



REQUEST FOR PROPOSALS

(This is an inquiry, not an order. Please reply promptly.)

| NORTH CAROLINA STATE LOTTERY COMMISSION: CONTACT INFORMATION | |
|--|--|
| Date Issued: | August 9, 2023 |
| Requisition Number: | N/A |
| Proposal Response Due: | September 6, 2023 |
| Issued By: | Anthony Downey, Purchasing Manager |
| Telephone /Fax/Email: | T – 919-301-3433 F – 919-715-0342 adowney@lotterync.net |
| Ship To Address: | 2728 Capital Boulevard, Suite 144, Raleigh, NC 27604 |
| Delivery/Start Date: | Upon Contract Execution |
| Comments: | Please provide proposal for an Enterprise Regulatory System |

| ITEM | QUANTITY | UNIT OF MEASURE | ITEM DESCRIPTION | UNIT PRICE | EXTENDED PRICE |
|--------------------------------|----------|-----------------|--------------------------------------|----------------|----------------|
| | | | See Attachment A for cost submission | | |
| | | | | | |
| | | | | | |
| Payment Terms: 30 Days | | | | Subtotal | |
| Ship Via: | | | | Applicable Tax | |
| FOB | | | | Shipping | |
| Quotation Valid For _____ Days | | | Tax Exempt #400055 | TOTAL | |

Additional Information:

Attachments: Yes No Substitute Products Allowed: Yes No Terms & Conditions: Yes No

| VENDOR CONTACT INFORMATION | |
|----------------------------|--|
| Date: | |
| Company Name: | |
| Authorized Signature: | |
| Title: | |
| Telephone /Fax/Email: | |
| Tax ID Number: | |
| Comments: | |

Additional Information:

Bidder is a certified HUB Vendor: Yes No Bidder is a resident NC Vendor: Yes No

If you are interested in participating in the Price-Matching Preference, please fill out the e-Quote Executive Order #50Form. The form can be located using at <https://files.nc.gov/ncdoa/pandc/Documents/Contract-Administration-and-Monitoring-Guide/eQuoteExecutiveOrder50Form.pdf> Please sign the form and either attach the form to your Proposal bid response or fax it to 919-715-0342.

North Carolina State Lottery Commission

REQUEST FOR PROPOSAL: Enterprise Regulatory System

1.0 Intent of the Request for Proposal

Background:

The North Carolina State Lottery Commission ("Commission") is an independent, self-supporting, and revenue-raising agency of the State of North Carolina. It has been in operation since 2006 and is governed by Chapter 18C of the North Carolina General Statutes. The Commission's primary purpose is to generate funds for educational programs. From its inception through June 30, 2022, the Commission's total sales revenue through its branded "North Carolina Education Lottery" operation has exceeded \$34.4 billion and the Commission has transferred billions of dollars to the State to support educational programs specified by the General Assembly. While the Commission continues to oversee and administer the North Carolina Education Lottery, the General Assembly has recently expanded the Commission's duties and responsibilities significantly. Specifically, the Commission is now the state's licensing body and regulator for authorized wagering on sports and horse racing.

These new changes appear in Session Law 2023-42 "An Act to Authorize and Regulate Wagering on Professional, College, and Amateur Sports and on Horse Racing in North Carolina, and to Authorize Live Horse Racing in North Carolina." This Session Law modifies the North Carolina State Lottery Act by (among other things):

- Authorizing, regulating, and taxing sports wagering in North Carolina. The Commission is responsible for issuing licenses to involved parties and for regulating sports wagering in North Carolina. The Commission and its staff will receive applications for three kinds of sports betting licenses: interactive sports wagering operator licenses, service provider licenses, and sports wagering supplier licenses.
- Authorizing and regulating pari-mutuel wagering on horse racing in North Carolina. The Commission is responsible for issuing licenses to involved parties and regulating pari-mutuel wagering in North Carolina.

In order to implement new licensing and regulatory requirements and structures, the Commission requires an Enterprise Regulatory System that is not only public-facing for applicants and licensees but also flexible and configurable for Commission staff who will review submitted materials, conduct compliance checks, and generate analytical and workflow reports (the "System"). The System's security, reliability, and configurability features are of significant importance to the Commission as it looks for a solution that can support the full life-cycle of a license (e.g., application submission; application review; application amendments; grant or denial of applications; annual compliance submission; renewal; surrender or termination; etc.). Likewise, the System's capabilities for structuring work flows, creating staff assignments, generating automated internal and external communications, and producing robust standard and ad-hoc reports will enable the Commission and its staff to fulfill their new responsibilities. The Commission anticipates that the System will function as the "source of truth" for materials that applicants and licensees submit to the state; accordingly, the System must be reliable, intuitive, highly-responsive, and have low latency. Because future legislative initiatives may expand or change the duties and powers of the Commission, the System's flexibility and scalability are important considerations, as well.

The Commission prefers a configurable, modular Regulatory System that can be implemented rapidly so that the Commission can launch sports betting in North Carolina before its June 14, 2024, statutory deadline. As detailed further below, bidders are asked to provide detailed project plans, staffing plans, and proposed timelines for implementation, testing, and go-live, as well as information and references

concerning other similar implementation projects. The Commission's objective is to have the System implemented responsibly and deliberately – but also as soon possible following contract execution.

The Commission desires to obtain what it believes to be the best flexible solution within the required specifications with optimal price-value and responsiveness to the Commission's needs. All Potential Contractors must fully acquaint themselves with the Commission's needs and requirements and obtain all necessary information and understanding to be able to submit responsive and effective Proposals.

2.0 RFP Clarification Questions

Responding Contractors may submit written questions regarding this RFP via email to the Contact Person according to the schedule specified in Section 6.1 (Summary of Key Dates). Submit questions in both PDF and Microsoft Word formats.

An RFP inquiry from a Responding Contractor:

1. Must be written in generic (i.e., non-proprietary) terms inasmuch as all responses to inquiries will be available to Responding Contractors;
2. Must not contain price data or information; and
3. Must cite a specific RFP section number

3.0 Scope of Services

The Commission is issuing this Enterprise Regulatory System RFP to procure a system with the capabilities described herein, as well as the related services needed to implement, configure, maintain, and use the system.

The selected contractor will be engaged to (i) design, test, and implement an Enterprise Regulatory System based on the Commission staff's directions and needs concerning workflows; (ii) ensure the System's ongoing functionality; and (iii) deliver training and user manuals for the Commission staff. The selected contractor will also provide ongoing and responsive technical support, regular maintenance, system updates, and consulting for added features and reporting. Contractor will work closely with Commission staff to define and deploy business rules in the System to structure workflows and to support all aspects of the life-cycle of a license for both applicants and licensees and for Commission staff.

3.1 General Requirements

Mandatory:

1. Capable of facilitating license application submissions for thousands of applicants and securely receiving, organizing, and maintaining (i) voluminous sensitive data files submitted by applicants and (ii) information in hundreds of required data fields supplied by applicants.
2. Capable of receiving amended and supplementary data and submissions from applicants and licensees across the entire life-cycle of an application or license.
3. Configurable and customizable features to support multiple license types and multiple applications.
4. Ability to apply business rules to deploy, automate, and structure workflows, including, for example, support for parallel work flows (e.g., two Commission staffers addressing separate tasks concerning the same licensee/applicant) and sequential workflows (i.e., structuring Commission tasks to be completed in order).
5. Scalability allowing exponential growth of license application submissions and related work flows without diminishment to the function or performance of the System.
6. Customizable user administration permissions, including adding, removing, and grouping users as determined by (i) Commission administrators without contractor support and (ii) applicant / licensee account administrators, without contractor support.

7. High level of flexibility and configurability for interfaces and functions, including customizable intake forms, data fields, work flows, system notifications, retention and purging rules, user and case access, and ability to sort and prioritize files without contractor support.
8. Functional and secure remote access via authorized mobile devices or tablets.
9. Ability to record and audit transactions (e.g., uploads, data entry, changes, downloads, task completions) within the System, for both Commission staff and licensees/applicants. Ability to produce a report / document showing the contents of an application as it existed at various points in time.
10. Ability to create readable hard copy or pdf reports showing a licensee's complete application in whole or in part.
11. Robust tools available for applicants / licensees and Commission staff (based on permissions) to support structured and ad hoc reports about data within the system, work flows and assignments, staff performance metrics, and the like.

3.2 Training

Mandatory:

1. Contractor shall have a comprehensive training program. Contractor will conduct train-the-trainer, administrator, and report building training to provide a key group of individuals all knowledge necessary to efficiently and fully utilize the solution. At minimum, training should enable and empower Commission personnel to independently configure the platform and its tools, create work flows and dataflows, utilize dashboard features, configure data pushes, automate data flows of sensitive information, write and deploy business rules and data logic, leverage reporting tools for custom and routine reports, and train others to use all facets and features of the solution. Any training provided virtually will need to be recorded.
2. Optional end-user training, to be conducted in-person or virtually.
3. Contractor will provide administrator and user manuals and other training resources, with revisions as needed throughout the term of the contract
4. Contractor will provide ongoing or on-demand training and/or consulting on updates, new versions and features, bug-fixes, and report building
5. Contractor will provide annual training time regarding advanced report building, detailed functionality of the platform, or other topics identified by Commission staff.
6. Explain the contractor's training plan with related milestones in detail to meet the above requirements; include estimate of time needed for personnel to participate in training, based on topics and roles (administrator, employee participating in train-the-trainer activities, end-user, etc.).
7. Describe the recommended training for a successful implementation.

3.3 Security and Integrity Requirements

Mandatory:

1. The System must follow current industry-recognized Information Security (INFOSEC) standards (e.g., ISO/IEC 27001, NIST 800-53, PCI DSS, COBIT, etc.). Required public cloud security controls can be found at (<https://cloudsecurityalliance.org/group/cloud-controls-matrix/>).
 - a. A current assessment report will be required prior to contract award for the selected vendor.
 - b. Vendor shall perform annual security/risk assessments on its information systems using NIST 800-53 controls.
2. Vendor must provide proof of compliance with current industry-recognized auditing standards (SSAE 16 SOC 2, Type II preferred). Please clearly label such report as "Confidential" and the Commission will protect it as such. Please note, if you do not label the report as "Confidential," in

accordance with North Carolina Public Records Law, upon receipt, it will automatically become a public record. Please also note that if you provide a SOC 3 report and the Evaluation Committee recommends your company be awarded the contract, the Commission will require a copy of your SOC 2 report prior to the contract being awarded and negotiated.

3. System must protect information on a data-field basis, based on user privileges.
4. System must be secure and able to protect confidential information.
5. System must store data separately from other customers. Provide a description of physical/logical system separation and database configuration (i.e., single/multiple instances, etc.).
6. System must host data in a secure server environment that uses network and system technologies (e.g., firewalls, IPS/IDS, SIEM, etc.) to prevent interference or access from unauthorized entities.
7. System must have physical security measures such as biometric access controls, video-surveillance, and video recording. (only relevant if the vendor is hosting on its own equipment and/or at a location owned, operated, or controlled by vendor)
8. Vendor must have advanced technology for Internet security. When accessing the site using a web browser, technologies must be in place to protect information using both server authentication and data encryption, to ensure data is safe, secure and available only to registered users of the system.
9. Describe the protocols your solution utilizes to support identity and access management.
10. Microsoft Azure or DUO compatible multi-factor authentication is required for all cloud-based solutions. Provide a detailed explanation of your company's ability to provide MFA. 2FA for both system users and as a front-end access for licensees and applicants.
 - a. Additionally, please describe policies and requirements concerning passwords, locked accounts, and account recovery.
11. Data shall only be stored, maintained, and transmitted within the United States of America.
12. Provide your company's cybersecurity standard and compliance framework (ex. NIST, ISO, etc.).
13. If the company's proposal is selected, the Commission will require documentation of a security assessment deemed acceptable to the Commission, in its sole discretion. Security assessment shall be conducted annually throughout the term of the agreement.
14. The Vendor must maintain a system library for current and all previous versions of software so that system may be restored to a prior version, if necessary, due to operational problems with the newer version. This applies to all levels and environments of operation.

