

Commonwealth of Virginia



Request for Sealed Proposals

Title: Loyalty Program and Related Services

Due Date: May 25, 2022

Contact Information:

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Request for Proposals (RFP) #: 7098MG

RFP Issue Date:April 19, 2022

Contract Term: 2 Years Plus Four (4) One-Year Renewals

Proposal Due Date and Time:..... May 25, 2022; 3:00 PM EST

The Virginia Lottery does not discriminate against faith-based organizations or against an Offeror because of race, religion, color, sex, national origin, age, disability or any other basis prohibited by state law relating to discrimination in employment. The Virginia Lottery encourages firms to provide for the participation of small businesses and businesses owned by minorities and women through partnerships, joint ventures and subcontracting opportunities.

Complete Legal Name of Offeror's Firm: _____

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I. **PURPOSE:**

The Virginia Lottery (“Lottery”) is seeking a vendor partner to provide a best in class loyalty program system and related services with the following key objectives:

- Improving the player experience
- Driving acquisition and retention of players
- Increasing player lifetime value
- Creating brand advocates

In addition, the Lottery will be evaluating consulting services including:

- Initial loyalty program design
- Go-to-market strategy and launch
- On-going program strategy and management

II. **BACKGROUND:**

In FY 2021 (July 1, 2020-June 30, 2021), the Lottery had sales of nearly \$3.26 billion, and generated more than \$766 million for K-12 public education. For a breakdown of sales, prizes, retailer compensation, operational expenses, and proceeds by fiscal year, and to access the most recent annual report and more, please visit:

<https://www.valottery.com/playingmatters/givingback>.

The Lottery retail gaming system is not integrated with the selling retailers’ Point-Of-Sale (POS) systems. Retailers who sell lottery products have separate clerk-operated Lottery terminals and some also have Lottery self-service vending machines. The Lottery does not currently have a lottery player card or loyalty program, and retail purchases of Lottery products are anonymous.

Additionally, there is a separate online gaming system that is not integrated with the retail system and is managed by a different 3rd party vendor partner, separate from the retail gaming system vendor. Online player and their associated purchase transaction data can readily be accessed by the Lottery and its vendor partner. Data available includes recency, frequency and basket size, etc.

Although retail purchases are anonymous, the Lottery does have two primary engagement programs where player data is captured from players’ retail purchases. The two programs are: [eXTRA Chances](https://www.valottery.com/gameroom/promo/extrachances) (<https://www.valottery.com/gameroom/promo/extrachances>) and game specific [Second Chance promotions](#). Throughout the year, the Lottery runs additional promotions for new product launches and/or game specific incentives such as:

- Watch a how-to-play video and receive a coupon to redeem at retail for game purchase
- Buy \$10 in a Powerball or Mega Millions, get a free ticket
- Promotions at specific retail chains
- Regularly segmented promotions and offers for online play including deposit, registration, and purchase bonuses

For more information on all products and promotions, please visit:

<https://www.valottery.com/>.

For technical development and integrations, the Lottery uses the Microsoft stack of technologies. Additional details are available upon request.

III. **STATEMENT OF NEEDS:**

The Lottery has determined that a hybrid loyalty program that includes points accumulation, a tiered structure, and rewards for activity beyond sales transactions would have the greatest impact. To support a hybrid program, the new loyalty system shall be flexible, highly configurable and customizable, requiring minimal, if any, software development support.

In addition to providing the system, Offerors shall have the ability to collaboratively design the proposed system and ensure it aligns with the Lottery's main strategic goals.

In total, Offerors shall have the ability to provide the following:

A. Functional Requirements

1. Loyalty program shall have the ability to support multiple tiers through point accumulation.
2. Loyalty program shall have the ability to be flexible and scalable (i.e. adding new reward/promotional types, new functionality, etc).
3. Loyalty program shall have the ability to reward players based on engagement and transactional activities, such as account creation, refer a friend, filling out surveys, milestones (i.e. Birthday, Anniversary, etc) and purchases.
4. Offeror shall have the ability to share loyalty program data with the Lottery to be loaded into the Lottery's Data Warehouse on an agreed upon cadence. All data relating to the Lottery's loyalty program shall be owned by the Lottery.
5. Offeror's loyalty program shall have the ability to provide reporting on agreed upon criteria.

