



REQUEST FOR PROPOSALS

NORTH CAROLINA STATE LOTTERY COMMISSION: CONTACT INFORMATION	
Date Issued:	December 19, 2025
Requisition Number:	N/A
Proposal Response Due:	March 2, 2026
Issued By:	Anthony Downey, Purchasing Manager
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Ship To Address:	2728 Capital Boulevard, Suite 144, Raleigh, NC 27604
Delivery/Start Date:	Upon Contract Execution
Comments:	Please provide proposal for Licensing and Regulatory Platform

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	

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:	

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: Licensing and Regulatory Platform

1.0 Intent of the Request for Proposal

Background:

The purpose of this Request for Proposal ("RFP") is to solicit sealed proposals from qualified vendors to establish a contract through competitive negotiations for the procurement and implementation of a modernized and comprehensive licensing, case management, and regulatory solution for the North Carolina State Lottery Commission ("NCSLC" or "Commission"). The Contractor selected through this RFP Process (the "Successful Contractor") shall design, develop, and implement a robust, integrated database and application management system that streamlines licensing, compliance monitoring, regulatory enforcement, and administrative operations. The system must be a secure solution that enhances efficiency, complies with regulatory requirements and laws, as well as Commission standards, and provides role-based access to Commission staff, applicants, licensees, and members of the public. The system shall provide seamless integration for all user portals ensuring efficiency, transparency, and scalability. The Successful Contractor shall exhibit relevant technical experience developing, implementing, and maintaining a platform within the licensing and regulatory domain, with a preference for those that have worked in highly regulated spaces like gaming. The proposed solution shall include modular components to support regulatory and enforcement functions; be hosted in a government cloud environment; ensure efficiency through automation, workflow management, and analytics; and ensure data security and compliance with applicable gaming laws and regulations. Overall, the new licensing and regulatory platform will provide a public facing portal, provide a streamlined application/licensing process, serve as the system of record for regulatory submissions, provide flexible data collection and reporting tools, provide robust security and up-time, and improve overall flow of information between Commission staff, the public, and our licensees.

The Successful Contractor will provide the Licensing and Regulatory Platform and other services and deliverables, with the following key materials:

- End-to-end system that can support the entire life cycle of a license and the corresponding case management concerning a licensee. This will include an initial application review, denial/approval of licenses, application amendments, case assignment and management, audits and investigations, legal review, compliance reviews, regulatory submissions, case closures, etc.
- A secure account-based, public-facing portal for license applicants, key persons, and licensees that supports the submission of confidential information and all regulatory materials.
- Scalable and customizable solution able to accommodate multiple types of license applications, a growing number of licensees, and the Commission's evolving internal workflows for receipt and review of diverse regulatory submissions.
- Data analytics tools and robust reporting features to support the measurement, organization, and visualization of licensee data and staff metrics.
- Ability to keep workflows and documentation housed within one system (i.e., editing and saving Microsoft files within the system) and ability to then create hard copy pdf reports in the system.
- Integration with current NCSLC and North Carolina Education Lottery ("NCEL") systems.
- Ability to communicate with external users and share correspondence and documents securely, such as with an integrated secure file transfer system to attach confidential files to email or a dedicated portal for the external user.
- A closed, highly reliable, and secure cloud solution that allows for easy organization, use, and archival of regulatory submissions, agency data, and regulatory documentation.
- Technical and operation support and training for Commission staff, including ongoing tech support, on-site training, online training modules, and responsive developers.
- External user training and support. Online training modules for applicants and licensees; credential management and IT support.

The Successful Contractor will primarily work with the Commission's Regulated Gaming Division and Managed Information Systems ("MIS") Division in the execution of services contemplated under this RFP.

The Commission currently intends to execute only one contract as a result of this RFP (the "Procurement") with a term of five (5) years from the date of execution, two (2) two-year renewal terms, and one (1) one-year renewal term; provided, however, the Commission is open to a longer contract term if that results in a better value. Nothing obligates the Commission to execute any contract, or only one contract, and the Commission may do whatever it determines in its sole discretion to be in the best interests of the Commission and the State of North Carolina. All proposals and any contract are automatically subject to the requirements of, and must comply with, the North Carolina State Lottery Act (N.C. Gen. Stat. § 18C-101 *et seq.*), and the regulations, policies and procedures of the Commission as they may be adopted or amended from time to time (collectively, the "Regulations, Policies and Procedures"). Copies of these documents may be obtained from the Commission.

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 its needs. Though price is an important consideration, a proposal's overall value is of greater significance for evaluative purposes. 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.

About the Agency:

The North Carolina State Lottery Commission ("NCSLC" or "Commission") is an independent, self-supporting, and revenue-generating agency of the State of North Carolina. It is governed by Chapter 18C of the North Carolina General Statutes. The Commission's Regulated Gaming Division regulates sports wagering and pari-mutuel wagering and protects players through rulemaking, enforcement, and responsible gaming efforts. Revenue generated by sports wagering licensees is taxed, and proceeds are distributed to help gambling addiction education and treatment; support youth sports; fund college athletic departments; and attract major sporting events to the state. Since launching sports wagering in March 2024, the state has received more than \$166 million in tax proceeds from sports wagering revenue. To learn more, please visit <https://nccgaming.gov>.

For nearly 20 years the Commission has operated the North Carolina Education Lottery ("NCEL"), a cutting edge \$6 billion entertainment organization that has raised more than \$11 billion for education since its launch. To learn more, please visit www.nclottery.com. (Please note that the solution the Commission seeks with this procurement will support the agency's regulatory function. Any additional functionality a bidder proposes which supports the Commission's NCEL lottery operations is "optional," and to the extent that any such additional functionality is being proposed, it must also be reflected in the cost proposal).

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). Questions shall be submitted 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 (as all responses to inquiries will be published on online (<https://www.nclottery.com/Business>) and available to responding contractors and the public);
2. Must not contain price data or information; and
3. Must cite a specific RFP section number to which the inquiry corresponds.

3.0 Scope of Services: Requirements

This procurement seeks a licensing and regulatory platform, including software licenses, professional services related to software development, implementation/configuration, user training and ongoing

support, software maintenance, ongoing and additional software enhancements, and other related deliverables and services (as set forth here and described in detail herein, "Licensing and Regulatory Platform").

The Successful Contractor shall: (i) design, test, and implement a Licensing and Regulatory Platform based on the Commission Staff's directions and needs; (ii) ensure the Platform's ongoing functionality and maintenance; (iii) ensure the secure storage, access, exchange, and use of, applicant, and licensee data within the Platform; (iv) deliver training and user manuals for the Commission staff and external users, as required; and (v) provide technical support for the Platform's users. The Successful Contractor will provide related services as outlined herein, including (but not limited to): ongoing and responsive technical support, regular maintenance, system updates, configuration additions and updates, and consulting for added features and reporting. Throughout the life of the contract, the Successful Contractor will work closely with Commission staff to refine and deploy business rules in the Platform to structure workflows and to support all aspects of the life cycle of a license for both applicants and licensees and for Commission staff.

As with other requirements in this RFP, the Successful Contractor may pursue – though is not required to pursue – independent subcontracting arrangement(s) with other third-parties to fulfill the requirements.

MANDATORY REQUIREMENTS:

With respect to each of the numbered requirements outlined in Section 3 of this procurement, the responding contractor's response must directly address its ability to meet the requirement and, as needed or desired, provide explanatory or informational text. If the responding contractor cannot meet a requirement or can only partially meet a requirement, then provide a detailed clarification explaining the responding contractor's capabilities and limitations. For additional information about responding to the Scope of Services requirements, please see section 5.2.

For each requirement enumerated in Section 3.0 Scope of Services indicate one of the following for each mandatory requirement:

- **Yes:** Responding Contractor's proposed solution meets the specification completely, without any intervention.
- **Yes, with configuration:** Responding Contractor's proposed solution can meet the specification with some additional development. Describe the anticipated development work.
- **Partially Available:** Responding Contractor's proposed solution can only meet certain aspects of the specifications, but cannot meet others. Describe which parts are available, and which are unavailable.
- **Unavailable:** Responding Contractor's proposed solution does not meet any of the proposed solution.

Responding contractor shall include one of the above statements (Yes; Yes, with configuration; Partially available; or Unavailable) for each mandatory requirement listed. The written response shall include all required descriptions of the responding contractor's capabilities for each requirement. Each responding contractor is encouraged to clarify how the its solution or capabilities meet or do not meet each mandatory requirement.