3.4 Design, Test, and Implement

A Commission employee will be assigned to work with the contractor through the design, test, and implementation phases. The design, testing, and implementation must be completed by the contractor without subcontracting to another party

Mandatory

1. The contractor will work with the selected Commission staff to understand and structure the workflows, dataflows, SFTP configurations, casework, and desired business rules to implement the system to best suit the Commission's business needs.
2. Design, test, and implementation phases will include the design and structure of Commission reports and dashboard configurations
3. The go live date shall occur on an expedited basis following the contract execution date, following Commission staff's approval of the designed, tested, and fully implemented solution.
4. Vendor shall provide on-demand resources to assist Commission with new or complex work flow or data flow configurations or designs during the first 12 months of the engagement.

4.0 Proposal – Required Content

All of the questions and information included in this Section are required. Please review Section 6.10 (Proposal Subject to Public Records Laws) before responding and label each applicable answer, report, document, etc. as “Confidential” or “Trade Secret.” Only information that qualifies as confidential or a trade secret under North Carolina Public Records Laws should be marked as such. Do NOT mark the entire Proposal as “Confidential.”

4.1 Administrative and Business Specifications

With respect to account management, account settings, and user profiles, describe the following:

1. How the proposed solution can limit access to or use of the data fields and submitted materials based upon user roles and account privileges.
2. How the proposed solution supports the development and deployment of workflows for submission, review, and approval processes (both for Commission staff and applicants/licensees).
3. How the proposed solution logs a user out of the system after a period of inactivity.
4. How the proposed solution’s user id and password is created, maintained, locked, unlocked and deactivated.
 - a. How the proposed solution implements rules for passwords and account recovery.
5. How external users will be set up to use the proposed system.
 - a. How user id and password notifications issue to Commission staff and external users.
 - b. How user roles will be managed regarding a user’s access to specific channels within the system. Examples include: (i) different license types, and (ii) pathways for individuals to submit personal materials in support of an entity’s license application
6. All capabilities a system administrator will have and how role-based user profiles will be managed.
7. The process(es) for implementing business rules, both for external users of the System and Commission staff.
8. How proposed solution will prevent duplicate customer records.
9. It is the Commission’s intention that the System and materials contained therein will serve as the “documents of record” for an applicant or a licensee. The system must maintain voluminous (i) applicant and licensee records and (ii) Commission staff records and entries.
 - a. Describe how the proposed solution can automatically distribute reports or specific submissions/entries from an applicant/licensee to specific Commission staff.
 - b. Documents that can be stored in the proposed system.
 - c. Describe any size limitations to documents and types of files (example pictures and video) can be stored in the proposed system.
 - d. Describe search functionality across the entire system and within a specific applicant or licensee “file.”
10. Please describe how your solution uses Artificial Intelligence or makes calls to any generative AI applications or platforms.
11. Describe how the solution will archive data and specify the archive frequency.
12. Describe how any archived data can be retrieved upon request.
13. With respect to scalability:
 - a. Describe how the proposed solution is scalable.
 - b. Describe how the proposed solution is scalable without impacting system performance.
 - c. Describe how the proposed system performs load testing.
14. Web browsers the proposed solution works with and does not work with.
15. Any 3rd party software needed to support the proposed solution.
16. Any desktop or mobile configuration changes needed to support the proposed solution.
17. All URL’s needed for the proposed solution.

4.2 User Interface and Experience for Applicants and Licensees

With respect to certain aspects of the user interface and experience for applicants and licensees, describe the following:

1. How the proposed system maintains consistent Commission branding.
2. How the proposed solution issues emails to applicants/licensees confirming transactions or identifying missing information.
3. Tools available to applicants / licensee that provide authenticated users a "progress bar" (or similar) that indicates the current status of their application for a license.
4. Describe the levels of customer support available to the customer (i.e. non-state employees) including, but not limited to self-service and call center.
 - a. Describe how you would recommend the State address customer support for the proposed solution.
 - b. Describe your customer support 24x7x365 and escalation process.
 - c. Describe the SLA response times for level 1, level 2, and level 3.
 - d. Describe your web-based support for the System for users.
 - e. Describe your proposed solution self-help functions for applicants/licensees or Commission staff (e.g., self-paced, pre-recorded videos; tutorials; manuals; automated chats; etc.).

4.3 Applicant and Licensee Management

Describe the proposed system's capabilities and features with respect to the following:

1. Support different workflows for multiple Commission team members, including technical capabilities allowing for the transfer of files between teams and staff members and multiple parties working in a "file".
2. Support assignment of different cases statuses (e.g. pending, open, closed, inactivate, etc.)
3. Auto-assign case/file numbers or similar
4. Free-text narrative fields that can be categorized by type and include a time stamp
5. Narratives with integrated spellcheck and text-rich capability
6. Customized and fillable templates, letters, and forms that are easily configurable by the administrator or customizable by the user with the capability to save the edited version of template, letter, form, into the report
7. Autosaving throughout the report process to prevent work from being lost or deleted due to system timeouts
8. Ability of certain report types to trigger automated emails to preselected distribution lists that can include attachments
9. Audit trail reporting for changes to every report with date/time/person/action information
10. Ability for users/managers to create status dashboards and configurable rules for automated alerts
11. Customizable notification system to alert Commission staff of deadlines and follow-up tasks within the user dashboard

4.4 Reporting Tools

Describe the System's capability to support the reporting functions below.

1. Ad-hoc reporting that can be done within the system with no development.
2. Report printing with user-configurable detail and professional, visually-appealing formatting.
3. Any online report capabilities, including filters and queries.

4. Batch, ad-hoc, automatic, and scheduled report capabilities.
5. Users' (applicants/licensees and Commission staff) ability to create on-demand reports with specific report requirements using filters or configurations.
6. Data formats available for reports or files (CSV, PDF, EXCEL, ASCII TXT, etc).
7. How the solution utilizes workflows to automatically route reports to a user email.
8. How solution can provide data analytics for transactions and for different user levels or user profiles.
9. The solution's method for delivering dashboards, as well as any configuration and set up needed. Describe if the dashboards are customizable.
10. Availability of configurable dashboards at the user and management levels depicting live information including caseloads, appointments, tasks, performance metrics, case statuses, and goals that can be displayed as charts, graphs, maps, and other graphical options
 - a. User caseload dashboard showing their assigned cases
 - b. Manager caseload dashboard showing entire team's cases / tasks
 - c. User dashboard showing progress and outstanding tasks
 - d. Ability via dashboard or via automated email messages to issue reminders for assigned, outstanding, or overdue tasks
11. An audit log is a set of information that provides documented evidence of the sequence of activities that have occurred at any time for specific events.
 - a. Describe how the proposed solution creates an audit log.
 - b. Describe the data contained within an audit log.
 - c. Describe the frequency and duration of an audit log.
12. Provide a sample copy of reports your system can produce.

4.5 Security, Resilience, and Recovery

Describe the System's capabilities in your responses to the following inquiries.

1. The system should allow SSO – Azure Active Directory is preferred, but not mandatory. Describe the system's sign-on capabilities.
2. Does your company meet FedRamp compliance requirements?
3. Is your company aligned with the Cloud Security Alliance, Cloud Controls Matrix?
4. Please describe your Cloud infrastructure and provide a summary of your company's standards as they apply to:
 - a. Security and Privacy Controls
 - b. Data Protection
 - c. Information Disposal and Media Sanitization.
 - d. Software Security
 - e. Access Controls
 - f. Resiliency and Availability
 - g. Integration
 - h. Risk Management Framework
 - i. Server Locations, as well as safety, security, and access protocols or standards governing these locations / facilities
5. Please describe your company's data storage limit policy, if applicable.
6. Describe your application vulnerability management capabilities.
 - a. Provide a copy of your service application vulnerability testing results as an attachment.
 - b. Provide a copy of your vulnerability scans/penetration testing schedule and results as an attachment.
7. Describe your incident response capabilities and provide a copy of your incident response plan as an attachment with the bid response.
8. Describe your disaster recovery plan and continuity of operations capabilities plan.
9. Describe the frequency and test procedures for end to end disaster recovery testing.

10. Provide a copy of your Disaster Recovery Plan (DRP) and/or Continuity of Operations Plan (COOP) as an attachment.
11. Describe your backup plan capabilities and provide a copy of your system backup plan as an attachment with the bid response.
12. Provide a copy of your system backup plan as an attachment.
13. Describe failover and failback procedures.
14. Provide your RTO (Recovery Time Objective) and RPO (Recovery Point Objective) metrics.
15. Please provide proof of compliance with current industry-recognized auditing standards (SSAE 16 SOC 2, Type II preferred).

4.6 Customer Support and System Maintenance

Provide responses to the following:

1. Provide your proposed service level agreement for technical support, pre-implementation, and post-implementation
2. Describe customer support during release upgrades, patches, and enhancements
 - a. Describe how system configuration changes will be implemented.
 - b. Describe how application configuration changes will be implemented
3. Describe dedicated supports that would be provided to the Commission
4. When are your maintenance windows? Commission Security functions 7 days a week, 5am – 2am with the possibility of moving to 24/7 in the future. How would the maintenance impact functionality?
5. Describe proposed acceptable levels regarding system outage downtime, inability for users to access the system, and critical elements of the reporting system not functioning, and remedies when those levels are not met
6. Describe functions and capabilities regarding audits, debugging, performance monitoring/tuning, analysis, security updates, enhancements, and modifications

4.7 Implementation, Testing, and Quality Assurance

Provide responses to the following:

1. Describe how you will provide status reports and with what frequency.
2. Describe the deployment process for the addition of new features and enhancement of current features (include the various environments i.e., test and production; that will be made available for the Commission).
3. Describe your change management process for schedule changes and / or additional features.
4. Describe your test methodology for all testing phases.
5. Describe your Quality Assurance Plan.
6. Describe your signoff process for Commission approval and commitment for configuration changes, final business requirements, system design, system development / configuration, and system implementation.
7. Describe the planning phase, requirements gathering phase, and the development phase.
8. Describe your problem resolution process for defect resolution.
9. With respect to testing:
 - a. Unit Testing - Describe in detail your proposed approach to Unit Testing including both positive and negative testing.
 - b. Integration Testing – Describe in detail your approach to Integration Testing.
 - c. Regression Testing – Describe in detail your approach to Regression testing.
 - d. System Testing – Describe in detail your approach to System Testing.
 - e. Acceptance Testing – Describe in detail your approach to Acceptance Testing.

5.0 Proposal Format

Proposals should be concise and limited to information requested. Each Proposal shall include the following information:

5.1 Qualifications

- A brief description of the company or organization, including major product lines, typical customer and size, organizational structure, etc.
- Brief description of company/organization's and team members' experience and record of accomplishment on similar projects with similar organizations
- If applicable, detail the manner in which it intends to utilize any resources or workers outside the U.S.

5.2 Written Response to Scope of Services

- Please provide a written, detailed description of each specified requirement listed in Sections 3 and 4 and include the specific item by section and number. Include a "Yes" or "No" and explanatory or informational text, as needed or requested. If a requirement cannot be met or met only partially, provide a detailed clarification explaining the solution's capabilities and limitations.
- Responding Contractor shall clearly describe any assumptions for the Commission Project in order for the report manage system design/migration and any required tasks and/or information from the Commission to successfully complete implementation of the project, including any foreseeable risks.
- Contractor should verify that the suggested processes best meet the design, implementation, and maintenance goals for the report management system.
- Project timeline outlining key project milestones (e.g., collaborative layout design process; review and approval deadlines; beginning of configuration; integration; data migration; testing; training program; final implementation; etc.).
 - Describe your Project Team Organization and Staffing plan, including bios for the dedicated project manager and other key personnel.
 - Describe if you will be utilizing waterfall, agile, or a hybrid methodology to deliver the proposed solution.
 - Describe an initial schedule and the associated Work Breakdown Structure (WBS) for the work effort(s) in the proposal. Please include the significant phases, activities, tasks, milestones, deliverables and resource requirements necessary for Commission staff to evaluate the implementation plan.
 - Consider including in the proposal information / deadlines concerning the provision of: user manuals, audit manuals, system administrative manuals, architecture documents, training materials, reporting formats, software documentation, training of Commission staff.
 - Include a "no later than" go live date in the project timeline. Please note that the Commission prefers a delivery date no later than within seven weeks of contract execution
- The Responding Contractor may propose additional services, products, product components, or features not required, i.e., Offered Options. If an additional service, product, product component, or feature is proposed, it should be clearly marked as an OFFERED OPTION.