B. Optional Requirements

Offerors are invited to propose any additional features and functions they are able to provide. The Lottery is interested in the following potential optional features. Offerors are also encouraged to propose additional options not listed below:

1. Ability to offer a seamless omnichannel experience across all customer touchpoints.
2. Ability to allow the Lottery to manage and control content.
3. Ability to support and provide the following features:

- Surprise and Delight
 - Reward When a Player Hits New Tier
 - Multiplier Reward Days on Specific Product Purchase (ad hoc)
 - Access to Special Discounts/Bonuses for Loyalty Participants
 - Hit X Dollars Spent This Week, Get X Points (ad hoc)
 - Tier Dependent Double/Triple Days
 - Personalization
4. Ability to work with the Lottery to develop a Go-To-Market (GTM) strategy for the proposed solution. This strategy may include identifying intended audience, product-market fit, roll-out plan, etc.
 5. Ability to assist the Lottery with managing the proposed solution. The Lottery is interested in two (2) different methodologies: (1) a Lottery managed program with minimal oversight from the Offeror; and (2) active involvement and management of the program from the Offeror.
 6. Develop and assist with implementing a plan on how to continually optimize and grow the proposed solution.

C. Integrations

Offeror's loyalty program shall have the ability to integrate with 3rd party platforms such as website, mobile app, online gaming transactions, etc.

D. Security

1. If applicable, the Offeror shall have the ability to comply with the Commonwealth's Security Standard SEC 525, *Hosted Environment Information Security Standard* (<https://www.vita.virginia.gov/media/vitavirginiagov/it-governance/psgs/pdf/SEC525-Hosted-Information-Security-Standard.pdf>). Note: The spaces appearing in front of Hosted, Environment, Information, Security and Standard in the hyperlink are underscores. This standard defines the baseline for information security and risk management activities associated with Commonwealth data stored in a data center not owned or leased by the Commonwealth of Virginia.
2. If applicable, the Offeror shall have the ability to remove and sanitize media in accordance with the requirements of COV Information Technology Resource Management Standard SEC514-20, *Removal of Commonwealth Data Electronic Media Standards* (https://www.vita.virginia.gov/media/vitavirginiagov/it-governance/psgs/pdf/RemovalCOVDataElectMediaStandard_SEC514_05.pdf).

3. Offeror shall have the ability to conform to the Lottery's technology environment. A copy of the Lottery's technology environment can be requested and provided on an individual basis.

E. Ongoing Support

1. Offeror shall have the ability to provide functional, operational, and technical training to the Lottery.
2. Offeror shall the ability to provide maintenance and support such as bug fixes for new releases; break/fix; technical support; and technical development.

IV. **PROPOSAL PREPARATION AND SUBMISSION REQUIREMENTS:**

A. **GENERAL REQUIREMENTS:**

1. RFP Response:
 - a. In order to be considered for selection, Offerors must submit a complete response to this RFP. One (1) original and six (6) copies of each proposal must be submitted to the Lottery. Each hardcopy proposal must also contain the following:
 - (1) An electronic version of the complete proposal on a jump drive, and
 - (2) An electronic version of the complete proposal with any proprietary information removed. Proprietary information is detailed in section 2.d. below.
 - b. No other distribution of the proposal shall be made by the Offeror.
 - c. Offeror is requested to respond to each section/subsection in the order in which it appears in the RFP.
2. Proposal Preparation:
 - a. Proposals shall be signed by an authorized representative of the Offeror.
 - b. Failure to submit all information requested may result in the Evaluation Team giving a lowered evaluation score of the proposal.
 - c. An explanation describing how the Offeror will accomplish each requirement must be included in the proposal. The phrase "fully comply" without an explanation is unacceptable. If a requirement is not being provided, state "Not Provided." Proposals, which are substantially incomplete or lack key information, may be rejected by the Lottery.
 - d. Ownership of all data, materials and documentation originated and prepared for the Lottery pursuant to the RFP shall belong exclusively to the Lottery and be subject to public inspection in accordance with the Virginia Freedom of Information Act.