Note: With respect to the requirements enumerated below, the Commission not only seeks the described functionality of a given platform, but also representations from the responding contractor indicating its ability / capacity to implement or deliver the necessary solution / service by engaging with the Commission to ensure a given functionality's successful implementation as a part of the Licensing and Regulatory Platform.

3.1 System Configuration and Case Management

3.1.1 Gaming License Application Management

1. Create public-facing license applications designed to collect information and materials reflecting Commission requirements for each gaming license type the Commission offers.

2. Identify, design, and implement appropriate functionality that allows for license application to be amended or updated according to specific requirements. Captures an audit trail of all changes made to the online application.
3. Document upload and management (limited document types allowed) as specified for each license type, including required and optional items for the given license. Include the option that documents must be supported with an electronic signature.
4. Develop the ability for Commission staff to create, maintain, and submit a license application on behalf of an applicant as a manual override.
5. Develop the ability to associate between license types, create supervisor relationships, and track authorized users and their roles.
6. Configure necessary software features that allow for licenses to be renewed, and their associated fees collected.
7. Design process in a way where Commission staff can automate notifications and standard correspondence to both internal and external users about application updates.
8. Design and implement batch printing functionality so Commission staff can mass print applications and associated case file materials, renewed or newly issued licenses.
9. Include background check integration capabilities (e.g., capacity for API integration, SFTP with human intervention, etc.) to include financial checking, fingerprinting, criminal history, and the like.
10. Ability for a scalable solution that can allow new license types to be created as needs grow.
11. Ability for applicants' information to be stored in one area to facilitate inquiries and other communications throughout the licensing process.
12. Consolidated profiles for organizations, individual qualifiers, key persons, and affiliates, showing licenses held, application history, compliance filings, ownership structure, and enforcement actions.
13. Automatic population of licensee / applicant data using information captured through application forms and regulatory submissions, eliminating duplicate data entry.
14. Relationship mapping to link individuals, entities, suppliers, locations, and other regulated parties, including contractual relationships, ownership hierarchies, and percentage-ownership structures.
15. Timeline view of all interactions (e.g., submissions, communications, inspections, payments, deadlines, status changes, and enforcement actions).
16. Search and filtering tools for names, entities, license numbers, submission status, compliance history, and risk indicators.
17. Seamlessly integrate with the online portal, ensuring a single source of truth for all entity data.
18. Full audit trails showing who viewed, edited, exported, or changed data and when.
19. Configurable data-retention, archiving, and destruction rules, aligned with state records requirements.
20. With respect to licensee and applicant records / dashboards, ability to modify, add, and delete licensee names and references without "breaking" existing data sets, links, and the like (i.e., ability to update records, reporting, and the like to reflect names changes of corporate entities with records within the platform)

3.1.2 System and Document Management

1. The solution shall include an integrated Document Management System ("DMS") that securely stores, organizes, indexes, and retrieves documents and evidence generated or submitted through the regulatory process.
2. The DMS must serve as the central repository and signal system of record for all application materials, investigative files, audit workpapers, correspondence, and compliance submissions, supporting legally defensible recordkeeping.
3. Granular permissions aligned to job function, including support for confidential investigations and sealed records.
4. Role-based confidentiality controls for investigative materials and sealed records.
5. Data Governance tools:
 - a. Centralized data dictionary defining fields, validation rules, ownership, and lineage.
 - b. Data quality tools to prevent duplicates, ensure referential integrity, and support standardized formats for names, addresses, and identifiers.
 - c. Structured metadata and classification, including tags for PII, confidential, investigative, privileged, and public data.

- d. Full audit trails at database, record, and field level, capturing edits, views, exports, and deletions.
- 6. Central repository with folder and tagging structure tied to licensee profiles, licenses, cases, and submissions.
- 7. Support for multiple file types, including PDF, Word, Excel, image files, audio/video, and email formats.
- 8. Drag-and-drop upload, batch upload, and metadata capture at the time of submission or entry.
- 9. Optical character recognition ("OCR") for searchable text within scanned or imported documents.
- 10. For Commission-created documents, full version control with check-in/check-out, comparison tools, and audit history of edits and reviewers.
- 11. Linking and cross-referencing to associate a single document with multiple workflows (e.g., licensing and enforcement).
- 12. Retention, archiving, and disposition rules aligned with state directives and legally mandated retention schedules as provided by the NCSLC.
- 13. Seamless integration with portal submissions, email correspondence, investigations, audits, and workflows.
- 14. Ability for system to track versions and make back-end updates to body of ever-changing documents (e.g., wagering rules, internal control revisions, internal and external policies and procedures)
- 15. Capabilities to support responses to public records requests:
 - a. Searchable repository of releasable documents and records suitable for public disclosure or export.
 - b. Automated redaction workflow that allows staff to apply redactions at scale, annotate reasons, and track exemptions.
 - c. Configurable disclosure profiles based on record type, license category, or statutory rule (e.g., what is public vs. sealed).
 - d. Ability to segregate or seal investigative, privileged, or confidential documents and notes by role permission.
 - e. Public-facing status transparency, such as license standing, disciplinary actions, or enforcement outcomes, where permitted.
 - f. Audit logs to document what was redacted, by whom, and why, in support of appeals or legal oversight.

3.1.3 Flexible and Dynamic Workflows

- 1. Facilitate the deployment of licensing and regulatory workflows at all stages for Commission staff and applicants/licensees.
- 2. Ability to support an automated workflow process from case creation to case closure, including internal notifications for tracking and reporting workflow milestones, for multiple unique regulatory submissions from applicants and licensees, Commission-initiated investigations and audits, and consumer complaints.
- 3. Flexible workflow option to extend case management through the administrative hearing process with the ability for limited user access, creation of legal documents, and calendar or deadline tracking.
- 4. Ability for Commission staff to manually enter cases.
- 5. Support assignment of different cases statuses (e.g. pending, open, closed, under investigation, legal review, management review, etc.).
- 6. Ability to auto-generate or assign case/file numbers or similar.
- 7. Ability to capture data at different stages of the workflow through free-text narrative fields and drop-down field options that can be categorized by type.
- 8. Support free-text fields that allow narratives with integrated spellcheck and text-rich capability.
- 9. Customized and fillable templates, letters, and forms that are easily configured by the administrator or customizable by the user with the capability to save the edited version of template, letter, form, or report directly to the platform. These templates and forms must be modifiable by internal users after go-live.
- 10. All case communication will be done directly through the portal and allow staff to reply through the system.
- 11. Ability to attach documents (e.g., email communications, scanned documents, etc.) is required.

12. System must 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 case.
13. Document version history and traceability, including timestamps for submissions, modifications, and approvals; ability to track versioning over time and identify operative versions of documents that are subject to revisions.
14. Track communications, tasks, deadlines, escalations, and system-generated notices at the applicant and licensee level.
15. Ability to issue flags and alerts based on business rules for issues such as late submissions, missing disclosures, ownership changes, suspicious patterns, or adverse information.
16. Automated deficiency and RFI processes, including templated correspondence and due-date tracking.
17. Monitoring of ongoing regulatory obligations, including recurring filing requirements, incident reports, and financial submissions.
18. Tools to track remediation, corrective actions, and follow-up tasks, with deadlines and automatic notifications per case matter.
19. Side-by-side comparison tools for staff to view applicant-submitted data and supporting documents.
20. Configurable workflows for approvals, deficiencies, renewals, background checks, and notifications.

3.1.4 Data Collection, Analysis, and Reporting

1. The Successful Contractor will work with a small group of Commission staff to structure workflow automation, data collection, system configurations, customizable documents and templates, and other desired business needs to ensure the system best meets the Commission's regulatory oversight needs.
2. Design, test, and implementation will include the design and structure of customizable Commission reports and dashboard configurations.
3. The Successful Contractor shall work with Commission staff to design the data collection process, including regular data reporting, key metrics by case type, visual representations of data for internal use, and adequate training for staff to make ad hoc data collection updates and queries.
4. The Successful Contractor shall provide resources to assist the Commission in structuring the system and assist in automating key processes.
5. The Successful Contractor must provide on-demand resources to assist the Commission with new or complex workflow or dataflow configurations during the first 12 months of the system going live.
6. Robust tools available for applicants / licensees and Commission staff (based on permissions) to support structured and ad hoc reports about data within the system, workflows and assignments, staff performance metrics, regular reporting metrics, and the like.
7. Provide a sample copy of reports your system can produce.
8. Flexible system for data reporting, with the ability for Commission staff to add, modify, update, and delete data points for purposes of creating reports and dashboards.
9. Internal data management platform to pull custom data metrics and reports.
10. Role-based dashboards for supervisors and executives showing internal "back-office" metrics, including but not limited to:
 - a) Case load per staff member
 - b) Task completion rates and overdue items
 - c) Aging and backlog metrics
 - d) Cycle time from intake to decision
 - e) Inspection, audit, or investigative completion rates
 - f) Renewal and deficiency resolution timelines
11. Work-in-progress visualizations, including queues, bottlenecks, and throughput trends.
12. Time-in-status reporting to identify workflow delays.
13. Productivity metrics tied to tasks, cases, reports, and reviews completed.
14. Random sampling tools for QA/QC of staff decisions, investigations, and reviews.
15. Manager override and comment features, with audit tracking.
16. Audit trails showing reviewer notes, escalations, and supervisory sign-offs.
17. Task assignment tools allowing supervisors to balance workloads dynamically.