5.3 Costs (see Attachment A)

- Submit a cost proposal including a detailed itemized proposed overall cost to complete the entire scope of work, which may include the following:
 - customer service costs
 - hosting service fees / data storage

- Implementation costs (design, system configuration, customization, implementation of business rules, work flows)
- transition costs on termination of the agreement
- technical Support
- continual maintenance/updates
- training (technical and/or customer)
- license fees / subscription fees
- Specific itemized pricing and subtotals should be provided for initial implementation work (design, testing, implementation, data migration, testing, training), and on-going costs.
- As applicable, the cost proposal should include cost of billable hours or flat fees or other cost structures for annual application development, training, data volume, and/or consulting for added integrations and reports
- Any additional costs for unspecified but recommended options/additions/accessories/etc. should be included on separate line(s).
- Proposal may include any cost savings based on contract lengths (such as 3-year, 5-year, election of option years, etc.)
- Subtotals should delineate between implementation costs and any ongoing annual costs.
- **Cost proposal must be in a separate document from the rest of the proposal.**

5.4 References

- Provide references of similar organizations for whom your organization or key individual(s) within your organization have performed similar services within the last three (3) years. Include company name, contact name, and contact information, as well as a brief summary of the scope of the services provided along with the technical platform.

5.5 Previous Work Product Samples

- The best evidence a Responding Contractor can provide the Commission of its capabilities is the work it has done for others. Therefore, Responding Contractor shall provide a portfolio demonstrating its track record of similar work on similar projects. Please describe at least three projects, including information regarding client size, client industry, solution(s) provided, and business objectives achieved by the client.

5.6 Demonstrability of Proposed System

- The Commission requires that a system configuration of the type proposed by the Responding Contractor at a minimum be capable of being demonstrated by the Responding Contractor upon request in order to indicate the Responding Contractor's ability to meet requirements. While functions and features demonstrated or benchmarked at the request of the Evaluation Committee need not be identical to those of this RFP, common functionality and operations are expected.

Issuance of this RFP does not constitute a commitment on the part of the Commission to award or execute a contract. The Commission retains the right, in its sole discretion, at any time to reject any or all Proposals, in whole or in part, and to cancel, or cancel and reissue this RFP, before or after receipt and opening of Proposals in response thereto, or take any other actions, if it considers it to be in the best interests of the Commission.

6.0 RFP Process and Other Important Information

6.1 SUMMARY OF KEY DATES

The Commission reserves the right to change any dates and schedule contained in this RFP, including those shown below. If changes are made, the changes will be communicated on the Commission's website (<https://www.nclottery.com/Business>) and, to the extent feasible, through email.

| | |
|---|---|
| August 9, 2023 | RFP Issuance Date |
| August 18, 2023 | Deadline for Submission of any and all Questions 4:00 p.m. ET |
| August 25, 2023 | Answers posted |
| September 6, 2023 | Written Proposals due by 4:00 p.m. ET by email or physical delivery (late Proposals will not be accepted) (the " Proposal Submission Deadline ") |
| | <u>DELIVERY ADDRESS:</u> North Carolina State Lottery Commission Headquarters Attn: Anthony Downey adowney@lotterync.net RFP – Enterprise Regulatory System |
| September 11-15, 2023 | Possible virtual product demonstrations with the Evaluation Committee. Commission reserves the right to schedule 90-minute meetings with responsive contractors, based upon the strength and responsiveness of written proposals. |
| September 27, 2023 | Target date for Decision of Apparent Successful Contractor |
| Immediately following contract execution | Implementation project begins; System go-live date: TBD |

6.2 CONTACT PERSON

The **sole point of contact** (the "**Contact Person**") for inquiries and additional information concerning this RFP will be Anthony Downey, Purchasing Manager, who can be reached as follows:

Email: adowney@lotterync.net
 Fax: **919-755-0342**

North Carolina State Lottery Commission
 RFP – Enterprise Regulatory System
 2728 Capital Boulevard, Suite 144
 Raleigh, NC 27604

No direct or indirect contact or other solicitation initiated by Potential Contractors or their representatives, in connection with this Procurement, should occur with any Commission employee or Commission member other than the Contact Person. This contact limitation extends from the RFP issuance date until an Apparent Successful Contractor has been approved by the Commission. Employees of current Contractors who are required to work with the Commission under existing contracts will be permitted to continue their regular contacts under that agreement; however, they may not have any discussions or exchange any information in connection with or regarding this Procurement or RFP.

6.3 PROPOSAL VALIDITY; INCURRED EXPENSES

All Proposals shall remain valid for one hundred eighty (180) calendar days (the "Proposal Offer Period") following the Proposal Submission Deadline. A Proposal constitutes an offer by the Potential Contractor to contract with the Commission in accordance with the terms of the Proposal and this RFP, which offer is irrevocable for the duration of the Proposal Offer Period and may not be withdrawn or amended during the Proposal Offer Period without the written consent of the Commission, which may be granted or withheld in its sole discretion. The Commission shall not be liable or responsible for any costs, expenses, reimbursements, or fees incurred by a Potential Contractor in preparing and submitting a Proposal or in performing any other action in connection with this Procurement.

6.4 PROPOSAL SUBMISSION AND FORMAT

Proposals must be received by the Contact Person no later than the Proposal Submission Deadline. A Contractor may submit its Proposal electronically to the Contact Person. If submitting physical copies, Responding Contractor must provide one (1) signed original and five (5) paper copies of its Proposal and supporting documents plus one (1) USB flash drive containing an unredacted PDF version (or other suitable format) of its Proposal and supporting documents.

In addition, Responding Contractor may include one redacted electronic copy of its Proposal and supporting documents with information that Contractor deems confidential or contains trade secrets or such other proprietary rights as dictated by law redacted. **Pursuant to North Carolina Public Record Laws, in order for information to be maintained as confidential or trade secret, it MUST be received at the same time as the unredacted versions.**

Late Proposals will not be accepted. Postmarks and/or shipping receipts will not be considered as proof of timely submissions. Also, the Proposal must designate a single authorized official from one of the entities to serve as the sole contact between the Commission and the Contractor.

6.5 PROPOSAL EVALUATION

A variety of factors (including, but not limited to, experience, integrity, proposed solution, satisfying specified requirements, implementation process and time, data security, cost/price and value to the Commission, background, financial viability, minority business participation, and ability to perform the Contract) shall be considered by the Commission in determining the Successful Contractor it believes provides the best overall solution at a fair and reasonable price and consistent with the goals and objectives of the Commission.

These factors are not necessarily listed in the order of importance or weight. Thus, while Potential Contractors are strongly encouraged to offer the lowest price and total cost and highest value possible, the Potential Contractor offering the lowest price and total cost may not be selected as the Successful Contractor. The Commission will conduct a fair, comprehensive, and impartial evaluation of all Proposals deemed responsive using an evaluation committee (the "**Evaluation Committee**"). The Evaluation Committee may request clarifications or answers to any questions it may have of a Potential Contractor as a result of any information or representations contained in its Proposal or otherwise identified, and may ask a Potential Contractor to address technical questions or seek additional information regarding any Proposal before completing the initial evaluation.

It is not the intent of the Commission to disqualify any Proposal based on minor technicalities. However, the Commission reserves the right to determine if a particular deficiency or inadequacy is significant enough to disqualify the Proposal and Contractor. The Commission also reserves the right to disqualify the Contractor's Proposal if the Contractor has violated Section 6.2 of this RFP. It is the intent of the evaluation procedure established by the Commission to determine whether each Proposal meets the needs of the Commission, as outlined in this RFP, and then to determine which Proposal best suits those needs.

All Proposals submitted will be evaluated for form and content in accordance with the provisions of this RFP.

Failure to provide pricing will result in disqualification. Failure to provide the required information such that the Evaluation Committee is unable to evaluate your product(s) and compare it/them with the products of other bidders will result in disqualification.

6.6 BACKGROUND INVESTIGATION

The Commission reserves the right to investigate, at a minimum, the financial responsibility and security of any Successful Contractor. A Contractor must complete and submit as part of its Proposal the Background Disclosure Form, included as Attachment B and made a part hereof. Contractors must also fully comply and cooperate with all investigations conducted under N.C.G.S. §18C-151(c) or §18C-152 and other applicable sections of the Act or Applicable Laws.

A Contractor must complete and submit, as part of its Proposal, for itself and all of the individuals listed in this paragraph, the Authorization for Contractor Investigation Form, included as Attachment C and made a part hereof, and Acknowledgment and Authorization for Background Check, included as Attachment D and made a part hereof, in both cases to allow the Commission access to the criminal, civil, and financial history of the Contractor and its employees assigned to this project. Failure to provide pricing will result in disqualification. Failure to provide the required information such that the Evaluation Committee is unable to evaluate your product(s) and compare it/them with the Proposals of other Potential Contractors will result in disqualification.

6.7 DISPUTE PROCEDURE

All claims and disputes, including but not limited to protests related to this RFP, the Procurement and the award of the Contract to the Successful Potential Contractor shall be handled solely and exclusively under and in accordance with the North Carolina Education Lottery Contractor Dispute Resolution Procedures (the "**Dispute Procedures**"), as adopted and/or amended from time to time by the Commission. See the Commission's website at:

<https://nclottery.com/Content/Docs/6.02%20Vendor%20Dispute%20Resolution.pdf>

Any Potential Contractor that submits a Proposal hereby expressly acknowledges and agrees that: (a) the Dispute Procedures represent the exclusive procedure and the exclusive forum for binding resolution of all claims, disputes, complaints and Dispute Resolution Requests of any kind relating in any way to any RFP, Procurement, Contract, offer, quote, Proposal, bid or agreement entered into by the Commission; (b) it is estopped from objecting to any court, agency or other entity as to the Dispute Procedures being such sole and exclusive forum for binding resolution; and (c) it agrees to be completely, solely and irrevocably bound by such Dispute Procedures. In addition, each Potential Contractor submitting a Proposal irrevocably waives any claim it might have had to protest or object to this RFP or its contents.

6.8 NEGOTIATION AND EXECUTION OF CONTRACT

A Successful Potential Contractor under this RFP shall negotiate and execute a contract containing such terms and conditions as shall be satisfactory to the Commission.

Attachment G is a draft of the contract, which contains the terms and conditions required by the Commission. At the sole discretion of the Commission, certain provisions may be negotiated and modified subsequent to Contract award. Please be aware that, as an agency of the State of North Carolina, the Commission is limited in its ability to accept certain provisions that are commonly found in commercial non-governmental contracts.

The occurrence of negotiations with any Potential Contractor(s) conveys no right or status on such Potential Contractor(s). By submitting a Proposal, each Contractor acknowledges and agrees that the Commission may negotiate with one or more Contractors, under such circumstances, at such times and in such a manner as Commission determines to be in the best interest of the Commission.

6.9 NONEXCLUSIVE RIGHTS

Nothing in this RFP or any Contract resulting from this RFP shall preclude the Commission from acquiring any related services from other Potential Contractors, individuals, or entities as the Commission, in its sole discretion, shall determine.

6.10 PROPOSAL SUBJECT TO PUBLIC RECORDS LAWS

All Proposals, data, materials, and documentation originated, prepared, and submitted to the Commission pursuant to this RFP shall belong exclusively to the Commission and may become available to the public in accordance with the North Carolina Public Records Act as provided in N.C.G.S. §132-1 et. seq. (the "**Public Records Laws**"). The Commission will make reasonable attempts to maintain, in accordance with the Public Records Laws and the Act and all applicable laws of the State of North Carolina and the United States of America (all of the forgoing being collectively defined as, the "**Applicable Laws**"), the confidentiality of any trade secrets or confidential information that meets the requirements of N.C.G.S. §132-1.2 of the Public Records Laws (collectively, "**Confidential Information**") if such Contractors properly and conspicuously identify the particular data or other materials which are Confidential Information in accordance with the Public Records Laws. If an action is brought or threatened against Commission pursuant to N.C.G.S. §132-9 to compel Commission to disclose information marked as confidential or a trade secret, Commission will promptly notify Potential Contractor in writing of such to allow Potential Contractor to determine if it will intervene and defend such action, Commission, and its commissioners, officers, and employees. If Potential Contractor opts to not intervene and defend such action and the Commission, its commissioners, officers, and employees, the Commission may, in its sole discretion decide whether to defend such action or release the requested records. The Commission shall have no liability to Potential Contractor with respect to any such disclosures.