Trade secrets or proprietary information submitted by an Offeror shall not be subject to public disclosure under the Virginia Freedom of Information Act; however, the Offeror must invoke the protections of §2.2-4342 of the *Code of Virginia*, in writing, either before or at the time the data or other material is submitted. The written notice must specifically identify the data or materials to be protected and state the reasons why protection is necessary. The proprietary or trade secret material submitted must be identified by some distinct method such as **highlighting** or **underlining** and must indicate only the specific words, figures, or paragraphs that constitute trade secret or proprietary information. The classification of an entire proposal document, line-item prices and/or total proposal prices as proprietary or trade secrets is not acceptable and will result in rejection of the proposal.

- e. Pricing proposals shall be submitted independently and separately of the rest of the Offeror's response.
3. Oral Presentation: Offerors who submit a proposal in response to this RFP may be required to give an oral presentation to the Evaluation Team. This provides an opportunity for the Offeror to clarify or elaborate on the proposal.
4. Page Limits:
Offeror's response shall be limited to 100 pages each with each case study not exceeding two (2) pages. A page is defined as 8 ½ by 11 inch paper. Double sided printing shall count as two (2) pages. Graphs, drawings, diagrams, supporting illustrations, or spreadsheets larger than 8 ½ by 11 inches will count as one page and shall not be greater than 11" x 17". Margins shall be no smaller than 1 inch and each page shall be numbered consecutively. Offeror must use a 12-point font or larger.

The 100-page limitation includes any charts, graphs, drawings, diagrams supporting illustrations, or spreadsheets, etc., but excludes the following:

- Cover page
- Table of contents
- List of acronyms (if utilized)
- Past performance case studies (not to exceed two pages each)

B. SPECIFIC PROPOSAL REQUIREMENTS:

Proposals shall be as thorough and detailed as possible so that the Lottery may properly evaluate Offeror's capabilities to provide the required system and services. In addition to any other requirements imposed by Section III of this RFP, Offerors are required to submit the following items as a complete proposal. **Offerors should organize proposal content by sections as requested below.**

Section 1. Signed Cover Page, Addenda, and/or Exceptions to T/Cs:

Includes information required by the Lottery in reference to Offeror’s business information and RFP requirements not related to the scope of work and pricing. This section also allows the Offeror to designate any proprietary information in the proposal. **Please note, marking the entire proposal as proprietary and/or the pricing submitted within the proposal as proprietary will not be accepted by the Lottery and risks proposal rejection.** This section must include the following information at a minimum:

- i. A fully completed and signed Signature and Offeror Profile Sheet.
- ii. A cover letter indicating which lot(s) the Offeror is responding to.
- iii. A fully completed Proprietary Information table which indicates the page number(s) containing proprietary information:

Proprietary Information Table:

Section/Title	Page Number(s)	Reason(s) for Withholding From Disclosure

- iv. The acknowledgement of any addenda released in reference to this RFP.
- v. Desired exceptions to any Special Terms and Conditions within the RFP. An Offeror’s request to remove or modify a Special Term and Condition within the RFP does not guarantee the Lottery’s acceptance of the Special Term and Condition exemption or any modification of a Term or Condition. ****NOTE: The Lottery will not sign any Offeror’s documents, MSAs, or any other type of agreement(s). The Lottery’s General Terms and Conditions shall not be negotiated.**

Section 2. Loyalty Program Functionality

- i. Offeror shall detail all requirements offered within the proposed loyalty system as required in *Section III Statement of Needs A. Functional Requirements.*
- ii. Offeror shall describe, in detail, how the proposed system offers promotional rewards for engagement and transactional activities.
- iii. Offeror shall specifically demonstrate the flexibility and scalability of the proposed loyalty system to ensure future growth and maturity as required in *Section III Statement of Needs A. Functional Requirements #2.*