18. Capacity planning reports to identify resource gaps and justify staffing.

3.1.5 Internal Configuration

1. Capable of recording system history in an audit log type repository to track internal changes.
2. Ability to limit access to or use of the data fields and submitted materials based upon user roles and account privileges.
3. Ability to "lock" documents once finalized with management approval.
4. Facilitate the deployment of licensing and regulatory workflows at all stages for Commission staff and applicants/licensees.
5. Ability and functionality to support multiple kinds of user roles across the platform.
 - a. The proposed solution integrates with current NCSLC MFA for user access controls (see Section 3.4 below).
 - b. User id and password notifications issue to Commission staff and external users.
 - c. 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.
 - d. The proposed solution implements rules for passwords and account recovery.
6. Ability to log a user out of the system after a period of inactivity.
7. Ability to identify duplicate records, from both customers, as well as external user accounts.
8. Ability to autosave throughout the document generation process to prevent work from being lost or deleted due to system timeouts.
9. Ability to enable autosave functions throughout the completion of online forms to prevent work from being lost or deleted due to system timeouts.
10. Ability of certain report types to trigger automated emails to preselected distribution lists that can include attachments.
11. Ability for users/managers to create custom dashboards and configurable rules for automated alerts.
12. Customizable notification system to alert Commission staff of deadlines and follow-up tasks within the user dashboard.
13. A clean, intuitive interface that minimizes clicks for common tasks.
14. Inline document and communication viewing, without requiring users to open multiple systems or windows
15. To support interdepartmental coordination, the system shall include:
 - a. Built-in tasking and assignment tools, with queues, priorities, and escalations;
 - b. Templated email and letter generation, pulling fields from structured licensee data;
 - c. Secure internal communications, auditable and tied to cases, licenses, or submissions; and
 - d. Complete communication history visible to authorized users
16. Ability to produce redacted fields such as SSNs, bank account numbers, DOB, or contact details.
17. Rules-based access for fields and files labeled sensitive, protected, or confidential under statute.

3.2 Portal Specifications

3.2.1 External User Portal Specifications

1. Design and implement an appropriate external-facing portal that allows applicants, licensees, and related individuals to submit materials and complete forms as authorized users. Portal should allow for licensees to make regulatory submissions, sometimes by completing online Commission-created forms and sometimes by securely submitting files.
2. Include the ability for licensed users to register accounts and view active applications, amendments to applications, compliance due dates, and enforcement cases.
3. Ability for Commission staff to create an electronic list of all licensees and related aggregate information from a specific license type.
4. Follow best practices in the user interface and user experience (UI/UX) in the portal to simplify ease of use and understandability by both internal and external users.
5. Ability for staff to customize templates on portal interface with specific parameters and fields by case type to guide external users.

6. Self-service dashboard for each licensee / applicant showing required filings, open actions, historical submissions, license standing, contact information, authorized users, and other configurable information.
7. Near real-time synchronization between the portal submission and the staff system of record in the platform.
8. Administrative override and impersonation (with audit logging) to assist users when needed.
9. Self-service portal for external users to address matters concerning their unique username and password and other account issues.
10. Customizable branding options for system interface and notifications to external users.

3.2.2 Consumer Complaint Intake Portal

1. Deploy a public-facing portal that allows online complaint submissions and wager disputes against licensees. Complainant shall not be required to register or login but contact information must be captured.
2. Ability for the complaint intake portal information to be automatically logged into internal system, including time and date information.
3. Ability to configure intake portal to hide fields unless certain criteria is met.

3.3 Training, User Experience, and Accessibility

1. The responding contractor shall provide a comprehensive training program for the Commission staff.
 - a. They shall conduct train-the-trainers for a key group of Commission individuals to include all the necessary information to fully utilize the system. The training must cover the complete system and be detailed enough for Commission staff to independently configure the platform, create workflows, create and utilize customizable dashboards, pull necessary data, automate data flows of sensitive information, and train others to use all facets and features of the system. If the training is provided virtually, these meetings will need to be recorded.
 - b. Video and/or online tutorial of the contents of the comprehensive training program provided to fulfill 3.3.1.a.
2. The responding contractor will provide administrator user manuals and other training resources, with updates and revisions made as needed throughout the term of the contract.
3. The responding contractor will provide updates to the system including bug fixes, new features, and any new training needed for these changes.
4. Training must be all-inclusive to cover all user types and roles. These user roles must also have customizable permissions.
5. Training must be available to external users (applicants, licensees) on how to use the platform and submit documentation. This can be in the preferred form of the responding contractor but shall include a user guide. Training shall include a guide or other information for public-facing training (i.e. those that do not need to be registered but submit complaints via the portal).
6. Mobile-responsive design compatible with modern browsers and common mobile devices.
7. Plain-language interface and step-by-step workflow guidance to reduce user support burden.
8. Any Web/internet presence will comply with the Commission's and federal laws and standards including but not limited to those required accessibility Web Content Accessibility Guidelines (WCAG) 2.1 AA- for users with disabilities, and any current release of web content accessibility guidelines published by the Web Accessibility Initiative (WAI) of the World Wide Web Consortium (W3C).
9. Contextual help, tooltips, and integrated user support, including knowledge base articles or chat assistances.

3.4 Security and Integrity Requirements

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 Successful Contractor.

- b. Annual security/risk assessments on its information systems using NIST 800-53 controls shall be performed, with results available to the Commission.
2. Responding contractor 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, access log report, 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. The System's secure environment 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. 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. 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.
10. Data shall only be localized within the United States of America.[Note: For clarity, note that this requirements applies to the Successful Contractor and to any subcontractors engaged to provide Services under this Agreement or with access to Commission data. The Successful Contractor must ensure that its subcontractor agreements address this requirement, and the Successful Contractor will be responsible for monitoring and enforcing subcontractor compliance at all times.]
11. Provide your company's cybersecurity standard and compliance framework (e.g., NIST, ISO, etc.).
12. 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.
13. A maintained 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.
14. Disaster recovery protocols, back-ups
15. Functional and secure remote access for staff via authorized mobile devices or tablets.
16. At least annual third-party security assessments by qualified independent vendor(s).

3.5 System Integration and APIs

1. Modern RESTful API layer for secure, bidirectional data exchange.
2. Support for batch, real-time, and message-based integrations (e.g., SFTP, webhooks, JSON, XML).
3. Integration with third-party and external systems, such as:
 - o Background check vendors;
 - o Tax, revenue, and identity verification systems;
 - o Financial institutions and payment processors; and
 - o Law enforcement or sister regulatory bodies.
4. Single Sign-On and authentication standards (SAML, OAuth2, OpenID Connect).
5. API access controls including throttling, key management, logging, and encrypted transmission.
6. Vendor documentation and sandbox environment for agency IT staff and future integration partners.
7. Data export capability (CSV, XLSX, JSON, XML) for archival, analytics, research, or legislative inquiries.

3.6 Change Management

1. Documented change management plan including stakeholder engagement, communication strategy, resistance management, and readiness assessment.
2. Business process mapping workshops to align workflows with the new system before go-live.
3. Migration of limited Commission legacy data with accuracy verification, reconciliation reporting, and user acceptance sign-off.
4. Pilot or phased rollout when appropriate, with feedback loops to adjust processes before full deployment.
5. Ongoing development of risk log and mitigation planning maintained jointly with agency leadership.

