameras.
2. Once date and time have been set and approved by CSC Manager, CSC Manager will inform Information Security Team contact (James Monteria @ jmonteria@valottery.com).
3. Once cleaning has been completed, Contractor will provide a report on what Axis cameras have been cleaned to CSC Manager to sign off and complete the same process on the Lottery Axis Check List. CSC Manager will forward signed report and Lottery Axis Check List to Information Security Team contact (James Monteria @ jmonteria@valottery.com) for record keeping.

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1. Before going to the site:
 - a. NVR for CSC location will be preprogrammed with the IP address, subnet, and gateway information provided by Information Security Team contact. If possible, NVR will be placed on the network at the Contractor office to test and ensure it is working correctly and within parameters needed for that Lottery location.

2. Once on site:
 - a. Contractor needs to verify Lottery Investigator and CSC Manager are both on-site and Information Security Team contact is available before starting the job. Lottery Investigator and CSC Manager are required to be on-site during the install (i.e. if the job takes two days to complete wiring and new camera install, Lottery Investigator and CSC Manager must be on-site for those two days.)
3. Before starting the install:
 - a. Contractor needs to check COM Closet to see if dedicated port and switch are open (nothing plugged in). If something is plugged into that assigned or dedicated port and switch, **DO NOT UNPLUG IT**. Contractor will need to contact Bobby Vaughan at 804-692-7711 to have a new port selected on switch to resolve connection issue.
 - b. After all wiring has been completed and new cameras installed, Lottery Investigator for that CSC location will view camera settings through Axis Client Station Software to sign-off/approve view. Once view has been approved by Lottery Investigator, Contractor will email Information Security Team contact (James Monteria @ jmonteria@valottery.com) that camera views and position have been approved.
 - c. Once signed off/approved, Contractor will have any reports or paperwork signed by Lottery Investigator and Lottery Investigator will send a copy to Information Security Team contact (James Monteria @ jmonteria@valottery.com).
4. Before leaving the site:
 - a. Contractor will clean up site and ensure area is clean and in same condition as before installation.

Revised 05/21