- iv. Please describe the process to add or modify new campaigns on an as needed basis. What is the typical lead time for implementation?
- v. Offeror shall confirm and detail ability to ensure Lottery data is provided to the Lottery on a frequency basis.
- vi. Offeror shall describe how the solution will integrate with 3rd party platforms such as website, mobile app, online gaming transactions, etc.
- vii. Offeror shall provide recommended key performance indicators used to measure the success of the program in both the short-term and long-term, proposed benchmarks, and frequency of reporting. In addition, please elaborate on the following:
 - a) System capability to provide comprehensive reporting on the program.
 - b) Describe how the system captures loyalty participant data to include, but not limited to, zero, first, and third-party data.
 - c) How the Offeror will work with the Lottery's internal IT department to determine the data elements to be captured, frequency to send to the Lottery's internal data lake/warehouse and the appropriate methodology and technical approach.
 - d) Offeror shall describe the criteria for a successful program.
- viii. Offeror shall describe any optional features and services that they provide that go beyond the requirements listed in *Section III, Statement of Needs, A. Functional Requirements*. Please ensure that these options are separate and individualized.

Section 3. Project Approach and Ongoing Support

- i. Offeror shall provide their methodology for system implementation to include, but not limited to, schedule, timeline, milestones, phases, Lottery involvement, integrations with third party providers, testing, quality control, data extraction, security of Personally Identifiable Information (PII) and account holder information, etc.
- ii. Offeror shall provide a list of people (title/role) who will be assigned to each proposed project phase and their specific experience as it relates to each phase.
- iii. Offeror shall provide a detailed approach in working with the Lottery to design the program, how to integrate into the Lottery's main strategic goals, how the recommendation is derived (process/steps) and what is the Offeror's role during this phase.
- iv. After implementation, Offeror shall provide a detailed approach of how the offeror would optimize and grow the program in the short-term and long-term, while working with the Lottery.

- v. Offeror shall propose a maintenance and technical support plan as stated in Section III Statement of Needs F. Ongoing Support, which shall include, but is not limited to, a Service Level Agreement (SLA) and how software patches and upgrades are handled.

Section 4. Case Studies

Offeror shall provide three (3) case studies where work of similar size and scope was performed. Case studies shall include a description of the work performed and how it is relevant to the Lottery’s requirements. Case studies shall be similar to the requested services and supported industries like the Lottery, such as, consumer packaged goods, retail, gaming, or entertainment.

Section 5. Small, Women-owned, and Minority-owned Business (SWaM)

Offeror shall provide a detailed description of participation of minority-owned, woman-owned, and small businesses in the performance of this Contract through subcontracting programs. Please complete the SWaM table below. Please note: the Lottery only recognizes business certified by the Virginia Department of Small Business and Supplier Diversity (SBSD) as SWaM. Offerors may add additional lines as required:

Small Business Name and Certificate Number	Planned Involvement	Planned Contract Dollars
Certificate #:		\$
Certificate #:		\$
Total Planned Contract Dollars		\$

Offerors may find a list of registered SWaM companies by contacting SBSD or visiting <https://www.sbsd.virginia.gov/certification-division/swam/>.

Section 6. Pricing

Please refer to “X. Pricing.” Offerors must submit their pricing in their sealed proposal independently of the rest of their proposal.

Alternate pricing schedules may be proposed, but the pricing to furnish goods/services as specified herein **must** be provided with Offerors’ proposals as required and organized in “X. Pricing.” **Failure to provide pricing as required and in section “X. Pricing” may result in the rejection of an Offeror’s proposal.** Alternate pricing schedules can only be proposed as a possible option and not the sole pricing offered.

C. SOLICITATION QUESTIONS AND PROCUREMENT TIMELINE:

1. Submit all inquiries concerning this RFP in writing via email, subject “Questions on RFP #7098MG” to:

SPOC: Mike Gerdes, Procurement Manager
Email: mgerdes@valottery.com

All contact, whether verbal or written, pertaining to this RFP, shall be with that designated Contract Officer for the duration of the procurement process.

The Lottery does not guarantee a response to any questions received after May 9, 2022.

2. The following procurement timeline is subject to change as the procurement progresses. Please note the deadline within which to submit questions.

Procurement Process	Estimated Completion Date
Optional Pre-Proposal Conference <i>See Page 24 for More Information</i>	April 26, 2022; 10:00AM EST
First Round of Questions	April 27 2022; 3:00PM EST
Addendum #1 (if applicable)	May 3, 2022
Second Round of Questions (if applicable)	May 9, 2022; 3:00PM EST
Addendum #2 (if applicable)	May 12, 2022
RFP Due Date	May 25, 2022; 3:00PM EST
Estimated Contract Award	Late August

*Issue dates of Addenda are dependent on the number of questions received.