3.7 User Acceptance Testing (UAT) Environment

1. A dedicated User Acceptance Testing (UAT) environment to support validation of system functionality, performance, security, and business processes prior to production deployment.
2. The UAT environment shall enable the NCSLC to independently verify that the proposed solution meets all functional and non-functional requirements.
3. The UAT environment include and provide:
 - a. Be separate and isolated from production and development environments.
 - b. Closely mirror the production environment, including system configuration, integrations, workflows, and security controls.
 - c. Support end-to-end testing, including all interfaces, data flows, and dependent systems.
 - d. Remain available throughout the UAT period without disruption from development or production activities.
 - e. Any provided data in UAT should be anonymized or masked to comply with all applicable privacy, security, and regulatory requirements.
 - f. Provide role-based access consistent with production security models.
 - g. Support NCSLC-defined user roles and permissions for UAT testers.
 - h. Comply with all applicable security standards, policies, and regulatory requirements.
 - i. Ensure that UAT access is restricted to authorized users only.
 - j. Timely resolution of environment-related defects that impede UAT activities.
 - k. A UAT environment that is stable and capable of supporting concurrent users as defined by the NCSLC.
 - l. Any planned outages or maintenance are communicated in advance and coordinated with the NCSLC.
4. During the UAT period:
 - a. No changes shall be made to the UAT environment without Customer approval.
 - b. All approved changes shall be documented and communicated prior to implementation.
 - c. Emergency fixes shall follow an agreed-upon approval process.
5. The UAT environment shall be considered acceptable when:
 - o All required components are installed, configured, and operational.
 - o No unresolved critical or high-severity defects exist that prevent UAT completion.
 - o NCSLC provides acceptance approval.
6. The Successful Vendor shall provide for the NCSLC's review and approval:
 - o Documentation describing the UAT environment configuration.
 - o UAT access instructions and user role definitions.
 - o A schedule outlining UAT availability and support coverage.

3.8 Additional Requirements

1. The Successful Contractor shall designate a Project Manager who will provide a single point of contact for management and coordination of the project work. All work performed pursuant to the Agreement shall be coordinated between the NCSLC and the Project Manager.
2. The Successful Contractor is required to meet with Commission personnel, or designated representatives, to resolve technical or contractual problems that may occur during the term of the Agreement. Meetings will occur as problems arise and will be coordinated by the Commission.

3.8 Preferred Additions:

The Commission also has several areas for optional improvements, some of which may be needed for future scalability. The following would be beneficial for organizational use, but not necessarily required at this time:

1. Create functionality that allows for official license printing with relevant security features and ability to print on specified card stock or affixable seals/stickers.
2. Integrated payment processing with solution for credit card and e-check payments. Fees charged by Commission rules with automated fee calculations.
3. Develop a system for use that will manage the data used by the Commission for future transportation of retail sportsbook materials.
4. Integration with secure online payment gateways to process application fees, renewal fees, civil penalties, or other payments
5. Automatic receipt generation and financial transaction history accessible to users
6. PCI-DSS compliance for all payment-related functionality
7. Ability to fully integrate with SAS Viya for data transfer to Commission system.

SECTION 4:

The Commission requires responses to each of the questions and information requests in this Section 4 of the RFP. Provide narrative responses to each question along with supporting documents or exhibits, as needed or as directed. See Section 5.2 for additional information about required written responses.

4.1 Qualifications and Capacity:

With respect to responding contractor's qualifications and workforce capacity, describe the following:

1. The size of the responding company; its staff resources; the credentials and experiences of its key principals.
2. The project team(s) and human resources that responding company would use to staff this project, including identification of key personnel, their credentials, relevant experience, and general roles and responsibilities for the project. The NCSLC operates in the Eastern time zone; identify resources not based in Eastern or Central time zones. Additionally, identify the full-time project manager(s) who would be assigned to this project.
3. For each of the outside vendors, contractors, or partners the responding contractor has engaged/retained or intends to engage/retain to execute the proposal, provide the following:
 - a. Identify the entity by its legal name and trade name;
 - b. Describe the size of its workforce;
 - c. Describe its planned or assigned duties or role in the project; and
 - d. Describe its previous relevant experience related to the duties it will undertake on behalf of or at the direction responding contractor. [Note: The Successful Contractor remains wholly responsible for the contract and procurement requirements, including, without limitation, work undertaken by its subcontractors, vendors, employees, and the like.]
4. The responding company's track record of successful project completion, particularly in the gaming sectors.
5. Explain in detail the responding 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.).
6. Describe the recommended training for successful implementation.
7. Provide your proposed Service Level Agreement(s) for all aspects of the solution and related deliverables, as outlined in this procurement. By way of example (and not limitation) SLAs may address: system availability and uptime; system performance; support and help desk; incident management; data integrity and processing; security; change management and release; integrations and APIs; reporting and analytics; accessibility compliance; and data migration. Additionally, provide any SLAs applicable to optional features (e.g., payment transactions, AI module accuracy, etc.).
8. 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.
9. Describe system support that would be provided to the Commission staff and external users.

4.2 Project Plan and Timeline

With respect to project implementation and timeline, please provide the following:

1. The proposal must contain a detailed implementation plan and time chart (Gantt, PERT, or similar) identifying the major milestones to be accomplished to meet the business requirements, system programming, internal training, workflow development, and go-live. The plan must make clear which items are on the critical path for timely implementation. The Commission's approval is necessary for the final implementation plan of the Successful Contractor. Responsibilities of the Successful Contractor's implementation team, of the Commission's implementation team, and of any of the Commission's other goods or services providers must be identified. External user roles and responsibilities during conversion must be addressed.
 - a. Responding contractor may include options within the proposed project plan that provide different value propositions for the Commission, so long as those project plans fully satisfy the requirements of the RFP. (By way of illustration only, the responding contractor may wish to provide a "standard" project plan and an "expedited" project plan for review.)
 - b. In connection with the proposed project plan, provide a detailed project timeline. Identify dependencies that may impact project timeline.
2. Provide a solution roadmap that defines the solution / offering. A Solution Roadmap is a plan of action for how a Solution will evolve over time. The minimum content should include: (i) vision for the solution; (ii) high-level functionality expected for each solution release into production environment; (iii) high-level timeline; and (iv) description of how customer feedback is collected and incorporated into solution enhancements. Additionally, describe the solution roadmap for your product. Include content on release strategies for functionality, roadmap for technical architecture, how scalability of solution is planned
3. Provide a proposed architecture diagram illustrating the solution, including network architecture and the technology stack.
4. Performance Review and Accountability. For this procurement, the Commission shall hold a retainage of 10% of the contract value and withholding the final payment contingent on final acceptance (following adequate User Acceptance Testing ("UAT")) by the Commission, unless waived or otherwise agreed, in writing. The Services herein will be provided consistent with and under these Services performance review and accountability guarantees.

4.3 Technical Approach and Requirements

With respect to the technical approach taken by the responding contractor, please provide the following:

1. The responding contractor shall detail its approach to software maintenance, provide preventative and corrective maintenance outlines or plans.
2. The responding contractor shall describe its processes and capabilities for providing remote and on-site support, including response times and escalation procedures.
3. Identify all web browsers the proposed solution works with; identify web browsers that do not support the solution or those that are incompatible.
4. List any third-party software needed to support the proposed solution.
5. List any desktop or mobile configuration changes needed to support the proposed solution.
6. List all URL's needed (or proposed) for the proposed solution.
7. 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?
8. Please describe how your solution uses Artificial Intelligence or any generative AI applications. Identify whether these features are optional or built into the solution, and how much flexibility is

available to limit or tailor its use. If the solution uses AI in any aspect, identify whether the AI application is open or closed source.

9. Describe if your system has an internal data management system that would allow Commission staff to pull custom reporting metrics for internal and external reports.
10. Describe if your system has integration capabilities with SAS Viya for data transfer to Commission data reporting systems.
11. Identify any technical limitations concerning to file size, file types, upload limits, and the like.
12. With respect to the UAT environment:
 - a. Describe how it will be configured and maintained;
 - b. How Responding Contractor will ensure production parity;
 - c. Security and data protection measures for UAT and the UAT environment; and.
 - d. Support processes during the UAT period.

