

**RFP – LC000068 SCRATCH-OFF TICKET PRINTING AND RELATED  
SERVICES Q&A #4**

**1. RFP Reference Number**

Section 3 Terms and Conditions Subsection

3.37 Acceptance Testing

**RFP Page Number 70**

**Question:** With the understanding that failure to successfully pass required testing may require corrections, could delay conversion, and may result in liquidated damages, can the Lottery please clarify that prior to drawing against the Performance Bond, the Lottery will first make a demand for damages from the Contractor? And, will the Lottery also please specify under what specific circumstances it would elect to draw against the Performance Bond, including whether such draw could be up to the full bond amount and whether notice and cure rights would apply prior to any bond draw?

*Answer: The Lottery would make a demand for damages prior to drawing against the Performance Bond. The Lottery declines to lock itself into a specific set of circumstances under which it would draw against the Performance Bond. It will do so as necessary under circumstances for which a Performance Bond is issued. Notice and cure rights would not apply in situations where time is of the essence such as the conversion deadline.*

**2. RFP Reference Number**

Section E Additional Appendices

Attachment D

**RFP Page Number 118**

**Question:** Due to the sensitive nature of the required information, would the Lottery please allow Responding Contractors to submit a separate PDF from the Technical Proposal of the completed Attachment D for each officer, director, and employee who will work on the contract?

*Answer: Attachment D should be submitted separately from the Technical Proposal.*

**3. RFP Reference Number**

Section 1 General Information Regarding the RFP and Proposal Submission

Subsection 1.6 Glossary of Terms

**RFP Page Number 14**

**Question:** Section 1.6 of the RFP defines “Subcontractor” as a person or entity to whom the Contractor entrusts a portion of the execution of the Contract, and Section 4.1.2 and 4.1.3 require additional disclosure for subcontractors that provide a “Major Part” as defined in Section 1.6

Will the Lottery please confirm the following understanding for Responding Contractors? Contractor understands and agrees that it remains fully responsible for all Services and Deliverables under the Contract, including oversight of vendors and suppliers. However, Contractor further understands that third-party service providers that furnish ancillary, non-discretionary services as part of Contractor’s general business operations – such as common carriers providing shipping or delivery services (e.g., UPS) – and that do not perform any acts of creation, production, system operation, or discretionary performance under the Contract, are not intended to be considered “Subcontractors,” nor to be deemed providers of a “Major Part.”

**Answer:** *Confirmed*

**4. RFP Reference Number**

Section 3 Terms and Conditions

Subsection 3.12

Background Investigations during the Contract Term

**RFP Page Number 49**

**Question:** Will the Lottery confirm if Responding Contractors should submit the Record Check Fee with the hard copy submission?

**Answer:** *Confirmed*

**5. RFP Reference Number**

Section 3 Terms and Conditions

Subsection 3.26

Title to, and Use of, Third-Party and Contractor Intellectual Property Rights

**RFP Page Number 61**

**Question:** Ongoing access to underlying Contractor or third-party IP has independent value and cost. For that reason, any post-term license must be expressly identified and priced in the Proposal. If it is not priced, no such license is

granted unless mutually agreed later to avoid ambiguity and ensure value alignment and compliance with third-party licensing obligations.

Would the Lottery please confirm that to the extent any Contractor Intellectual Property or third-party Intellectual Property Rights are incorporated into or required for the use of the Deliverables, Contractor shall grant the Lottery a license to such Intellectual Property Rights after the Initial Term, or any applicable Renewal Terms, only if and to the extent such license fee, if applicable, is expressly identified in the Price Proposal, or unless the parties otherwise expressly agree in writing?

Would the Lottery also confirm that absent an expressly identified license fee applicable to post-termination use, no license to Contractor Intellectual Property or third-party Intellectual Property Rights shall survive expiration or termination of the Contract, unless the parties expressly agree in writing?

**Answer:** *The Lottery requires that Scratch-Off Games available for sale at the end of the Initial Term or any applicable Renewal Term remain available for sale. Therefore, all applicable Intellectual Property Rights for such Scratch-Off Games, whether Contractor Intellectual Property Rights or third-party Intellectual Property Rights, must survive the expiration or termination of the Contract for as long as such Scratch-Off Games are available for sale, which shall be at the Lottery's discretion. Any fees required to continue providing such Games beyond the expiration or termination of the Contract must be included in the Proposal.*

## **6. RFP Reference Number**

Section 3 Terms and Conditions

Subsection 3.27

Patents, Copyrights, Trademarks and Trade Secrets

### **RFP Page Number 62**

**Question:** The obligation to take “all possible measures” to avoid intellectual property infringement effectively is not commercially or practically achievable due to evolving patent landscapes.

Replacing this language with a requirement to take commercially reasonable measures aligns the Contractor’s obligations with well-established market standards.

Would the Lottery please revise section 3.27 (with respect to the measures required to avoid infringement) to replace “all possible measures” with “commercially reasonable measures” in the first sentence of the section?

**Answer:** *The first sentence of Section 3.27 is revised to read “The Contractor will take commercially reasonable measures to avoid any patent, copyright, trademark, and/or trade secret infringements during any phase of developing, designing, or operating the Program.”*

**7. RFP Reference Number**

Section 3 Terms and Conditions

Subsection 3.12 Background Investigations during the Contract Term

**RFP Page Number 49**

**Question:** As stated in the requirement, would the Lottery please confirm that the Corporate Search Fee of \$100,000 is required only from the Responding Contractor?

**Answer:** *No. The Corporate Search Fee also applies to a subcontractor providing 25% or more of the cost of the Responding Contractor’s Proposal.*

**8. RFP Reference Number**

Section 3 Terms and Conditions

Subsection 3.38.1

Ticket Purchase and Prize Payment Restrictions

**RFP Page Number 70**

**Question:** Would the Lottery be willing to discuss with the Successful Contractor reasonable and mutually agreeable terms concerning the provision of social security information, with safeguards to protect employees’ sensitive personal information, minimize unnecessary disclosure and have appropriate consideration of employee consent?

**Answer:** *Employee social security numbers must be provided to prevent them from claiming prizes at claim centers. They are securely stored with Lottery employee data. The Lottery is willing to discuss secure means of transmission.*