V. EVALUATION AND AWARD CRITERIA:

A. EVALUATION CRITERIA:

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

Evaluation Criteria	Scoring Points Available
Loyalty Program Functionality	35
Project Approach and Ongoing Support	25
Case Studies	15
SWaM	10
Pricing	15
Total Points Available	100

B. AWARD OF CONTRACT:

One (1) or more Offeror(s) deemed to be fully qualified and best suited among those submitting proposals will be identified on the basis of the evaluation

factors stated herein. Negotiations may be conducted with such Offeror(s). After negotiations have been conducted with each of these Offeror(s), the Lottery may select the Offeror(s) that, in its opinion, has made the best proposal, and award the Contract to that Offeror(s). The Lottery may cancel this RFP or reject proposals at any time prior to the award, and is not required to furnish a statement of the reasons why a particular proposal was not deemed to be the most advantageous. Should it be determined in writing that only one Offeror is fully qualified, or that one Offeror is clearly more highly qualified than the others under consideration, a Contract may be negotiated and awarded to that Offeror.

V. **SPECIAL TERMS AND CONDITIONS:**

A. **ADVERTISING:**

In the event a Contract is awarded for supplies, equipment, and/or services resulting from this solicitation, no indication of such sales and/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 system and/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 Lottery and/or 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 and at no cost to the Lottery nor the Commonwealth of Virginia.

C. **PROPOSAL ACCEPTANCE PERIOD:**

Any proposal in response to this solicitation shall be valid for 180 days. At the end of the 180-day period, the proposal may be withdrawn at the written request of the Offeror. If the proposal is not withdrawn at that time, it remains in effect until an award is made or the solicitation is canceled.

D. **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 of a material breach with no options to cure, the Lottery reserves the right to cancel this Contract within ten (10) calendar days' written notice. 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.

E. **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*. All trade secrets or proprietary information must be identified in writing or other tangible form and conspicuously labeled as "proprietary" either prior to or at the time of submission to the Lottery.

F. CONFIDENTIALITY (CONTRACTOR):

The Contractor assures that information and data obtained as to personal facts and circumstances related to the Lottery including, but not limited to, Lottery players/consumers, employees, retailers, vendors, applicants, and/or licensees, will be collected and held confidential, during and following the term of this Contract, 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 will be required to sign the Confidentiality statement in this solicitation.

G. CONFIDENTIALITY OF PERSONALLY IDENTIFIABLE INFORMATION:

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

H. CONTINUITY OF SERVICES:

The Contractor recognizes that the system and 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 ninety (90) days after this Contract

expires and shall negotiate in good faith a plan with the successor to execute the phase-in/phase-out services. This plan shall be subject to the Contract Officer's approval.

The 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.

I. DATA OWNERSHIP

The Lottery shall own and have full and complete access to all data collected on its behalf at all times, through the term of this Agreement. The Lottery shall have the ability to import or export its data in piecemeal or in its entirety at the Lottery's discretion at no charge to the Lottery. This includes the ability for the Lottery to import or export Data to/from other Contractors. This can, if specified within this Agreement, be carried out by providing application programmable interface or other such efficient electronic tools. Upon expiration or termination of this Agreement, the Lottery shall have full access to all pertinent data for a period of 60 calendar days. This period will be covered at no charge. This can, if specified within this Agreement, be carried out by providing application programmable interface or other such efficient electronic tools. During this period, the Contractor shall not take any action to erase and/or withhold any data, except as directed by the Lottery.

J. DATA USAGE

The Contractor shall not copy or transfer Lottery data unless authorized by the Lottery. In such an event the data shall be copied and/or transferred in accordance with the provisions of this Section. Contractor shall not access any Data for any purpose other than fulfilling the service. Contractor is prohibited from Data Mining, cross tabulating, monitoring Authorized User's Data usage and/or access, or performing any other Data analytics other than those required within this Contract. At no time shall any Data or processes (e.g., workflow, applications, etc.), which either are owned or used by the Lottery, be copied, disclosed, or retained by the Contractor or any party related to the Contractor unless explicitly specified by the Lottery. Contractor is allowed to perform industry standard back-ups of Data. Documentation of back-up must be provided to the Authorized User upon request. Contractor must comply with any and all security requirements within this Contract.