4.4 System Management

1. 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.
2. Describe the document integration capabilities offered by this solution and how all areas of the workflow may be managed within the system.
 - a. Describe what document integration is used (i.e. Microsoft suite)
 - b. Describe how the system is set up for documents and files to be saved within specific cases.
 - c. Describe if the integration has the ability to convert documents to pdf format.
 - d. Describe how the system can send secure files to external users, including any confidential, password protection information.
3. Describe how the system tracks changes and movements through an audit log/tracking function.
4. Describe functions and capabilities regarding:
 - a. Audits;
 - b. Debugging;
 - c. Performance monitoring/tuning;
 - d. Analysis;
 - e. Security updates;
 - f. Enhancements; and
 - g. Modifications.
5. 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 a high volume of (i) applicant and licensee records and (ii) Commission staff records and entries.
 - a. Describe how the proposed solution will receive applicant/licensee submissions and assist staff identify and initiate workflows based on the submission type.
 - b. Describe document types that can be stored in the proposed system.
 - c. Describe any size limitations to documents and types of files (example pictures, video, large excel spreadsheets) can be stored in the proposed system.
 - d. Describe search functionality across the entire system.
 - e. Describe any functionality that allows users to link case matters or licensees to case matters.
6. 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.
7. Commission staff must have the ability to report on specific data points and tracking metrics. Describe how your system manages data and how data can be tracked at various workflow stages.
8. Describe the protocols your solution utilizes to support identity and access management.

4.5 Account Management and Administrative Specifications

With respect to user account management, for both internal and external users, please provide the following:

1. How does the system control or limit access to specific workflow functionality based on user permissions?
2. How does the system log a user out after a period of inactivity?
3. How are the user's ID and password are created, maintained, locked, unlocked, and deactivated?
 - a. How does the proposed solution implement rules for passwords and account recovery?
4. Describe how the platform archives data and specify the archive frequency. Describe how any archived data in the platform can be retrieved upon request.
5. How can external users access the system without a required login to submit materials?

4.6 Security, Resilience, and Recovery

With respect to user account management, for both internal and external users, please provide the following:

1. Describe the overall security architecture of your proposed solution, including how the platform is designed to protect sensitive regulatory and licensing data at rest and in transit. Identify any industry standards, frameworks, or certifications your solution aligns with.
2. If your platform is multi-tenant, describe how data belonging to separate clients is segregated and protected. Include technical controls, logical isolation, and monitoring capabilities.
3. Provide a narrative describing your encryption practices for data at rest and in transit, including key-management processes, encryption standards used, and how cryptographic controls are implemented and monitored.
4. Describe your approach to vulnerability scanning, patch management, and timely application of security updates. Include details on how vulnerabilities are identified, prioritized, and remediated. Describe how your processes impact standard maintenance windows.
5. Explain how your platform monitors for, detects, and alerts on suspicious activity or potential security incidents. Include descriptions of tooling, logging practices, and retention policies.
6. Provide your Disaster Recovery Plan.
7. Describe your backup strategy for all components of the proposed solution, including data, system configuration, and application layers. Address backup frequency, retention periods, geographic redundancy, and any client-configurable options.
7. Explain the procedures and timelines for restoring data or service following a disruption. Provide expected Recovery Time Objectives (RTOs) and Recovery Point Objectives (RPOs) for the proposed system.
8. Describe how you test and validate your backup and restoration procedures, including the frequency of testing, documentation practices, and any reporting available to clients.
9. Explain what information, dashboards, logs, or reports related to backup status and restoration activities will be available to the agency.
10. Describe your organization's incident response program, including roles, communication protocols, governance structure, and alignment with industry standards (e.g., NIST, ISO).
11. Explain the steps your company will take to notify the agency in the event of a confirmed or suspected security breach. Address expected notification timelines, methods of communication, and the content of notifications.
11. Describe your process for containing, investigating, and remediating a security incident or breach. Include information on forensic capabilities, third-party partners, and client participation in response efforts.
Explain how you conduct post-incident analysis and communicate findings, lessons learned, and corrective actions to clients. Include how improvements are integrated into your ongoing security program.

4.7 Data Migration

The Commission seeks to understand Responding Contractor's ability and approach to migrating data from the proposed solution to a different system.

1. Describe your approach and protocols for data migration, including steps to clean and prepare data for migration; the development and testing of data migration scripts and processes; execution of data migration; validation of migration results.
2. Describe your ability to do each of the following:

- a. Create and execute a comprehensive migration plan that accurately captures all required data and properly maps fields to the appropriate areas to a different system
- b. Design and implement a comprehensive data migration process that is both accurate and clean. Data shall be secure, both while at rest and while in motion.
- c. Develop and perform necessary data mapping from data sources, Excel spreadsheets, and other data source(s) that are part of the platform.
- d. Provide a detailed mapping of source data elements to target system data elements.
- e. Extract all required data.
- f. Transform extracted data for migration to a non-production environment where data can be reviewed and validated, with data conversion and migration test and other efforts (not including final data conversion/migration at Go-Live) to be repeated as needed
- g. Provide verification and error reports during the test conversion data
- h. Creation and documentation of conversion/migration processes for NCSLC review.
- i. Establish archival process(es) for any data not migrated, if necessary.
- j. Complete, and provide results for, the final production data conversion.

5.0 Proposal Format

Proposals shall be concise and limited to the 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 (Section 3.0) and Required Content and Narrative Responses (Section 4.0)

- Written responses are required for Sections 3 and 4 of this RFP. Please provide answers to each question in order in your bid submission to the NCSLC.
- Directions for responding to Sections 3 and 4 are included in each section.
- Please review Section 6.10 (Proposal Subject to Public Records Laws) before responding and label each answer, narrative response, report, document, etc. as "Confidential" or "Trade Secret," as applicable. 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."
- Responding contractor shall clearly describe any assumptions to successfully complete implementation of the project, including any foreseeable risks.
- 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)

- **Cost proposal must be in a separate document from the rest of the proposal.**
- Submit a comprehensive cost proposal including a detailed itemized proposed overall cost to complete the entire scope of work. The itemized cost proposal *may* include the following components:
 - Storage
 - Maintenance
 - Customer service costs
 - Implementation costs (design, system configuration, customization, work flows)
 - Development
 - Technical Support

- Training (technical and/or customer)
 - License fees / subscription fees
- 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).
 - Subtotals should delineate between implementation costs and any ongoing annual costs.
 - Responding contractors are reminded that the cost quotation should cover all of the Services and items required by this RFP and Procurement, as well as other Services deemed necessary by the contractor, to be provided by the Successful Contractor during the entire term of the Contract.
 - Contractor is responsible for thoroughly reviewing the RFP requirements and ensuring that all necessary costs are included in their submitted RFP response.
 - The Successful Contractor shall also be responsible for all charges incidental to the routine conduct of business including, but not limited to mileage, meals, telephone calls, facsimile, copying, color copies, postage and delivery charges from the Successful Contractor to the Commission.
 - Clearly identify any charges applicable to "options" or offerings that are beyond the scope of this procurement's requirements.

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 and support provided.

5.5 Previous Work Product Samples

- The best evidence a responding contractor can provide the NCSLC 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 the solution(s) 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.

5.7 Statement of Preferred Payment Schedule

- The Responding Contractor shall propose its own preferred itemized payment schedule based on the content of its proposal. All payments must be based upon acceptance of one or more Deliverables. The NCSLC reserves the right to further negotiate this payment schedule in whole or in part prior to execution of an Agreement. Note: The preferred payment schedule shall specify costs/charges for any optional or non-mandatory deliverables or services.

Issuance of this RFP does not constitute a commitment on the part of the NCSLC 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 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 and the State.

6.0 RFP Process and Other Important Information

6.1 SUMMARY OF KEY DATES

The NCSLC 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 NCSLC's website (<https://www.nclottery.com/Business>) and, to the extent feasible, through email. The NCSLC will make every effort to adhere to the following schedule:

- 12/19/2025** RFP Issuance Date
- 1/30/2026** Deadline for Submission of any and all Questions 4:00 p.m. ET
- 2/16/2026** Answers posted
- 3/2/2026** Written Proposals due by 4:00 p.m. ET by email or physical delivery (late Proposals will not be accepted) (the "Proposal Submission Deadline")

DELIVERY ADDRESS:

North Carolina State Lottery Commission Headquarters
Attn: Anthony Downey
adowney@lotterync.net
RFP – LC000067 Licensing and Regulatory Platform

Possible virtual product demonstrations with the Evaluation Committee. NCSLC reserves the right to schedule 90-minute meetings with responsive contractors, based upon the strength and responsiveness of written proposals.