6.11 PRICING OPTIONS

Potential Contractors are requested to provide costs for providing the requested deliverables detailed in this RFP. Potential Contractors are also requested to propose rates for any additional optional and/or related equipment and services beyond the anticipated work under the RFP. Potential Contractors are reminded that the cost quotation should cover all the equipment, services, and other items covered and required by this RFP, as well as other services deemed necessary by the Contractors, to be provided by the Successful Contractor. Specifically, the Successful Contractor shall be responsible for all charges incidental to the routine conduct of business including, but not limited to any and all travel expenses including mileage, meals, telephone calls, facsimile, copying, color copies, shipping, postage and delivery charges from the Successful Contractor to the Commission.

If the Potential Contractor has more than one solution or pricing structure that may be appropriate, please submit pricing for all such options along with sufficient information to allow the Evaluation Committee to determine the differences between the possible solutions.

6.12 PAYMENT

Upon review and approval of the Commission, the Successful Contractor shall be paid within thirty (30) days from the Successful Contractor's submission of an invoice to the Commission and after all services and deliverables have been provided to the Commission.

6.13 COMMITMENT TO NONDISCRIMINATION AND MINORITY PARTICIPATION

The North Carolina State Lottery Act has specific references to minority participation in the formation and operation of the Commission and requires compliance with N.C.G.S. Article 8 Chapter 143 as applicable. The Commission strongly encourages participation by, and involvement of, minority-owned businesses. In order to achieve or exceed the goals established by the Act and Applicable Laws, and to provide equal business opportunities in the procurement process, the Commission encourages Potential Contractors to contract with minority-owned businesses whenever and wherever possible. Given the Commission policy regarding participation of minority businesses and the express provisions of the Act, a Potential Contractor shall carefully consider the inclusion, of, and shall commit not to discriminate against, minority businesses in the development of its Proposal and provisions of its services.

6.14 NON-DISCRIMINATION

Each Potential Contractor must describe in its Proposal what actions it currently takes, in the areas of: (a) ensuring a workplace free of all discrimination on the basis of race, color, religion, national origin, age, sex, sexual orientation, gender identity, veteran status, disability or otherwise; (b) ensuring a diverse workforce and providing equal opportunities; and (c) ensuring and maintaining a work environment free of harassment, intimidation and coercion. Additionally, all Potential Contractors must complete and return either Affidavits A and B or Affidavit C, which are attached hereto at **Attachment E**, Equal Business Opportunity Forms.

6.15 DISCLOSURE OF LITIGATION AND LEGAL MATTERS

A Responding Contractor should include, **as a separate page**, in its Proposal a disclosure of any pending or overtly threatened civil or criminal litigation or indictment involving such Responding Contractor. Responding Contractor must also disclose any civil or criminal litigation or indictment involving any of its subcontractors participating in its Proposal. Specifically, Responding Contractor must disclose, on behalf of itself and each of the persons or entities described in N.C.G.S. §18C-152(b), all of the items and information described in N.C.G.S. §18C-152(c). This disclosure requirement is a continuing obligation, and any litigation commenced after a Responding Contractor has submitted a Proposal under this RFP must be disclosed to the Commission in writing within five (5) days after it is filed.

**ATTACHMENT A
COST SUBMISSION**

Enterprise Regulatory System

(MUST BE IN A SEPARATE DOCUMENT FROM THE TECHNICAL PROPOSAL)

(Potential Contractor's Name)

Signed by: _____

Title: _____

Date: _____

(Title)

(Date)

BACKGROUND DISCLOSURE FORM

For any subcontractor that comprises at least twenty-five (25%) of the cost of the Responding Contractor’s Proposal (a “25% Subcontractor”), disclose all the same information for each 25% Subcontractor as if each 25% Subcontractor were itself the Responding Contractor. In addition, disclose all of the same information for each member of a joint venture, a strategic partnership or a prime contractor team as if each such joint venture, strategic partner or member of a prime contractor team were itself the Responding Contractor. (Responding Contractor and all members of a joint venture, a strategic partnership or a prime contractor team are sometimes herein referred to as “Responding Contractor Team.”)

[These pages may be copied and used as needed]

PLEASE PROVIDE THE FOLLOWING

INFORMATION:

1. Name of Business:
2. Type of legal entity and the state under whose laws the business entity is organized:
3. EIN:
4. List the name, address, area code and telephone number, and social security number of the Responding Contractor’s officers, directors and each stockholder if the Responding Contractor is a corporation (in the case of a publicly-traded corporation, only those stockholders known to the corporation to own beneficially five percent (5%) or more of such corporation’s securities), as well as the same information for a parent corporation of such Responding Contractor corporation if the parent corporation’s shares are publicly traded; if the Responding Contractor is a trust, the trustee and all persons entitled to receive income or benefits from the trust; if the Responding Contractor is an association, the member, officers and directors; if the Responding Contractor is a partnership or joint venture, all general partners, limited partners or joint venturers:
 - a. Name:

Relationship to Responding Contractor:

Address:

Telephone number, including area code:

Social Security number:

b. Name:

Relationship to Responding Contractor:

Address:

Telephone number, including area code:

Social Security number:

c. Name:

Relationship to Responding Contractor:

Address:

Telephone number, including area code:

Social Security number:

5. Disclose all the states and jurisdictions (domestic and foreign) in which any member of the Responding Contractor Team does business and the nature of the business for each such state or jurisdiction:

6. Disclose all the states and jurisdictions (domestic and foreign) in which any member of the Responding Contractor Team has contracts to supply gaming goods or services, including, but not limited to, sports gambling goods or services, lottery goods and services, and the nature of the good or services involved for each such state or jurisdiction:

7. List all states and jurisdictions (domestic and foreign) in which any member of the Responding Contractor Team has applied for, sought renewal of, has received, has been denied, has pending, or has had revoked a lottery or gaming license or lottery or gaming contract of any kind or has had fines or penalties assessed to their or its license, contract or operation and the disposition of such in each such state or jurisdiction. Include all facts or circumstances underlying the revocation or non-renewal of any lottery or gaming license or contract or any lottery or gaming license or application that has been either denied or is pending and has remained pending for more than six (6) months:

a. State:

Type of license:

Status of license:

Fines or penalties:

Circumstances:

b. State:

Type of license:

Status of license:

Fines or penalties:

Circumstances:

c. State:

Type of license:

Status of license:

Fines or penalties: Circumstances:

8. For each member of the Responding Contractor Team, if applicable, list the details of any finding or pleas, conviction, or adjudication of guilt in a state or federal court, or in another jurisdiction, for any felony or any other criminal offense other than a traffic violation, including, but not limited to, felonies related to gambling or the security or integrity of a lottery by:

Charge:

Date of proceeding:

Custodian of records concerning this proceeding:

Outcome of proceeding:

Charge:

Date of proceeding:

Custodian of records concerning this proceeding:

Outcome of proceeding:

9. For each member of the Responding Contractor Team, if applicable, list the details of any finding or plea, conviction, or adjudication of guilt in a state or federal court, or in another jurisdiction, of any involving gambling, theft, computer offenses, forgery, perjury, dishonesty or for unlawfully selling or providing a product or substance to a minor by:

Charge:

Date of proceeding:

Custodian or records concerning this proceeding:

Outcome of proceeding:

Charge:

Date of proceeding:

Custodian or records concerning this proceeding:

Outcome of proceeding:

10. For each member of the Responding Contractor Team, if applicable, list the details of any bankruptcy, insolvency, reorganization or corporate or individual purchase or takeover of another business, including bonded indebtedness, or any pending litigation:

a. Filing or action:

Date of filing or action:

Court of filing or action:

Date of discharge if bankruptcy:

Pending litigation:

b. Filing or action:

Date of filing or action:

Court of filing or action:

Date of discharge if bankruptcy:

Pending litigation:

11. List the business entities that are a part of the Responding Contractor Team, and list the Fiscal Years for each team member. Complete an Authorization for Contractor Investigation for each (see Attachment C.)

12. List all the individuals constituting the Responding Contractor Team who will work on the Commission Contract. Complete an Authorization for Individual Investigation for each (see Attachment D).

13. Does the Responding Contractor Team or any individual member thereof have an ownership interest in any entity that has supplied consultation services under contract to the Commission regarding this RFP? If yes, please provide details.

14. Does any "public officer" or employee of such public officer have an ownership interest of five percent (5%) or more in any member of the Responding Contractor Team? If yes, please provide details.

15. List any conflict of interest with the products, promotions and goals contemplated by the Commission that could result from other projects in which the Responding Contractor Team or any of the staff members designated to work on the project are involved. Failure to disclose any such conflict may be cause for Contract termination or disqualification of the Proposal.
16. List all lobbyists and consultants working on behalf of the Responding Contractor Team in connection with this Proposal or any subsequent Contract.

Attachment B Certification

I, _____, hereby certify that I am duly authorized to act on behalf of the Responding Contractor and Responding Contractor Team. In that capacity, I hereby certify that the Responding Contractor and all members of the Responding Contractor Team have filed appropriate tax returns as provided by the laws of the State of North Carolina. I further warrant that the information contained in this Background Disclosure Form is true and complete, and acknowledge that a finding that it is not true or complete may result in a cancellation of the Contract.

I further certify that the Responding Contractor and each member of the Responding Contractor Team recognizes and acknowledges that there are certain limitations on their activities, including, but not limited to, limitation on certain political contributions, limitation of the ability to submit Proposals, in response to subsequent Request for Proposals issued by the Commission, limitation on the ability to purchase lottery tickets, and other requirements that the Commission may impose in the future via contract or administrative rules. Current restrictions on the ability to purchase lottery tickets and enter into contracts or other arrangements as well as future restrictions related to gaming activities apply to the employees of the Responding Contractor and the members of the Responding Contractor Team as well as the members of all such employees' households, and the Responding Contractor and each member of the Responding Contractor Team will enforce such restrictions upon its employees and subcontractors.

(Signature of Authorized Representative)

(Print Name)

(Title)

(Date)

ATTACHMENT C

AUTHORIZATION FOR CONTRACTOR INVESTIGATION

I, _____, hereby authorize the North Carolina State Lottery Commission or its designee to conduct a Contractor background investigation (N.C.G.S. §18C-152), including the civil, criminal and financial credit history of _____.

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

(Signature)

(Print Name)

(Title)

(Date)

ATTACHMENT D

**ACKNOWLEDGMENT AND AUTHORIZATION FOR
BACKGROUND CHECK**

I hereby authorize the obtaining of the “consumer reports” and /or “investigation consumer reports” by the Commission at any time after receipt of this authorization and throughout the term of my employer’s contract with the Commission, if applicable. To this end, I hereby authorize, without reservation, any law enforcement agency, administrator, state or federal agency, institution, school or university (public or private), information service bureau, employer, or insurance company to furnish any and all background information requested by **FirstPoint, Inc., P.O. Box 26140 Greensboro, NC 27402, 800-449-0245, www.firstpointresources.com**, the Commission, and/or the Commission’s designee. I agree that a facsimile (“fax”), electronic or photographic copy of this authorization shall be as valid as the original. **Do not disclose any sealed or expunged records.**

Signature _____ Date _____

Please Print Clearly

Name (First, Middle, Last) _____ Date of Birth (mo/day/yr) _____

Maiden Name / Other Name (First, Middle, Last) _____

Date used (yr) from _____ to _____. Driver’s License # _____ State _____

Social Security # _____ Male/Female (circle one)

Employer _____ Position _____

Current and previous address(es). Provide all addresses for previous 7 years

Street _____ from _____

City, State, Zip _____ to _____

Street _____ from _____

City, State, Zip _____ to _____

Street _____ from _____

City, State, Zip _____ to _____

California, Minnesota & Oklahoma residents only: I want to receive a free copy of any Consumer Report, Investigative Consumer Report or Credit Report on me that is requested. [yes/no]

Notary:

State of _____, County of _____

Subscribed and sworn to before me this ____ day of _____ 2019.