K. DISCOUNTS, PROMPT PAYMENT:

Discounts for prompt payment will not be calculated in determining net low proposal. Discounts for prompt payment will be shown on the purchase order/Contract and taken if invoices are processed and payment made within the stipulated time frame. If discounts are not offered, payment shall be made thirty (30) days after receipt of an accurate invoice by the Lottery's Accounts Payable Department. Offeror shall indicate discount (if applicable) with the "Pricing section" near the end of this solicitation.

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

The cover page of this solicitation will indicate whether proposals will be accepted as sealed or unsealed. If this solicitation indicates “sealed” proposals will be received for this procurement, all proposals received must be enclosed in an envelope or package and identified as follows:

IF PROPOSAL IS MAILED: Offeror must mail proposal to the Virginia Lottery, Attention: 22nd Floor Purchasing Office, 600 East Main Street, Richmond, Virginia 23219. The proposal must be enclosed in an envelope or package and identified as follows:

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

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

IF PROPOSAL IS HAND DELIVERED (INCLUDING COURIER): Proposal must be delivered to 600 East Main Street, Richmond, Virginia 23219. Due to increased building security, an Offeror must only deliver a proposal to the Security Guard Station located on the **Main Street entrance** of the Lottery Headquarters, Main Street Centre (address above). **However, the Security Guard is not responsible for identifying the date and time a proposal is received; only a Lottery employee can make that determination.** The Security Guard will contact an appropriate Lottery employee for proposal receipt and this process could take 30 minutes or longer.

It is highly recommended that Offerors make an appointment for in-person delivery.

Late proposal will not be accepted.

Note: the Lottery does not conduct public openings.

M. **INDEMNIFICATION:**

Contractor agrees to indemnify and hold harmless the Commonwealth of Virginia, the Lottery, their Board Members, 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/subcontractor-provided products and/or services, or (v) any actual or alleged infringement or misappropriation of any third party's intellectual property rights by any of the Contractor/subcontractor-provided products and/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/subcontractor-provided products and/or services, including any components thereof, or that the Contractor's/subcontractor's performance or delivery of any product and/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/subcontractor-provided Deliverables, Products, Software, Services, Solution, including Solution Components, Application and Licensed Services, as applicable, or Contractor's/subcontractor'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 the Lottery with a comparable temporary replacement product and/or service or reimburse the Lottery for the reasonable costs incurred by the Lottery in obtaining an alternative product

and/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.

N. 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.

O. PERFORMANCE, CONTRACTOR:

Contractors providing goods and/or 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. 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 provided 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 \$5,000 for a period of **three years**.

4. **Re-procurement of Goods and/or Services:**

In addition to a Contractor's ineligibility for award of contracts over \$5,000, 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 Contractor will remain in default until the re-procurement costs

have been paid to the Lottery. The Contractor is still subject to the three 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 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 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 or more complaints within a period of one 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 \$5,000 for a period of one year after the issuance of the third Contractor Complaint Form. Ineligibility shall apply even though a satisfactory resolution to all complaints occurred.

P. **PREPROPOSAL CONFERENCE - OPTIONAL:**

An optional preproposal virtual conference will be held at 10:00 AM ET on April 26, 2022. The purpose of this conference is to allow potential Offerors an opportunity to present questions and obtain clarification relative to any facet of this solicitation.

While attendance at this conference will not be a prerequisite to submitting a proposal, Offerors who intend to submit a proposal are encouraged to attend. Please email mgerdes@valottery.com no later than April 25, 2022, with the email addresses of those intending to attend and a link to the meeting will be provided. The conference will start promptly at 10:00 PM ET, late attendees will not be admitted.

Any changes resulting from this conference will be issued in a written addendum to the solicitation.

Q. **PRIME CONTRACTOR RESPONSIBILITIES:**

The Contractor shall be responsible for completely supervising and directing the work under this Contract and all subcontractors that it may utilize, using its best

skill and attention. Subcontractors that perform work under this Contract shall be responsible to the prime Contractor. The Contractor agrees that it is as fully responsible for the acts and omissions of its subcontractors and of persons employed by them as it is for the acts and omissions of its own employees.