- 04/30/2026** Target date for Decision of Apparent Successful Contractor
- TBD** Project begins

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 NCSLC, background, financial viability, minority business participation, and ability to perform the Contract) shall be considered in determining the Successful Contractor that provides the best overall solution at a fair and reasonable price and consistent with the goals and objectives of this procurement. The illustrative factors here are not necessarily listed in the order of importance or weight. Thus, while Responding Contractors are strongly encouraged to offer the lowest price and total cost and highest value possible, the responsive offer with the lowest price and lowest total cost may not be selected as the Successful Contractor.

An evaluation committee will perform the evaluation of proposals. This process will take place as indicated in Section 6.1, Summary of Key Dates, depending upon the number of proposals received. During this time, the Procurement Manager may initiate discussions with Responding Contractors who submit responsive or potentially responsive proposals for the purpose of clarifying aspects of the proposals. However, proposals may be accepted and evaluated without such discussion. **Discussions SHALL NOT be initiated by any Responding Contractor.**

Selection of Finalists and Presentations:

The Evaluation Committee will select, and the Procurement Manager will notify the finalists as per the schedule in Section 6.1 or as soon as possible thereafter. Finalists, as selected above, may be required to conduct an oral presentation at a venue to be determined by schedule. If oral presentations are held, finalists may be required to make these presentations through electronic means (Microsoft Teams, Zoom, Webex, etc.).

Contractual Agreements:

After approval of the Evaluation Committee, any contractual agreements resulting from this RFP will be finalized with the most advantageous Responding Contractors, taking into consideration the evaluation

factors set forth in this RFP. The most advantageous proposal may or may not have received the most points. In the event mutually agreeable terms cannot be reached with the Responding Contractor in the timeframe specified, the Commission reserves the right to finalize a contractual agreement with the next most advantageous Responding Contractor without undertaking a new procurement process.

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 – LC000067 Licensing and Regulatory Platform
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 Responding 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 Responding Contractor may submit its unredacted Proposal and supporting documents electronically to the Contact Person in PDF (or another appropriate) format. 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 to serve as the sole

contact between the Commission and the responding contractor (in the case of a proposal from a joint venture only one official may be authorized).

A Responding Contractor may submit an amended proposal before the proposal due date. Such amended proposals must be complete replacements for a previously submitted proposal and must be clearly identified as such in the transmittal letter. Agency personnel will not merge, collate, or assemble proposal materials.

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 Responding 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 Responding 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 NCSLC 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 and services of other bidders will result in disqualification. The Evaluation Committee reserves the right to waive minor irregularities, in proposals that do not, in the Evaluation Committee's good faith judgment, materially affect the price, quality and/or quantity, or any other mandatory requirements.

This RFP may be canceled at any time and any and all proposals may be rejected in whole or in part when the Commission determines such action to be in the best interest of the Commission. Upon determining that any of the following would be in its best interests, the Commission may waive any formality; amend the solicitation; reject any or all offers received in response to this RFP; waive any undesirable, inconsequential, or inconsistent provisions of this RFP; if the response to this solicitation demonstrate a lack of competition, negotiate directly with one or more Responding Contractors; or take other appropriate steps.

Any contract awarded as a result of this RFP process may be terminated if sufficient appropriations or authorizations do not exist. Such terminations will be affected by sending written notice to the responding contractor. The Commission decision as to whether sufficient appropriations and authorizations are available will be accepted by the responding contractor as final. The NCSLC reserves the right to make partial, progressive or multiple awards where it is advantageous to award separately by items; where more than one supplier is needed to provide the contemplated specifications as to quantity, quality, delivery,

service, geographical areas; or where other factors are deemed to be necessary or proper to the purchase in question.

6.6 BACKGROUND INVESTIGATION; BOND / LETTER OF CREDIT

The Commission reserves the right to investigate, at a minimum, the financial responsibility and security of any Successful Contractor and its Subcontractors. 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 Section, 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. Such forms shall authorize access to the backgrounds of the following persons, as well as the contractor, as applicable: (i) if the contractor is a corporation, the officers, directors and each person who owns five percent (5%) or more of the equity interests in any member of a contractor team; (ii) if the contractor is a partnership or joint venture, all of the general partners, limited partners or joint ventures; and (iii) for any contractor, any person who can exercise control or authority, or both, on behalf of the contractor.

Contemporaneously with the delivery of a Proposal, responding contractors are required to submit a bond or letter of credit in an amount equal to but not less than five percent (5%) of the Cost Proposal and submit a check or other similar financial instrument of immediately available funds (the "Record Check Fee") to the Commission to cover the cost of criminal record check conducted under N.C.G.S. §143B-1209.28 pursuant to §18C- 151(a)(3) of the Act.

The Record Check Fee that must be submitted by EACH contractor with its Proposal shall be in the amount equal to the sum of:

1. One thousand dollars (\$1,000) (the "Corporate Search Fee") for the Contractor and any parent company of the Contractor; plus
2. Two hundred fifty dollars (\$250) (the "Individual Search Fee") for each officer and director of the Contractor and for each shareholder of the Contractor who owns an interest of five percent (5%) or more in the Contractor.

The Commission intends to conduct full background checks only on the apparent Successful Contractor. After the contract is awarded, the Commission will return fees to the non-selected contractor(s). Any potential contractor that has previously submitted to such full background check inquiries in prior Commission procurement processes and that is currently a potential contractor to the Commission subject to updating requirements, must submit updated information and an affidavit re-confirming all the prior information and reporting all necessary new information, in lieu of Attachments B and E, and parts thereof (if applicable).

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 NCSLC may negotiate with one or more Contractors, under such circumstances, at such times and in such a manner as NCSLC 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 the Commission pursuant to N.C.G.S. §132-9 to compel the Commission to disclose information marked as confidential or a trade secret, the Commission will promptly notify Potential Contractor in writing of such to allow Potential Contractor to determine if it will intervene and defend such action, the 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

Responding contractors are requested to provide costs for providing the requested deliverables detailed in this RFP. Responding contractors are also requested to propose rates for any additional optional and/or related equipment and services beyond the anticipated work under the RFP. The proposed cost quotation shall 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. The Commission reserves the right to withhold payments for incomplete and unsatisfactory services and deliverables.

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 encourages participation by, and involvement of, minority-owned businesses. 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 responding 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, each responding contractor 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.

6.16 FINANCIAL SOUNDNESS

Under the Act, a responding contractor must provide adequate information to permit an evaluation of its financial responsibility, stability and its capabilities to undertake and complete satisfactorily any Contract awarded and, executed pursuant to this RFP. In that regard, a responding contractor must submit a copy of its last three (3) years' financial statements that have been audited by an independent public accounting firm, or if audited financial statements are not regularly produced, the Commission will accept financial statements that are reviewed (rather than audited) provided that the financial statements are certified as being accurate by an executive officer of the responding contractor.

**ATTACHMENT A
COST SUBMISSION**

Licensing and Regulatory Platform

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

(Potential Contractor's Name)

Signed by: _____

Title: _____

Date: _____

(Title)

(Date)

The Vendor must list, itemize, and describe any applicable offer costs. ***A cost proposal matrix that itemizes components and identifies one-time and recurring costs is favored. Responding contractors are encouraged to customize a matrix like the illustration below.***

One Time Cost Component	One-Time Fee and/or Year One (1) of Operation	Notes
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	

	\$			
Total One-Time Cost -Year 1:	\$			
Cost Component	RECURRING COSTS			
EXAMPLES ONLY	Year 2	Year 3	Year 4	Year 5
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$

Note: Vendors should imbed any potential travel costs for meetings into their proposals; otherwise, standalone travel and living costs will be audited by the Agency and must be in accordance with state rates.

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 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 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 the Retail Digital Signage Program.

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.

**LICENSING AND REGULATORY PLATFORM 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	
Record Check Fees (Corporate and Individual)	
Bid Bond or Bid Letter of Credit	
Financial Statements (Last Three Years)	
Cost Proposal (Separate File)	

ATTACHMENT G



SAMPLE CONTRACT¹

LICENSING AND REGULATORY PLATFORM AGREEMENT

This Licensing and Regulatory Platform Agreement (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 pari-mutual wagering in the State of North Carolina; and

WHEREAS, VENDOR submitted the Proposal, dated _____, 2025 (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), the Service Level Agreement (“SLA,” Exhibit D), and the Liquidated Damages Schedule (Schedule 1). Exhibits A, B, C, and D and Schedule 1 (collectively, the “**EXHIBITS**”) 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 retail digital signage 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 NOTE: The agreement included in this Appendix G represents the contract the Commission intends to use to make an award. The North Carolina State Lottery Commission reserves the right to modify this sample agreement in whole or in part prior to, or during, the award process, as necessary.