Notary Public _____

My commission expires _____

[SEAL]

ATTACHMENT E

Equal Business Opportunity Forms

All respondents must complete and return either the attached Affidavits A and B **OR** Affidavit C

The undersigned hereby certifies that they have read the terms of the minority business commitment and are authorized to bind the Responding Contractor to the commitment herein set forth.

(Signature of Authorized Representative)

(Print Name)

(Title)

(Date)

NOTARY:

State of _____, County of _____

Subscribed and sworn to before me this ____ day of _____ 20__.

Notary Public _____

My commission expires _____

[SEAL]

Affidavit B- Listing of Good Faith Efforts

State of _____

County of _____

Affidavit of _____
(Name of Responding Contractor)

I have made a good faith effort to comply under the following areas checked:

Responding Contractors must earn at least 50 points from the good faith efforts listed for their Proposal to be considered responsive.

- 1 – (10 pts)** Contacted minority businesses that reasonably could have been expected to submit a Proposal and that were known to the Contractor, or available on State or local government maintained lists, at least 10 days before the Proposal date and notified them of the nature and scope of the work to be performed.
- 2 --(10 pts)** Made the construction plans, specifications, and requirements available for review by prospective minority businesses, or providing these documents to them at least 10 days before the Proposal are due.
- 3 – (15 pts)** Divided or combined elements of work into economically feasible units to facilitate minority participation.
- 4 – (10 pts)** Worked with minority trade, community, or contractor organizations identified by the Office of Historically Underutilized Businesses and included in the Proposal documents that provide assistance in recruitment of minority businesses.
- 5 – (10 pts)** Attended pre-Proposal meetings scheduled by the Commission.
- 6 – (20 pts)** Provided assistance in getting required bonding or insurance or provided alternatives to bonding or insurance for subcontractors.
- 7 – (15 pts)** Negotiated in good faith with interested minority businesses and did not reject them as unqualified without sound reasons based on their capabilities. (Any rejection of a minority business based on lack of qualification should have the reasons documented in writing.)
- 8 – (25 pts)** Provide assistance to an otherwise qualified minority business in need of equipment, loan capital, lines of credit, or joint pay agreements to secure loans, supplies, or letters of credit, including waiving credit that is ordinarily required. Assisted minority businesses in obtaining the same unit pricing with the Contractor's suppliers in order to help minority businesses in establishing credit.

- 9 – (20 pts)** Negotiated joint venture and partnership arrangements with minority businesses in order to increase opportunities for minority business participation on a public construction or repair project when possible.
- 10 - (20 pts)** Provided quick pay agreements and policies to enable minority contractors and suppliers to meet cash-flow demands.

The undersigned, if declared to be the Successful Contractor, will enter into a formal agreement with the firms listed in the Identification of Minority Business Participation schedule conditional upon scope of Contract to be executed with the Commission. Substitution of contractors must be in accordance with N.C.G.S. §143-128.2(d). Failure to abide by this statutory provision will constitute a breach of the Contract.

The undersigned hereby certifies that they have read the terms of the minority business commitment and are authorized to bind the Contractor to the commitment herein set forth.

(Signature of Authorized Representative)

(Print Name)

(Title)

(Date)

NOTARY:

State of _____, County of _____

Subscribed and sworn to before me this ____ day of _____ 20__.

Notary Public _____

My commission expires _____

[SEAL]

Affidavit C-- Intent to Perform Contract with Own Workforce

State of _____

County of _____

Affidavit of _____ (Name
of Responding Contractor)

Responding Contractor is a Certified HUB Vendor: Yes No

Responding Contractor is a Minority Vendor: Yes No

I hereby certify that it is our intent to perform 100% of the work required for the Commission contract for Enterprise Regulatory System.

In making this certification, the Responding Contractor states that the Responding Contractor does not customarily subcontract elements of this type project, and normally performs and has the capability to perform and will perform all elements of the work on this project with its own current work forces; and the Responding Contractor agrees to provide any additional information or documentation requested by the Commission in support of the above statement.

The undersigned hereby certifies that they have read this certification and are authorized to bind the Responding Contractor to the commitments herein contained.

(Signature of Authorized Representative)

(Print Name)

(Title)

(Date)

NOTARY:

State of _____, County of _____

Subscribed and sworn to before me this _____ day of _____ 20____.

Notary Public _____

My commission expires _____ [SEAL]

ATTACHMENT F

COMMISSION VENDOR INFORMATION FORM

Vendor Name (Commonly Used Name)

Full Legal Entity Name (As Listed on Tax Returns)

State of Incorporation

Name of Person Signing Contract

Title

Contractor's Main Contact Person for Commission

Title

Telephone Number

Email Address

Legal Notice Information

Name of Person to Receive Legal Notices

Title

Street Address

Street Address Line 2

City

State

Zip Code

Telephone Number

Email Address

Note: If you wish to have more than one person receive legal notices, please attach additional copies of this form.

**ENTERPRISE REGULATORY SYSTEM RFP
PROPOSAL REQUIREMENTS CHECKLIST**

| | |
|--|--|
| Proposal – Signed | |
| Redacted Proposal | |
| Attachment A – Cost Proposal - Separate File | |
| Attachment B – Background Disclosure Form(s) | |
| Attachment C – Authorization for Contractor Investigation Form(s) | |
| Attachment D – Authorization for Background Check Form(s) (Notarization Needed) | |
| Attachment E - Equal Business Opportunity Forms Affidavits A and B, OR Affidavit C (Notarization Needed) | |
| Attachment F - Vendor Information Form | |
| Disclosure of Litigation and legal matters - Separate Document | |

ATTACHMENT G



SAMPLE CONTRACT

ENTERPRISE REGULATORY SYSTEM

This Agreement Regarding the Enterprise Regulatory System (the "**Agreement**") is made and entered on the date of the last signature below by and between the North Carolina State Lottery Commission (sometimes the "North Carolina Education Lottery") (the "**Commission**"), a state agency created pursuant to the North Carolina State Lottery Act (G.S. § 18C-101 et seq. and Session Law 2023-42) (as may be amended from time to time, the "**Act**"), located at 2728 Capital Boulevard, Suite 144, Raleigh, North Carolina, 27604, and _____, located at _____, a _____ organized under the laws of the _____ ("**VENDOR**").

WITNESSETH:

WHEREAS, the Commission was created to organize and operate a state lottery in the State of North Carolina (the "**Lottery**") and is also responsible for licensing and regulating sports wagering and horse race betting in the State of North Carolina; and

WHEREAS, VENDOR submitted the Proposal, dated _____, 2023 (the "**Proposal**," Exhibit A) to the Commission in response to the Commission's Request for Proposals dated [**RFP PUBLICATION DATE**] (the "**RFP**," Exhibit B), as integrated by the Commission's Questions and Answers concerning the RFP, which were last distributed by the Commission on or around [**Q&A PUBLICATION DATE**] (the "**Questions and Answers**," Exhibit C). Exhibits A, B and C are attached hereto and incorporated by reference herein; and

WHEREAS, subject to the terms and conditions hereinafter set forth, the Commission desires to retain VENDOR to provide an Enterprise Regulatory System and other related services for the Commission, and VENDOR desires to provide such Services and Deliverables for the Commission.

NOW, THEREFORE, for and in consideration of the premises, the mutual promises, covenants, and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby expressly acknowledged, the parties hereto hereby agree as follows:

1. SERVICES AND DELIVERABLES

Subject to the terms and conditions set forth in this Agreement, the Commission retains VENDOR to provide an Enterprise Regulatory System and other related services for the Commission as contemplated by this Agreement, the RFP, and the Proposal (collectively, the "**Services and Deliverables**"), and VENDOR agrees to provide such Services and Deliverables to the Commission. Capitalized terms not otherwise defined herein shall be defined as set forth in the RFP.

2. DUTIES AND RESPONSIBILITIES OF VENDOR

A. VENDOR and its Subcontractors (defined in Section 3(A) below) will work in conjunction with the Executive Director of the Commission, the Commission staff, the North Carolina State Lottery Commission and such other Contractors, subcontractors, employees, agents, retailers, and consultants as directed by the Commission. VENDOR and its Subcontractors will provide the Services and Deliverables to the Commission as detailed in the RFP, the Questions and Answers and the Proposal and as requested, from time to time, orally or in writing or via shipment, by the Executive Director, their designee(s) and/or the Commission. Except as otherwise set forth herein, VENDOR agrees that all Services and Deliverables to be provided to the Commission under this Agreement shall meet or exceed the requirements as set forth in this Agreement, the RFP, the Questions and Answers and the Proposal.

B. VENDOR, and its Subcontractors as requested from time to time, shall meet regularly with the Executive Director or their designee(s) and shall establish work plans, implementation schedules and timetables for completion as and when required by the Executive Director or their designee(s).

C. VENDOR hereby agrees to use its best efforts to make available to the Commission its employees and its Subcontractors as may be necessary or appropriate for the timely performance of VENDOR's obligations pursuant to this Agreement. No employee or agent of VENDOR or any of its Subcontractors shall undertake or participate in, during the term of this Agreement, any other engagement which will interfere with the completion of the work contemplated by this Agreement. VENDOR will provide the Commission, as requested from time to time, written reports of the names and work schedules of VENDOR's and the Subcontractors' employees who will be performing and providing Services and Deliverables pursuant to this Agreement.

D. Scope of Services and Deliverables: Subject to the instructions and decisions of the Commission, VENDOR will be responsible for providing the Services and Deliverables as specified in the RFP, Questions and Answers, and the VENDOR's Proposal.

3. SUBCONTRACTORS

A. VENDOR shall not subcontract or otherwise assign any or all of its rights, duties or obligations under this Agreement to any individual or entity without the prior written consent of the Commission in each instance, which consent may be withheld in the Commission's sole discretion. The Commission shall have the right to approve or disapprove of any subcontractor. VENDOR will provide the Commission with the name, qualifications, experience and expected duties of each proposed subcontractor under this Agreement each time it desires to retain a subcontractor. All approved subcontractors, sub-vendors, employees, joint venturers, partners or other parties working with or for VENDOR in performing or providing Services and Deliverables under this Agreement or for the Commission will be defined collectively as the "**Subcontractors**" and individually as a "**Subcontractor**" and will become a Subcontractor for purposes hereof and must execute such agreements or other documentation as may be necessary pursuant to the Act or as the Commission may require. VENDOR agrees that it will obtain the prior consent of the Executive Director or their designee(s) prior to having any Subcontractor perform any activities for the Commission under this Agreement.

B. Upon the request of the Commission, VENDOR will promptly provide the Commission with copies of all subcontracts and other agreements entered into by VENDOR with respect to its obligations under this Agreement. No such subcontract or other agreement may contain any terms or conditions inconsistent or in conflict with the terms and conditions contained in this Agreement. In the event of any such inconsistent or conflicting provisions, such inconsistencies or conflicts will be resolved in favor of this Agreement.

C. The Commission shall have the right, at any time and from time to time, to instruct VENDOR not to use the services of any Subcontractor, individual or employee in connection with the work to be performed for the Commission under this Agreement, and VENDOR agrees to comply with all such instructions.

D. Notwithstanding anything herein to the contrary, VENDOR will remain fully liable and responsible for all Services and Deliverables and work to be performed under this Agreement, whether or not subcontracted to or performed by a Subcontractor or any other person or entity retained by VENDOR or under VENDOR's control, and VENDOR will ensure the compliance of its employees, and will exercise its best efforts to ensure the compliance of, and in any event be responsible for, Subcontractors and their employees with the terms of this Agreement, the Act and all other applicable laws which govern the performance and provision of Services and Deliverables pursuant to this Agreement and such other standards or policies as the Commission may establish from time to time.