R. **REFERENCES:**

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

Organization:	
Contact Person:	
Address:	
Telephone:	
Email:	

Organization:	
Contact Person:	
Address:	
Telephone:	
Email:	

Organization:	
Contact Person:	
Address:	
Telephone:	
Email:	

S. **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.

T. **RENEWAL OF CONTRACT:**

This Contract may be renewed by the Lottery upon written agreement of both parties for four (4) successive one-year periods, under the terms of the current Contract, and at a reasonable time (approximately 90 days) prior to the expiration.

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

All Contractor personnel, entering the Main Street Centre Building, are required to obtain security clearance prior to their arrival at the Lottery Headquarters. For information on the clearance process, call Lottery Security at (804) 692-7200. Failure to obtain the necessary security clearance will result in access to the building being denied.

V. **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.

W. **DEMONSTRATIONS:**

By submitting a proposal, the Offeror certifies that the specified equipment/system is in productive use and capable of demonstration in the proposed configuration. The Lottery reserves the right to require Offerors to demonstrate the functionality of proposed equipment/system to its satisfaction prior to making an award decision. Such demonstration is intended to show that an Offeror's products/systems will perform in a completely satisfactory manner and that they will meet or exceed the performance specifications contained in the solicitation. Failure by an Offeror to promptly comply with a request for demonstration could result in its proposal being rejected. Failure to reject shall not relieve the Contractor of its obligation to fully comply with all requirements of the Contract.

X. **OWNERSHIP OF INTELLECTUAL PROPERTY:**

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

VI. **GENERAL TERMS AND CONDITIONS:**

The Lottery's General Terms and Conditions shall not be negotiated.

A. **ANTI-DISCRIMINATION:**

By submitting their proposal, Offerors certify to the Lottery and 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 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. ADDENDA:

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

C. ANNOUNCEMENT OF AWARD:

Upon the award or the announcement of the decision to award a Contract over \$50,000, as a result of this solicitation, Lottery will publicly post such notice on the DGS/DPS eVA web site (www.eva.virginia.gov).

D. ANTITRUST:

By entering into a Contract, the Contractor conveys, sells, assigns, and transfers to the Lottery and 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 and/or services purchased or acquired by the Lottery under said Contract.

E. APPLICABLE LAWS AND COURTS:

This solicitation and any resulting Contract shall be governed in all respects by the laws of the Commonwealth of Virginia, and any litigation with respect thereto shall be brought in the courts of the Commonwealth, in particular, Richmond, Virginia. 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.

F. ASSIGNMENT OF CONTRACT:

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

G. AVAILABILITY OF FUNDS:

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

H. PROPOSAL PRICE CURRENCY:

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

I. CHANGES TO THE CONTRACT:

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

1. The parties may agree in writing to modify the scope of the Contract. An increase or decrease in the price of the Contract resulting from such modification shall be agreed to by the parties as a part of their written agreement to modify the scope of the Contract.
2. The Lottery may order changes within the general scope of the Contract at any time by written notice to the 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 disputes provisions of the Lottery's Purchasing Manual. Neither the existence of a claim nor a dispute resolution process, litigation or any other provision of this Contract shall excuse the Contractor from promptly complying with the changes ordered by the Lottery or with the performance of the Contract generally.

J. CLARIFICATION OF TERMS:

If any prospective Offeror has questions about the specifications or other solicitation documents, the prospective Offeror should contact the Contract Officer whose name appears on the face of the solicitation no later than five (5) working days before the due date. Any revisions to the solicitation will be made only by addendum issued by the Lottery.

K. DEBARMENT STATUS:

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

L. DEFAULT:

In case of failure to deliver goods or services in accordance with the Contract terms and conditions, the Lottery, after due oral or written notice, may procure them from other sources and hold the 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.

M. 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.

N. ETHICS IN PUBLIC CONTRACTING:

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

O. IMMIGRATION REFORM AND CONTROL ACT OF 1986:

By entering into a written Contract with the Lottery, the Contractor certifies that it has not, and shall not during the performance of the Contract for goods and services in the Commonwealth, knowingly employ an unauthorized alien as defined in the federal Immigration Reform and Control Act of 1986.