1. SERVICES AND DELIVERABLES

Subject to the terms and conditions set forth in this Agreement, the Commission retains VENDOR to provide licensing and regulatory platform 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 (“CEO”), 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 CEO, 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 CEO or their designee(s) and shall establish work plans, implementation schedules and timetables for completion as and when required by the CEO 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 CEO 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 [REDACTED].

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.

E. The Commission requires the Services and Deliverables to be extremely reliable. Whenever the Services and Deliverables are not available, the Commission is incurring lost revenues and/or losing goodwill with the public and its Licensees. Because the potential of unforeseeable and/or unexpected issues exists and is unavoidable, it is in the best interest of the Commission and VENDOR to have these issues resolved as quickly as possible. Therefore, the purpose of liquidated damages is to make VENDOR responsive to resolving any issues involving the Services and Deliverables. Additionally, liquidated damages will be assessed whenever timely Services and Deliverables are late and/or modifications are not authorized or provided. By the terms of the Agreement, both VENDOR and the Commission agree that it is difficult to determine actual damages. Therefore, the parties agree that the amounts set forth herein are reasonable as they pertain to situations that do not fall into the category of negligent, reckless or willful behavior on the part of VENDOR. No liquidated damages shall be assessed hereunder to the extent that VENDOR is in breach or default of its obligations under this Agreement and such breach or default was solely caused (either directly or indirectly) by the acts or omissions of the Commission, its employees, agents, or any third party under the control of the Commission, for reasons outside of the Vendor's reasonable control in the sole and unreviewable discretion of the Commission's CEO, or was the result of a "force majeure" occurrence (as further defined in Section 18).

The Commission, at its sole discretion, reserves the right to hold fast or waive any or all liquidated damages, for any reason whatsoever, without explanation, but must assess

liquidated damages within one (1) year of discovering the incident. The Commission may, in its sole discretion, deduct liquidated damages from future VENDOR Fee payments due to VENDOR in accordance with the VENDOR Fee, and if the amount of any liquidated damages exceeds the next VENDOR Fee payment due in accordance with VENDOR Fee or there are no additional payments due, Commission may, in its sole discretion, require VENDOR to pay liquidated damages to Commission within thirty (30) days of written demand from Commission. All assessments of liquidated damages shall be within the sole discretion of the Commission and shall be in addition to, and not in lieu of, the right of the Commission to terminate the Agreement pursuant to the terms hereof or to pursue other appropriate remedies. The Commission shall further have the right through negotiation to reduce the amount of liquidated damages to be assessed with VENDOR, provided that negotiations result in a proportionate decrease in such damages. Excessive liquidated damages, and events leading to such, at the sole discretion of the Commission, may be grounds for termination of the Agreement.

The Commission shall notify VENDOR in writing of the assessment of liquidated damages for any default specified herein. If multiple liquidated damages provisions could apply to particular circumstances, it will be the sole discretion of the Commission to determine which, if any, liquidated damage provision(s) are applicable; provided that the Commission shall not assess multiple liquidated damages for the same circumstance; provided, further, that the highest applicable liquidated damages shall apply. Liquidated damages shall not be the exclusive remedy available to the Commission for damages caused by VENDOR. Under the appropriate circumstances such as, but not limited to, the negligent, reckless or willful behavior on the part of VENDOR, the Commission may make a claim against the performance and/or payment bond, collect against any insurance coverage, or seek to be made whole via any other lawful method.

Liquidated Damages shall be applied in accordance with the terms described in the Schedule of Liquidated Damages which is attached hereto as **Schedule 1** and incorporated as if set forth fully herein.

Notwithstanding any other language or provision in this Agreement, nothing herein is intended, nor shall be interpreted as a waiver of any right or remedy otherwise available to the Commission under applicable law, and nothing herein is intended nor shall be interpreted to infringe on any duties and responsibilities of the North Carolina Attorney General pursuant to the requirements of Chapter 114 of the North Carolina General Statutes.

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 _____ ##, 2031, (the "Initial Term"). Notwithstanding the foregoing, the Commission may elect to renew this Agreement for two additional two-year periods and one additional one-year period 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.

6A. ACCEPTANCE PROCESS

- A. The Commission shall have the obligation to notify VENDOR, in writing ten calendar days following provision, performance (under a provided milestone or otherwise as agreed) or delivery of any Services or other Deliverables described in the Agreement that are not acceptable.
- B. Acceptance testing is required for all VENDOR supplied software and software or platform services unless provided otherwise in the solicitation documents or a Statement of Work. The Commission may define such processes and procedures as may be necessary or proper, in its opinion and discretion, to ensure compliance with the Commission's specifications, and VENDOR's Product Warranties and technical representations. The Commission shall have the obligation to notify VENDOR, in writing and within thirty (30) days following installation of any software deliverable if it is not acceptable.
- C. Acceptance of Services or other Deliverables including software or platform services may be controlled by an amendment hereto, or additional terms as agreed by the Parties.
- D. The notice of non-acceptance shall specify in reasonable detail the reason(s) a Service or given Deliverable is unacceptable. Acceptance by the Commission shall not be unreasonably withheld; but may be conditioned or delayed as required for installation and/or testing of Deliverables. Final acceptance is expressly conditioned upon completion of any applicable inspection and testing procedures. Should a Service or Deliverable fail to meet any specifications or acceptance criteria, the Commission may exercise any and all rights hereunder. Services or Deliverables discovered to be defective or failing to conform to the specifications may be rejected upon initial inspection or at any later time if the defects or errors contained in the Services or Deliverables or non-compliance with the specifications were not reasonably ascertainable upon initial inspection. If the VENDOR fails to promptly cure or correct the defect or replace or re-perform the Services or Deliverables, the Commission reserves the right to cancel, contract with a different vendor, and to invoice the original VENDOR for any differential in price over the original Contract price.
- E. In addition to any and all rights available to the Commission, the Commission reserves the right to withhold any monies and/or payments for incomplete and unsatisfactory services and deliverables.

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.

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.

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.

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.

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.

VENDOR hereby designates [REDACTED], 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 CEO 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:

"**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

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**

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.

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 (N.C.G.S. §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 CEO 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 CEO 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.

J. Any and all licensed Software and associated materials do not contain any surreptitious programming codes, viruses, Trojan Horses, "back doors" or other means to facilitate or allow unauthorized access to the State's information systems.

K. Any and all licensed Software and associated materials do not contain any timer, counter, lock or similar device (other than security features specifically approved by Customer in the Specifications) that inhibits or in any way limits the Software's ability to operate.

L. VENDOR warrants that any Software or Deliverable will operate substantially in conformity with prevailing specifications as defined by the current standard documentation (except for minor defects or errors which are not material to the Commission) for a period of ninety (90) days from the date of acceptance ("Warranty Period"), unless otherwise specified in the Agreement. If the Software does not perform in accordance with such specifications during the Warranty Period, VENDOR will use reasonable efforts to correct any deficiencies in the Software so that it will perform in accordance with or substantially in accordance with such specifications.

M. Manufacturer's Statement of Support. If VENDOR is anyone other than the manufacturer bidding direct, the VENDOR hereby warrants that it possesses a statement of support from the manufacturer that conforms to the following requirements:

- i. The Statement is current, dated, on the manufacturer's letterhead, addressed to the North Carolina State Lottery Commission, and signed by an individual authorized to bind the manufacturer.
- ii. The Statement must stipulate: that VENDOR is an authorized vendor of the manufacturer's product line.
- iii. The Statement must stipulate that the manufacturer intends to maintain and publish the established method of Pricing (U.S. Price List) for the duration of this Agreement, and will make such information available to the Commission for auditing purposes as described elsewhere herein.

15A. License Grant for Application Software, (COTS): This paragraph recites the scope of license granted, if not superseded by a mutually agreed and separate licensing agreement, as follows:

- a) VENDOR grants to the Commission a non-exclusive, non-transferable and non-sublicensable license to use, in object code format, Vendor's software identified in the solicitation documents, VENDOR's Statement of Work ("SOW"), or an Exhibit thereto executed by the parties ("Software"), subject to the restrictions set forth therein, such as the authorized computer system, the data source type(s), the number of target instance(s) and the installation site. Use of the Software shall be limited to the data processing and computing needs of the Commission. This license shall be perpetual or for the term of the contract (pick one, delete the other), unless terminated as provided herein. The Commission agrees not to distribute, sell, sublicense or otherwise transfer copies of the Software or any portion thereof.
- b) VENDOR shall provide all encryption or identification codes or authorizations that are necessary or proper for the operation of the licensed Software.
- c) The Commission shall have the right to copy the Software, in whole or in part, for use in conducting benchmark or acceptance tests, for business recovery and disaster recovery testing or operations, for archival or emergency purposes, for back up purposes, for use in preparing derivative works if allowed by the solicitation documents or statements of work, or to replace a worn copy.
- d) The Commission may modify non-personal Software in machine-readable form for its internal use in merging the same with other software program material. Any action hereunder shall be subject to uses described in this paragraph, the restrictions imposed by Paragraph 3), and applicable terms in the solicitation documents or statements of work.