4. **INDEPENDENT CONTRACTOR**

A. Both the Commission and VENDOR, in the performance of this Agreement, will be acting in their own separate capacities and not as agents, employees, partners, joint venturers or associates of one another. The employees or agents of one party shall not be deemed or construed to be the employees, agents, or partners of the other party for any purposes whatsoever. Neither party will assume any liability for any injury (including death) to any persons, or any damage to any property or other claim arising out of the acts or omissions of the other party or any of its agents, employees, or subcontractors. It is expressly understood and agreed that VENDOR is an independent contractor of the Commission in all manners and respects and that neither party to this Agreement is authorized to bind the other party to any liability or obligation or to represent that it has any such authority, except for the limited authority of VENDOR to procure selected materials and services as authorized by the Commission and as specifically set forth in, and subject to the limitations described in, the RFP and/or this Agreement. No Subcontractor is authorized to bind the Commission to any liability or obligation or to represent that it has any such authority.

B. VENDOR shall be solely responsible for all payments to Subcontractors and all compensation, withholding taxes and benefits for its employees and for providing all necessary unemployment and workmen's compensation insurance for its employees.

5. **COMPENSATION**

A. As full and complete compensation for all Services and/or Deliverables provided by VENDOR pursuant to this Agreement, the Commission will pay VENDOR, and VENDOR will accept, an amount (the "Vendor's Fee") equal to _____.

B. VENDOR shall be responsible for all charges incidental to the routine conduct of business including, but not limited to travel, mileage, meals, telephone calls, copying, color copies, postage, and delivery charges from VENDOR to the Commission.

C. Except as otherwise provided herein, the Commission shall not under any circumstances be liable or responsible for any costs, expenses, reimbursements, or fees incurred by VENDOR or Subcontractors (or any other individual or entity) in connection with any Services and Deliverables or the VENDOR's performance under this Agreement.

D. Subject to the availability of funds and any other restrictions imposed by the Act, the "Governing Laws and Regulations" (as defined in Section 13) of this Agreement, the Commission will pay to VENDOR all non-disputed amounts due under this Agreement within thirty (30) days upon receipt and verification of the VENDOR's invoice, unless the parties otherwise agree upon a less frequent payment schedule, in accordance with the policies and procedures established by the Commission from time to time and subject to setoff or offset for all sums owed by VENDOR or its Subcontractors. Electronic billing shall be available to the Commission.

6. **TERM**

The term of this Agreement shall commence on the date of the last signature below (the "**Effective Date**") and, unless sooner terminated in accordance with the provisions of Section 18 or other provisions of this Agreement and the RFP, expire on June 30, 2026, (the "**Initial Term**"). Notwithstanding the foregoing, the Commission may elect to renew this Agreement for four additional one-year periods on the same terms (each an "**Extension Term**", and collectively with the Initial Term, the "**Term**"). Commission may exercise its option to extend this Agreement by providing written notice to VENDOR at least ninety (90) days before the expiration of the Initial Term or, if applicable, the then-current Extension Term.

7. **WORK STANDARD**

A. VENDOR hereby agrees that it and its Subcontractors shall at all times comply with and abide by all terms and conditions set forth in this Agreement, all applicable policies and procedures of the Commission and all requirements of the Act and Governing Laws and Regulations. VENDOR further agrees that it and its Subcontractors shall perform their respective duties and responsibilities as set forth in this Agreement by following and applying the highest professional and technical guidelines and standards applicable to the VENDOR's industry.

B. VENDOR hereby agrees that it and its Subcontractors will perform their respective duties and responsibilities as set forth in this Agreement with integrity and dignity and free from political influence, collusion, and fraud. VENDOR further agrees that and none of its Subcontractors, or any of their respective employees or agents will solicit or accept, or attempt to solicit or accept, any kickbacks or other inducements from any offeror, supplier, manufacturer, subcontractor or other individual or entity in connection with the performance of its obligations under this Agreement.

C. If the Commission becomes dissatisfied with the Services and Deliverables or work product of or the working relationship with any of the individuals assigned to perform Services and Deliverables under this Agreement by VENDOR or any Subcontractors, the

Commission may require the prompt replacement of any or all of such individuals. Important personnel, whether or not identified in VENDOR's Proposal as performing or providing Services and Deliverables under this Agreement, will continue to perform in their designated capacities until such Services and Deliverables are completed unless: (i) they cease to be employed by VENDOR or a Subcontractor; (ii) the Commission requests their removal, in which case a person or persons of suitable competency and acceptable to the Commission, in its discretion, will be substituted forthwith; or (iii) VENDOR wishes to have them replaced by someone of equal or better qualifications and VENDOR obtains Commission's prior written consent to such change.

D. Nothing in this Section 7 shall be construed to prevent VENDOR from using the services of others to perform tasks ancillary to those tasks which directly require the expertise of such key personnel, including secretarial, clerical, and common labor duties. VENDOR shall at all times remain responsible for the performance of all necessary tasks under the scope of this Agreement, whether performed by key personnel or other workers.

E. Nothing in this Agreement shall prohibit the Commission from retaining the services of any individual or entity, whether or not such or similar services were initially contemplated to be performed by VENDOR or a Subcontractor. The Commission is not prohibited by this Agreement from retaining the services of any individual or entity, and it is under no obligation to exclusively use the Services and Deliverables of VENDOR or any Subcontractors.

F. VENDOR hereby designates , or such other person or persons as it may from time to time notify the Commission, as its primary contact with the Commission for purposes of this Agreement. VENDOR must notify the Commission, in writing and within five (5) business days, regarding designation of a new primary contact person for the VENDOR.

8. CHANGES IN WORK

By written or oral request of the Executive Director or their designee(s) to VENDOR, the Commission may from time to time make changes in the Services and Deliverables to be provided by VENDOR or any Subcontractor, or the place of performance or provision of any Services and Deliverables. VENDOR and all applicable Subcontractors shall promptly comply with such requests and take all necessary or appropriate actions to effect such change. If such changes add material obligations or expenses not contemplated by this Agreement (including the Answers, RFP or Proposal), the Commission and VENDOR shall negotiate in good faith any changes required to this Agreement or the compensation to be provided pursuant hereto.

9. BOOKS AND RECORDS

Upon request of the Commission, VENDOR and each Subcontractor shall provide to the Commission a copy of its latest audited financial statements for such year; provided, however, if VENDOR and/or a Subcontractor does/do not obtain audited financial statements, then its/their financial statements must be certified by its chief financial officer. VENDOR and all Subcontractors shall maintain all books, documents, papers, accounting records and other evidence pertaining to the Services to be performed and provided under this Agreement in accordance with the Act, Governing Laws and Regulations, generally accepted accounting principles and any other applicable procedures established by the

Commission from time to time. VENDOR and all Subcontractors shall make all such materials available at its offices at all reasonable times during the term of this Agreement and for five (5) years after the date of final payment under this Agreement, for inspection by the Commission, by any authorized representative of the Commission and/or the State of North Carolina Auditor of State's Office ("**State Auditor**"), and copies thereof shall be furnished to the Commission and/or the State Auditor by the appropriate entity, at no cost to the Commission or the State Auditor, if requested by the Commission or the State Auditor. The Commission and/or the State Auditor shall have the right to audit the records and operations of VENDOR and each Subcontractor with respect to the Services to be performed and provided pursuant to this Agreement. VENDOR and Subcontractor shall also comply with all other requirements of the Act and Governing Laws and Regulations.

10. CONFIDENTIALITY; OWNERSHIP OF WORK PRODUCT, MATERIALS AND RIGHTS OF USE

A. For purposes of this Agreement, when identified in writing or otherwise explicitly indicated, at the time of initial disclosure:

(i) "**Confidential Information**" means any and all items or information of a party which are: (A) marked "Confidential" or some such similar designation; or are (B) valuable, proprietary and confidential information belonging to or pertaining to such party that does not constitute a "Trade Secret" (as hereafter defined) and that is not generally known but is generally known only to said party and those of its employees, independent contractors or agents to whom such information must be confided for business purposes, including, without limitation, information regarding said party's customers, suppliers, manufacturers and distributors. For purposes of this Agreement, the financial statements provided pursuant to Section 9 of this Agreement shall be deemed to be VENDOR's Confidential Information; and

(ii) a "**Trade Secret**" means business or technical information, including but not limited to a formula, pattern, program, device, compilation of information, method, technique, or process that: (A) derives independent actual or potential commercial value from not being generally known or readily ascertainable through independent development or reverse engineering by persons who can obtain economic value from its disclosure or use; and (B) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

B. In recognition of the need of VENDOR to protect its legitimate business interests, **provided that such information is designated or indicated as "Confidential" or "Trade Secret" at the time of its initial disclosure to the Commission**, the Commission hereby covenants and agrees that with regard to any: (i) VENDOR Confidential Information, at all times during the term of this Agreement and for a period of three (3) years following the expiration or termination of this Agreement for any reason; and (ii) VENDOR Trade Secrets, at all times such information remains a Trade Secret under applicable law, the Commission will regard and treat all such items as strictly confidential and wholly owned by VENDOR and will not, for any reason or in any fashion, either directly or indirectly use, disclose, transfer, assign, disseminate, reproduce, copy, or otherwise communicate any such VENDOR Confidential Information or VENDOR Trade Secrets to any individual or entity for any purpose other than in accordance with this Agreement, pursuant to the instructions from a duly authorized representative of VENDOR or except to the extent necessary to fulfill the purposes of this Agreement, its licensing and/or

regulatory obligations under the Act, or conduct the North Carolina Education Lottery. The Commission shall not be liable; however, to VENDOR or to any other person or entity, if despite the Commission's reasonable efforts, VENDOR Confidential Information or Vendor Trade Secrets are disclosed in breach of the foregoing. Notwithstanding anything hereto the contrary the Act, the Governing Laws and Regulations, the Open Meetings Law G.S. §143-318.9 et. seq. and the Public Records Law G.S. §132-1 et. seq. (collectively, the "**Superseding Provisions and Statutes**") shall supersede and control any provision of this Agreement, and the Commission's confidentiality and nondisclosure obligations and liabilities set forth herein, or in the RFP or Proposal, shall be subject to, and never be greater than, as set forth in any of the Superseding Provisions and Statutes. If an action is brought pursuant to N.C.G.S. §132-9 to compel Commission to disclose information marked as confidential or a trade secret, VENDOR agrees that it will intervene in the action through its counsel and participate in defending the Commission, including any public official(s) or public employee(s). Commission agrees to promptly notify VENDOR in writing of any action seeking to compel the disclosure of VENDOR Confidential Information. Commission shall have the right, at its option and expense, to participate in the defense of the action through its counsel. The Commission shall have no liability to VENDOR with respect to the disclosure of VENDOR Confidential Information ordered by a court of competent jurisdiction pursuant to N.C.G.S. §132-9 or other applicable Law.

C. In recognition of the need of the Commission to protect its legitimate business interests, VENDOR hereby covenants and agrees that with regard to any: (i) Commission Confidential Information, at all times during the term of this Agreement and for a period of three (3) years following the expiration or termination of this Agreement for any reason; and (ii) Trade Secrets, at all times such information remains a Trade Secret under applicable law, VENDOR and all Subcontractors will regard and treat all such items as strictly confidential and wholly owned by the Commission and will not, for any reason or in any fashion, either directly or indirectly use, disclose, transfer, assign, disseminate, reproduce, copy, or otherwise communicate any such Commission Confidential Information or Commission Trade Secrets to any individual or entity for any purpose other than in accordance with this Agreement or pursuant to the instructions from a duly authorized representative of the Commission. In addition, to the extent the Act or any other Governing Laws and Regulations law imposes any greater restrictions or prohibitions with respect to any Commission Confidential Information, Commission Trade Secrets or other information or property of the Commission, VENDOR covenants and agrees that it and all Subcontractors shall comply with such greater restrictions or prohibitions. To ensure the compliance by it and all Subcontractors with the provisions of this Section 10(C), VENDOR shall use its best efforts, including, without limitation, obtaining written confidentiality agreements with all Subcontractors which incorporate requirements no less restrictive than those set forth herein and which contain provisions which permit Commission to independently enforce the requirements set forth in such agreements.