P. INFORMATION SECURITY REVIEW:

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

Q. INSURANCE:

By signing and submitting a proposal under this solicitation, the Offeror certifies that if awarded the Contract, it will have the following insurance coverage at the time the Contract is awarded. The Offeror 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 or more employees, to include the employer. Contractors who fail to notify the Lottery 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 Lottery and the Commonwealth of Virginia must be named as an additional insured and so endorsed on the policy.
4. Automobile Liability - \$1,000,000 per occurrence. (Only used if motor vehicle is to be used in the Contract.

R. NONDISCRIMINATION OF CONTRACTOR:

A Offeror or Contractor shall not be discriminated against in the solicitation or award of this Contract because of race, religion, color, sex, national origin, age, disability, faith-based organizational status, any other basis prohibited by state law relating to discrimination in employment or because the Offeror employs ex-offenders unless the Lottery 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 Lottery shall offer the individual, within a reasonable period of time after the date of his/her objection, access to equivalent goods, services, or disbursements from an alternative provider.

S. 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. However, this shall not affect offers of discounts for payment in less than 30 days.
 - c) All goods or services provided under this Contract or purchase order, that are to be paid for with Lottery funds, shall be billed by the Contractor at the Contract price.

- 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 under this solicitation 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 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.

T. PERSONNEL SECURITY CLEARANCES:

The Lottery requires that all Board members, officers and employees working directly on a Contract with the Lottery for goods or services shall be subject to a criminal background search to be conducted by the chief security officer of the Lottery.

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.

U. PRECEDENCE OF TERMS:

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

V. QUALIFICATION OF OFFEROR:

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

W. TAXES:

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

X. TESTING AND INSPECTION:

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

VII. METHOD OF PAYMENT AND INVOICING:

Invoices shall be submitted by the fifth of each month for payment. All payments are Net 30.

Invoices shall be rendered directly to:
Virginia Lottery

Attention: Accounts Payable
VLAP@valottery.com (*preferable*)
600 East Main Street
Richmond, VA 23219

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.

VIII. **DISCOUNT FOR PROMPT PAYMENT:**

Discount for prompt payment at: ____%/Net ____ days (see Discount for Prompt Payment requirement herein). This Discount will not be calculated in determining low bid amount(s).

IX. **ADDENDA:**

Offeror hereby acknowledges receipt of and incorporation of all requirements of any addenda issued for this Request for Proposals:

Addendum No. _____ Dated _____
Addendum No. _____ Dated _____
Addendum No. _____ Dated _____

X. **PRICING:**

The Offeror agrees to furnish the goods/services as specified herein, and in compliance with the terms and conditions of this Request for Proposal at the following price(s):

Alternate pricing strategies are encouraged in addition to the below pricing. **All pricing information shall be submitted independently and separate from the rest of the Offeror's response.**

Loyalty Program* \$ _____

Ongoing Support \$ _____/month

Consulting Services \$ _____/month

Price Summary

Description	Unit Price	Qty	Extended Price
Loyalty Program		1	
Ongoing Support		12	
Consulting Services		12	
Grand Total			

*Loyalty Program pricing shall include all work from contract award until the loyalty program is fully implemented.

XI. **SIGNATURE AND OFFEROR PROFILE SHEET:**

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

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

In compliance with this Request for Proposal #7098MG and subject to all conditions thereof, the undersigned offers and agrees to furnish any or all items and/or services proposal herein.

Complete Legal Name of Firm	
Address	
Remit To Address	
Authorized Signature	
Print Name	
Title	FIN #
Email	Telephone
Offeror Profile: Offeror shall indicate whether they are <i>certified</i> with the Virginia Department of Small Business and Supplier Diversity as a (check all that apply)	
<input type="checkbox"/> Small Business <input type="checkbox"/> Minority-Owned Business <input type="checkbox"/> Woman-Owned Business	
Certification Number:	Expiration Date:
Definitions and information on how to become certified may be obtained at www.sbsd.virginia.gov	

Contact person regarding this Proposal	
Check here to use above contact <input type="checkbox"/> or provide name below:	
Name:	
Email	Phone