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 three million dollars (\$3,000,000), and (ii) a payment bond (the "Payment Bond") or letter of credit with the Commission in an amount equal to three million dollars (\$3,000,000), 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.

H. [Reserved.]

I. Retainage. The Commission shall hold a retainage of 10% of the contract value, and shall withhold the final payment contingent on final acceptance (following adequate User Acceptance Testing (“UAT”)) by the Commission, unless waived or otherwise agreed, in writing. The Services herein will be provided consistent with and under these Services performance review and accountability guarantees.

17. TAXES

The Commission is exempt from state and local sales taxes as well as Federal excise 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 for convenience, in whole or in part, with or without cause, at any time by providing 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 CEO, 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, CEO

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 six (6) months, 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. Any approved VENDOR assignee shall affirm this Agreement attorning to the terms and conditions agreed, and that VENDOR shall affirm that the assignee is fully capable of performing all obligations of VENDOR under this Agreement. An assignment may be made, if at all, in writing by the VENDOR, Assignee and the Commission setting forth the foregoing obligation of VENDOR and Assignee.

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.

I. **Federal Intellectual Property Bankruptcy Protection Act:** The Parties agree that the Commission shall be entitled to any and all rights and benefits of the Federal Intellectual Property Bankruptcy Protection Act, Public Law 100-506, codified at 11 U.S.C. 365(n), and any amendments thereto.

J. **Sovereign Immunity:** Notwithstanding any other term or provision in this Agreement, nothing herein is intended nor shall be interpreted as waiving any claim or defense based on the principle of sovereign immunity or other State or federal constitutional provision or principle that otherwise would be available to the Commission under applicable law.

K. **Verification of Work Authorization:** VENDOR agrees that the VENDOR and any of their subcontractors will comply with the requirements of Chapter 64, Article 2 of the North Carolina General Statutes related to verification of work authorization for all of VENDOR and subcontractors' employees ("E-Verify").

24. **ADDITIONAL SERVICES/ MODIFICATION OF SERVICES AND DELIVERABLES**

A. 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.

B. Modification of Services and Deliverables. If VENDOR modifies or replaces the Services and Deliverables provided to the Commission, and if the Commission has paid all applicable Subscription Fees, the Commission shall be entitled to receive, at no additional charge, access to a newer version of the Services and Deliverables that supports substantially the same functionality as the then accessible version of the Services and Deliverables. Newer versions of the Services and Deliverables containing substantially increased functionality may be made available to the Commission for an additional subscription fee. In the event of either of such modifications, the then accessible version of the Services and Deliverables shall remain fully available to the Commission until the newer version is provided to the Commission and accepted. Unless and until any newer version of the Services and Deliverables is accepted by the Commission, VENDOR agrees to maintain the then accessible version of the Services and Deliverables at the same cost, for the remainder of the then-present term of the Agreement, as well as for any remaining Extension Term(s). If a modification materially affects the functionality of the Services and Deliverables as used by the Commission, the Commission, at its sole option, may defer such modification.

C. Unanticipated Tasks. In the event that additional work must be performed that was wholly unanticipated, and that is not specified in the Agreement, but which in the opinion of both parties is necessary to the successful accomplishment of the contracted scope of work, the procedures outlined in this article will be followed. For each item of unanticipated work, the Vendor shall prepare a work authorization in accordance with the Commission's practices and procedures.

a. It is understood and agreed by both parties that all of the terms and conditions of the Agreement shall remain in force with the inclusion of any work authorization. A work authorization shall not constitute a contract separate from the Agreement, nor in any manner amend or supersede any of the other terms or provisions of the Agreement or any amendment hereto.

b. Each work authorization shall comprise a detailed statement of the purpose, objective, or goals to be undertaken by the VENDOR, the job classification or approximate skill level or sets of the personnel required, an identification of all significant material then known to be developed by the VENDOR's personnel as a Deliverable, an identification of all significant materials to be delivered by the Commission to the VENDOR's personnel, an estimated time schedule for the provision of the Services by the VENDOR, completion criteria for the work to be performed, the name or identification of VENDOR's personnel

to be assigned, the VENDOR's estimated work hours required to accomplish the purpose, objective or goals, the VENDOR's billing rates and units billed, and the VENDOR's total estimated cost of the work authorization.

c. All work authorizations must be submitted for review and approval by the procurement office that approved the original Contract and procurement. This submission and approval must be completed prior to execution of any work authorization documentation or performance thereunder. All work authorizations must be written and signed by the VENDOR and the Commission prior to beginning work.

d. Stop Work Order. The Commission may issue a written Stop Work Order to VENDOR for cause at any time requiring VENDOR to suspend or stop all, or any part, of the performance due under the Agreement for a period up to ninety (90) days after the Stop Work Order is delivered to the VENDOR. The ninety (90) day period may be extended for any further period for which the parties may agree.

1. The Stop Work Order shall be specifically identified as such and shall indicate that it is issued under this term. Upon receipt of the Stop Work Order, the VENDOR shall immediately comply with its terms and take all reasonable steps to minimize incurring costs allocable to the work covered by the Stop Work Order during the period of work suspension or stoppage. Within a period of ninety (90) days after a Stop Work Order is delivered to VENDOR, or within any extension of that period to which the parties agree, the Commission shall either:

- i. Cancel the Stop Work Order, or
- ii. Terminate the work covered by the Stop Work Order as provided for in the termination for default or the termination for convenience clause of the Agreement.

2. If a Stop Work Order issued under this clause is canceled or the period of the Stop Work Order or any extension thereof expires, the VENDOR shall resume work. The Commission shall make an equitable adjustment in the delivery schedule, the Agreement price, or both, and the Agreement shall be modified, in writing, accordingly, if:

- i. The Stop Work Order results in an increase in the time required for, or in the VENDOR's cost properly allocable to the performance of any part of the Agreement, and
- ii. The VENDOR asserts its right to an equitable adjustment within thirty (30) days after the end of the period of work stoppage; provided that if the Commission decides the facts justify the action, the Commission may receive and act upon an offer submitted at any time before final payment under the Agreement.

3. If a Stop Work Order is not canceled and the work covered by the Stop Work Order is terminated in accordance with the Termination provision for the convenience of the Commission under Section 18(c), the Commission shall allow reasonable direct costs resulting from the Stop Work Order in arriving at the termination settlement.

4. The Commission shall not be liable to the VENDOR for loss of profits because of a Stop Work Order issued under this term.
- e. The VENDOR shall not expend Personnel resources at any cost to the Commission in excess of the estimated work hours unless this procedure is followed: If, during performance of the work, the VENDOR determines that a work authorization to be performed under the Agreement cannot be accomplished within the estimated work hours, the VENDOR will be required to complete the work authorization in full. Upon receipt of such notification, the Commission may:
1. Authorize the VENDOR to expend the estimated additional work hours or service in excess of the original estimate necessary to accomplish the work authorization, or
 2. Terminate the work authorization, or
 3. Alter the scope of the work authorization in order to define tasks that can be accomplished within the remaining estimated work hours.
 4. The Commission will notify the VENDOR in writing of its election within seven (7) calendar days after receipt of the VENDOR's notification. If notice of the election is given to proceed, the VENDOR may expend the estimated additional work hours or Services.

[Remainder of page intentionally left blank; signature page follows.]

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

By: _____
Name: _____
Title: _____
Date: _____

“VENDOR”
VENDOR FULL LEGAL NAME

By: _____
Name: _____
Title: _____
Date: _____

[Remainder of page intentionally left blank; Exhibits follow.]

EXHIBIT A
[PROPOSAL AND COST PROPOSAL]

EXHIBIT B
[RFP]

EXHIBIT C
[QUESTIONS AND ANSWERS]

EXHIBIT D
[SLA(s)]

SCHEDULE 1
[SCHEDULE OF LIQUIDATED DAMAGES]