D. Notwithstanding the foregoing, the nondisclosure restrictions of Section 10(B) shall not apply to either party's information that is: (i) generally known to the public other than due to a disclosure by the Disclosing Party; (ii) already known to the Receiving Party at the time it is disclosed by the Disclosing Party to the Receiving Party; (iii) independently developed by the Receiving Party; or (iv) received by the Receiving Party from a party that the Receiving Party believed in good faith had the right to make such disclosure.

E. Neither the VENDOR nor any of its approved Subcontractors shall have any proprietary rights or interests in any intellectual properties (including, without limitation,

patents, copyrights, equipment, firmware, mask works, trademarks (and the goodwill associated therewith) and service marks (and the goodwill associated therewith)) (all of the foregoing being collectively defined as the “**Intellectual Property Rights**”) products, materials, intellectual properties developed, data, documentation, approaches, systems, programs, methodologies, designs, specification, or concepts, ideas or other content or items of any kind or nature developed, produced or provided in connection with the Services provided for the Commission under this Agreement (collectively, the “**Commission Intellectual Properties**”). All deliverables, written materials, designs, specifications, tangible or intangible materials, intellectual or other property or other work product of any kind or nature produced, revised, created, modified or prepared by VENDOR and any of its Subcontractors in connection with this Agreement, the RFP or for the Commission (collectively, the “**Work Product**”) will be deemed, to the greatest extent possible, “work made for hire” under Section 101 of the United States Copyright Act, 17 U.S.C. Section 101 to be exclusively owned by the Commission. To the extent that any Work Product does not qualify as a “work made for hire,” VENDOR and each of the Subcontractors hereby irrevocably transfer, assign and convey to the Commission all right, title and interest in the Work Product, together with all copyrights, patents, trade secrets, confidential information, trademarks and service marks (and the goodwill associated therewith) and rights (all of the foregoing being collectively defined as the “**Intellectual Property Rights**”), free and clear of any liens, security interests, hypothecations, pledges, claims or other encumbrances of any kind or nature, to the fullest extent permitted by law. At the Commission’s request, VENDOR and its Subcontractors shall execute, and shall cause its or their personnel to execute, all assignments, applications, writings, instruments or other documentation of any kind or nature deemed necessary or beneficial by the Commission so that the Commission may perfect or protect its rights as provided herein. VENDOR and its Subcontractors shall require its and their employees, and permitted agents, independent contractors, and consultants to execute agreements assigning all of their rights in the Work Products, and all Intellectual Property Rights therein, to the Commission, directly or indirectly, and shall provide the Commission with documentation evidencing its compliance with this requirement upon the Commission’s request. The intent of the Commission is that the Commission is the sole owner of, and is able to continue to use any or all of, the Work Product that it chooses in the conduct of its lottery games and other activities.

11. **NONDISCRIMINATION**

A. Neither VENDOR nor any Subcontractors shall discriminate against any employee or applicant for employment because of their race, color, religion, sex, sexual orientation, gender identity, handicap, disability, national origin, or ancestry. Breach of this covenant by VENDOR, or VENDOR's failure to use its best efforts to require all Subcontractors to comply with this covenant, may be regarded as a material breach of this Agreement. VENDOR and Subcontractors shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, sexual orientation, gender identity, handicap, disability, national origin, or ancestry.

B. Consistent with the Act and all other applicable North Carolina laws, VENDOR agrees to make every reasonable effort to include the participation by minorities in the performance and provision of its Services and Deliverables pursuant hereto. Specifically, and without limitation, any human resources services performed for the Commission will include appropriate attention to the hiring and training of qualified minority applicants in

accordance with the Act, all Governing Laws and Regulations, and the policies and procedures adopted by the Commission from time to time.

12. LIMITATION OF LIABILITY

Any and all payments to VENDOR are expressly contingent upon and subject to the appropriation, allocation and availability of funds to the Commission for the purposes set forth in the Agreement. If the term of the Agreement extends into fiscal years subsequent to that in which it is approved, such continuation of the Agreement is expressly contingent upon the appropriation, allocation and availability of funds by the N.C. Legislature for the purposes set forth in this Agreement. If funds to effect payment are not available, the Commission will provide written notification to Vendor. If the Agreement is terminated under this paragraph, Vendor agrees to take back any affected Deliverables and software not yet delivered under the Agreement, terminate any Services supplied to the Commission under the Agreement, and relieve the Commission of any further obligation thereof. The Commission shall remit payment for Deliverables and Services accepted prior to the date of the aforesaid notice in conformance with the payment terms.

13. COMPLIANCE WITH LAWS

VENDOR agrees to comply with all applicable rules, procedures and regulations adopted from time to time by the Commission under the Act and all other applicable federal, state, and local laws, rules, regulations, ordinances, or executive orders, including, without limitation, the Americans with Disabilities Act of 1990 (42 U.S.C. §§ 1201 et. seq.) and all other labor, employment and anti-discrimination laws, and all provisions required thereby to be included herein, are hereby incorporated by reference (all of the foregoing being sometimes referred to collectively as the "**Governing Laws and Regulations**").

14. ANTITRUST ACTIONS

VENDOR hereby conveys, sells, assigns, and transfers to the Commission all of its right, 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 of America and the State of North Carolina relating to any Services or Deliverables provided by VENDOR to the Commission under this Agreement.

15. REPRESENTATIONS, WARRANTIES AND ADDITIONAL COVENANTS

VENDOR hereby represents, warrants, or covenants, as the case may be, to Commission, on its own behalf and with respect to each of its Subcontractors, that as of the Effective Date and at all times throughout the term of this Agreement, as follows:

A. VENDOR has the power and authority to execute and deliver this Agreement and to perform its obligations under this Agreement, and VENDOR has taken all necessary and appropriate action to authorize the execution and delivery of this Agreement and the performance of its obligations under this Agreement. The execution and delivery of this Agreement and the performance of its obligations under this Agreement are not in contravention of any provisions of law or any material indenture or agreement by which VENDOR is bound and do not require the consent or approval of any governmental body, agency, authority or other person or entity which has not been obtained. This Agreement

constitutes the valid and legally binding obligation of VENDOR, enforceable against VENDOR in accordance with its terms.

B. VENDOR and its Subcontractors have disclosed or will disclose to the Commission all matters required to be disclosed under the Governing Laws and Regulations. VENDOR shall ensure that it is aware of any statutory limitations or restrictions affecting its Agreement with the Commission, such as certain political contributions, its ability to conduct future business with the Commission and/or its ability to conduct business with certain third parties. Any employee of the VENDOR who works directly on the Commission Contract/Account, and members of such employee's households, shall be prohibited from purchasing Commission tickets and/or claiming any Commission prizes.

C. Neither VENDOR, the Subcontractors nor any of its or their respective officers, directors, partners, or major shareholders have ever been found guilty of, or plead guilty to, any crime in any way related to gambling or the security, integrity, or operation of any lottery in any jurisdiction, nor are VENDOR, the Subcontractors nor any of its or their respective officers, directors, partners, or major shareholders currently under indictment for any crime in any way related to gambling or the security, integrity, or operation of any lottery in any jurisdiction. VENDOR shall be obligated to notify the Commission if VENDOR or any one of its officers and directors has been convicted of a felony or any gambling offense in any state or federal court of the United States within ten (10) years of entering into the contract (NCGS §18C-151(a)(5)).

D. No "public official" has an ownership interest of five percent (5%) or more in VENDOR or any of the Subcontractors.

E. To the extent required by applicable law, VENDOR and all Subcontractors are, and will remain at all times during the term of this Agreement, qualified to do business in the State of North Carolina and will file North Carolina income tax returns.

F. All Work Product: (i) shall be prepared, worked on and completed solely by employees of VENDOR or a Subcontractor in the scope of their employment or by independent contractors of VENDOR or a Subcontractor working under the strict and direct supervision of such employees; (ii) shall be original works of authorship; (iii) shall not infringe, plagiarize, pirate or constitute misappropriations of any Intellectual Property Rights, Confidential Information, Trade Secrets or other intellectual properties or proprietary rights of any individuals or entities; and (iv) shall not be false, misleading, actionable, defamatory, libelous or constitute an invasion of privacy of any individual or entity.

G. Neither VENDOR nor any Subcontractors, nor any of its or their respective employees, officers, directors, partners or major shareholders, shall issue any press release, conduct any press or news conference, participate in any media interview or otherwise make any public statement or announcement on behalf of, with respect to or in connection with this Agreement or the Services and Deliverables without the prior written consent of the Executive Director or their designee(s) in each instance.

H. Neither VENDOR nor any Subcontractors, nor any of its or their respective employees, officers, directors, partners or major shareholders, shall use Commission's name, logos, images or any other information or data related to the Services to be provided pursuant to this Agreement as a part of or in connection with any commercial advertising

without the prior written consent of the Executive Director or his/her designee(s) in each instance.

I. All Services and Deliverables rendered and provided pursuant to this Agreement have been and shall be prepared or done in a workman-like manner consistent with the highest standards of the industry in which the Services and Deliverables are normally performed and provided.

16. OBLIGATIONS OF VENDOR

A. Upon execution VENDOR shall provide the Commission current Certificate of Authority from the North Carolina Secretary of State showing that it and each Subcontractor are qualified to transact business in the State of North Carolina. Vendor shall ensure that the Certificate of Authority remains current at all times during the term of this Agreement.

B. To avoid not only actual impropriety but also the appearance of impropriety, VENDOR is expected to establish and enforce a code of conduct for all employees and Subcontractors that will help achieve the Commission's objective of maintaining integrity in its operation, as well as, follow the rules and procedures established, and from time to time, amended, by the Commission.

C. VENDOR and its Subcontractors shall disclose all written and oral agreements with all lobbyists and consultants doing work on its behalf in the State of North Carolina and before the federal government. VENDOR and its approved Subcontractors shall also comply with all state and federal lobbying laws. This Agreement may be terminated, at the sole option and discretion of the Commission, if VENDOR has not complied with these disclosure requirements.

D. VENDOR agrees to fully disclose to the Commission all matters materially affecting the Commission, this Agreement or the performance of this Agreement and all matters reasonably necessary to perform and legally required background and security investigations with respect to VENDOR, the Subcontractors, their respective officers, directors and employees, and the individuals performing services pursuant to this Agreement or otherwise for the benefit of the Commission or the State of North Carolina. In addition, VENDOR acknowledges that to the extent under Applicable Laws some or all of its employees, officers, directors and its Subcontractors and their respective employees, officers and directors may be required to submit to background and other investigations, VENDOR shall cause any such individuals or Subcontractors to fully cooperate with any such investigations and to provide all necessary information and authorizations in connection therewith. VENDOR further agrees that it will routinely update all information disclosed to the Commission pursuant to this Agreement or the RFP; including, without limitation, any breaches of all representations, warranties and additional covenants set forth in Section 15 hereof, no less often than every six (6) months; provided, however, VENDOR shall as soon as possible notify the Commission upon the occurrence of any event the effect or results of which VENDOR would be required to disclose, or to update a previous disclosure, to the Commission under this Agreement or the RFP and which materially affect the Commission, VENDOR, the Subcontractors, any of their respective officers, directors, partners, major shareholders or employees, this Agreement or the performance of this Agreement. VENDOR further agrees to notify the Commission: (i) as soon as possible, but no more than five (5) days after the filing of any criminal proceeding

or issuance of any indictment involving VENDOR or any Subcontractor or any officer, director or employee of VENDOR or any Subcontractor; and (ii) within thirty (30) days of VENDOR's first learning of any civil or administrative proceeding involving VENDOR or any Subcontractor or any officer, director or employee of VENDOR or any Subcontractor; provided, however, if any such proceeding would have a material adverse effect on VENDOR or a Subcontractor or their ability to perform pursuant to this Agreement, then such notice must be delivered to the Commission no more than five (5) days after VENDOR learns of such proceeding.

E. VENDOR must, contemporaneously with the execution of this Agreement, post and maintain at least throughout the term of this Agreement (i) a performance bond (the "Performance Bond") or letter of credit with the Commission in an amount equal to five hundred thousand dollars (\$500,000), and (ii) a payment bond (the "Payment Bond") or letter of credit with the Commission in an amount equal to five hundred thousand dollars (\$500,000), unless such bond or letter of credit is replaced by alternate acceptable security if approved by the Commission in its sole discretion. The security provided by VENDOR pursuant to the Performance Bond shall provide funds to the Commission in the event the Commission suffers any liability, loss, damage or expense as a result of VENDOR's failure to fully and completely perform any or all of the requirements contained in this Agreement, including, without limitation, VENDOR's obligation to indemnify the Commission pursuant hereto. The security provided by VENDOR pursuant to the Payment Bond shall provide funds to the Commission in the event the Commission suffers any liability, loss, damage or expense as a result of VENDOR's failure to fully and completely pay any obligation contained in this Agreement. The Bonds may be renewable annually, provided that: (i) each Bond provides that, in the event such Bond will not be renewed for an additional year, the Commission will be provided written notice thereof at least thirty (30) days prior to the expiration thereof; and (ii) if such Bond is not renewed for an additional year, VENDOR must obtain a replacement equivalent Bond or letter of credit to be in place so that at no time is VENDOR in violation of its obligation pursuant to this Section to maintain a performance bond and a payment bond at least throughout the term of this Agreement.

F. VENDOR shall at all times maintain at least the following types and amounts of insurance during the term of this Agreement and for a period of two (2) years thereafter:

(i) Commercial General Liability (CGL) insurance on an ISO form number CG 00 01 (or equivalent) covering claims for bodily injury, death, personal injury, or property damage occurring or arising out of the performance of this Agreement, including coverage for premises, products, and completed operations, on an occurrence basis, with limits no less than \$2,000,000 per occurrence, \$5,000,000 aggregate;

(ii) Workers Compensation insurance with statutory limits, as required by the state in which the work takes place;

(iii) Employer's Liability insurance with limits no less than \$1,000,000 per accident for bodily injury or disease. Insurer will be licensed to do business in the state in which the work takes place;

(iv) Automobile Liability insurance on an ISO form number CA 00 01 covering all hired and non-owned automobiles with limit of \$1,000,000 per accident for bodily injury and property damage;

(v) Cyber Liability, Technology Errors & Omissions, and Network Security & Privacy Liability insurance, including extended reporting conditions of two (2) years with limits no less than \$2,000,000 per claim and in the aggregate, inclusive of defense cost;

(vi) Umbrella/Excess coverage with limits of at least ten million dollars (\$10,000,000) per occurrence, in aggregate;

(vii) Business Interruption Insurance with limits not less than five million dollars (\$5,000,000); and

(viii) Such other types and amounts of insurance as the Commission shall from time to time reasonably require; and

G. Such insurance policies shall name the Commission as an additional insured, and shall provide that such policies cannot be terminated, canceled, or modified without giving VENDOR and Commission written notice at least ten (10) days prior to the effective date of any termination, cancellation, or modification. VENDOR shall be required to provide proof of insurance coverage in accordance with this Agreement and its Proposal prior to execution of this Agreement and at least annually during the term hereof. Renewed bonds (if applicable) and/or insurance policies must be submitted to the Commission within five (5) days prior to the expiration of the then existing bonds and/or insurance policies. All bonds and insurance required of VENDOR by this Agreement must be issued by companies or financial institutions which are finally rated A or better (or a comparable rating) by a nationally recognized rating agency and duly licensed, admitted and authorized to transact business in the State of North Carolina.

17. TAXES

The Commission will not be responsible for any taxes levied on VENDOR or any Subcontractor as a result of the execution, delivery or performance of the Services and Deliverables or this Agreement. VENDOR and Subcontractors shall pay and discharge any and all such taxes in a timely manner.

18. TERMINATION

A. Notwithstanding anything herein to the contrary, the Commission may cancel and terminate this Agreement if VENDOR fails to correct or cure any breach of this Agreement within three (3) business days of the earlier of: (a) VENDOR's having knowledge of such breach; or (b) VENDOR's receiving oral or written notice of such breach from the Commission; or

B. VENDOR may cancel and terminate this Agreement if the Commission, after sixty (60) calendar day's prior written notice from VENDOR, fails to correct or cure any breach of this Agreement.

C. The Commission may cancel and terminate this Agreement with thirty (30) calendar day's prior written notice to VENDOR with no early termination fees.

D. In the event that either party hereto is unable to perform any of its obligations under this Agreement, or to enjoy any of its benefits because of natural disaster, actions or

decrees of governmental bodies or communication line failure, or other events of force majeure not the fault of the affected party, the affected party shall immediately give notice to the other party and shall do everything possible to resume performance. Upon receipt of such notice, each party's obligations under this Agreement shall be immediately suspended. If the period of non-performance exceeds thirty (30) days from the receipt of notice of an event described in this Section, the party whose ability to perform has not been so affected may terminate this Agreement by giving written notice thereof to the other party.

- E. If, for any reason other than a breach of this Agreement by the Commission, VENDOR is unable to perform its obligations hereunder, the Commission shall acquire a usufruct in all contractual items owned by VENDOR or any Subcontractor which is used in conjunction with, and is necessary to, the performance of this Agreement, which usufruct shall exist until the expiration or termination of this Agreement.

19. INDEMNIFICATION

VENDOR agrees to indemnify and hold harmless the Commission, the Commission, its Executive Director, directors and officers, the State of North Carolina and its agencies and political subdivisions, and their respective agents, officers and employees, against any and all suits, damages, expenses (including, without limitation, court costs, attorneys' fees and other damages), losses, liabilities and claims of any kind, caused by or resulting from: (a) any breach of this Agreement or any other act or omission of VENDOR, the Subcontractors, or any of its or their respective agents or employees, whether the same may be the result of negligence, responsibility under strict liability standards, any other substandard conduct or otherwise; or (b) the development, possession, license, modifications or use of any copyrighted or non-copyrighted composition, trademark, service mark, service process, patented invention or item, trade secret, article or appliance furnished to the Commission, or used in the performance of the Services or this Agreement, by VENDOR, its employees or any Subcontractor.

20. CONFLICT RESOLUTION PROCEDURES

Prior to bringing any judicial enforcement action with respect to any claims or controversies arising in connection with the performance of this Agreement, VENDOR must first pursue and exhaust any and all remedies available to it in accordance with the dispute resolution procedures adopted by the Commission, as amended from time to time (collectively, the "**Dispute Resolution Procedures**").

21. NOTICES

A. All notices and statements provided for or required by this Agreement shall be in writing, and shall be delivered personally to the other designated party, or mailed by certified or registered mail, return receipt requested, or delivered by a recognized national overnight courier service, as follows:

If to Commission: North Carolina State Lottery Commission
2728 Capital Boulevard, Suite 144
Raleigh, North Carolina 27604
Attn: M. Mark Michalko, Executive Director

With copy to:
North Carolina State Lottery Commission
2728 Capital Boulevard, Suite 144
Raleigh, North Carolina 27604
Attn: William Traurig, Chief Legal Officer

If to VENDOR:



B. Either party hereto may change the address and/or person to which notice is to be sent by written notice to the other party in accordance with the provisions of this Section.

22. TRANSITION PERIOD

A. For ninety (90) days, either prior to the expiration date of this Agreement, or upon notice of termination of this Agreement, VENDOR shall assist the Commission, upon written request, in extracting and/or transitioning all data in the system in the format determined by the Commission ("Transition Period").

B. The Transition Period may be modified in an SLA or as agreed upon in writing by the parties in a contract amendment.

C. During the Transition Period, VENDOR's provision of Services and Deliverables to the Commission shall continue without alteration.

D. Vendor agrees to compensate the Commission for all damages and/or losses the Commission incurs as a result of VENDOR's failure to comply with this Section.

E. Upon termination, and unless otherwise stated in an SLA, and after providing the data to the Commission as indicated above in this Section with acknowledged receipt by the Commission in writing, the VENDOR shall permanently destroy or render inaccessible any portion of the Commission's data in VENDOR'S and/or Subcontractor's possession or control following the completion and expiration of all obligations in this Section. Within thirty (30) days, VENDOR shall issue a written statement to the Commission confirming the destruction or inaccessibility of the Commission's Data.

F. The Commission at its option, may purchase additional Transition services as may be agreed upon in a supplemental agreement.

23. MISCELLANEOUS

A. This Agreement, together with the Proposal, the Answers and the RFP, contains the entire agreement and understanding concerning the subject matter hereof between the parties hereto. Notwithstanding anything herein to the contrary, in the event of an inconsistency among this Agreement, the Proposal and/or the RFP, the terms of this Agreement, as may be amended pursuant hereto, shall control the Answers, the terms of the Answers shall control the RFP, and the terms of the RFP shall control the Proposal. No waiver, termination, or discharge of this Agreement, or any of the terms or provisions hereof, shall be binding upon either party hereto unless confirmed in writing. This Agreement may not be modified or amended, except by a writing executed by both parties hereto. No waiver by either party hereto of any term or provision of this Agreement or of

any default hereunder shall affect such party's rights thereafter to enforce such term or provision or to exercise any right or remedy in the event of any other default, whether or not similar.

B. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NORTH CAROLINA. ONLY AFTER EXHAUSTION OF ALL REMEDIES AND PROCEDURES IN THE DISPUTE RESOLUTION PROCEDURES OF THE COMMISSION, IF APPLICABLE LAW PERMITS ANY FURTHER APPEALS, ANY SUCH APPEAL MUST BE BROUGHT SOLELY IN THE SUPERIOR COURT OF WAKE COUNTY, NORTH CAROLINA. VENDOR HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT WHICH IT MAY NOW OR HEREAFTER HAVE TO APPEAL ANY FINAL DECISIONS OF THE COMMISSION MADE PURSUANT TO THE DISPUTE RESOLUTION PROCEDURES, AND VENDOR IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY APPEAL BEING SOLELY IN THE SUPERIOR COURT OF WAKE COUNTY, NORTH CAROLINA.

C. Neither party hereto shall assign this Agreement, in whole or in part, without the prior written consent of the other party hereto, and any attempted assignment not in accordance herewith shall be null and void and of no force or effect; provided, however, nothing herein shall prevent the Commission from freely assigning this Agreement, without requiring VENDOR's prior written consent, to any entity which operates or will operate the Lottery or regulates sports wagering, horse race betting, or other authorized gaming in the state. For purposes of this Section, any sale or transfer of a controlling equity interest in, or substantially all of the assets of, VENDOR will be deemed an assignment for which the Commission's consent is required.

D. This Agreement shall be binding on VENDOR, and its Subcontractors, successors and permitted assigns.

E. The headings contained herein are for the convenience of the parties only and shall not be interpreted to limit or affect in any way the meaning of the language contained in this Agreement.

F. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute the same Agreement. Any signature page of any such counterpart, or any electronic facsimile thereof, may be attached or appended to any other counterpart to complete a fully executed counterpart of this Agreement, and any telecopy or other facsimile transmission of any signature shall be deemed an original and shall bind such party.

G. If any provision of this Agreement shall be held void, voidable, invalid, or inoperative, no other provision of this Agreement shall be affected as a result thereof, and accordingly, the remaining provisions of this Agreement shall remain in full force and effect as though such void, voidable, invalid, or inoperative provision had not been contained herein.

H. Upon the request of either party, the other party agrees to take, and VENDOR agrees to cause any Subcontractor to take, any and all actions, including, without

limitation, the execution of certificates, documents or instruments, necessary or appropriate to give effect to the terms and conditions set forth in this Agreement.

24. ADDITIONAL SERVICES

In the event the Commission desires to retain the services of VENDOR for activities or materials in addition to those contemplated by this Agreement, and VENDOR agrees to perform such services, payment therefore shall not exceed the rates identified in this Agreement unless agreed to in writing by the Commission. Any such services, the rates and the terms of payment shall be approved, in writing, prior to the commencement of any such additional work. In no event shall VENDOR or any Subcontractor be paid for work not authorized, or for work in excess of that authorized, in writing by the Commission.

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute this Agreement to be effective as of the Effective Date.

"Commission"
**NORTH CAROLINA STATE
LOTTERY COMMISSION**

"VENDOR"

By: _____
M. Mark Michalko
Its: Executive Director

By: _____
Its:

Date: _____

Date: _____

EXHIBIT A

[Proposal and Cost Proposal]

EXHIBIT B

[RFP]

EXHIBIT C

[QUESTIONS AND ANSWERS]