



REQUEST FOR QUOTATION

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

NORTH CAROLINA STATE LOTTERY COMMISSION: CONTACT INFORMATION	
Date Issued:	April 21, 2025
Requisition Number:	N/A
Proposal Response Due:	June 6, 2025
Issued By:	Anthony Downey, Purchasing Manager
Telephone /Fax/Email:	T – 919-301-3433 F – 919-715-0342 adowney@lotterync.net
Ship To Address:	2728 Capital Boulevard, Suite 144, Raleigh, NC 27604
Delivery/Start Date:	Upon Contract Execution
Comments:	Please provide quote for Compensation Evaluation Services

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

Additional Information:

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

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

Additional Information:

Bidder is a certified HUB Vendor: Yes ☐ No ☐

Bidder is a resident NC Vendor: Yes ☐ No ☐

This Request for Proposals is subject to all terms and conditions which are outlined in the "Request for Proposal: Terms and Conditions," which is attached.

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 QUOTATION: COMPENSATION EVALUATION SERVICES

1.0 INTENT OF THE REQUEST FOR QUOTATION

Background:

The North Carolina Education Lottery (NCEL) is an independent, self-supporting, and revenue-raising agency of the State of North Carolina, in operation since 2006 and governed by Chapter 18C of the North Carolina General Statutes. All net revenues generated are used for education. Since its inception, the Lottery has increased ticket sales every year of its operations, 18 years in a row, and raised more than \$10 billion for the state of North Carolina to support valuable programs and causes. The North Carolina Education Lottery partners with nearly 7,000 retailers who sell tickets; and the revenue they earn from the sale of lottery products works to keep their profits and workforces stable. In addition, the Lottery Commission has recently become the regulator for sports wagering in North Carolina, thereby creating a new and important function for the organization as a regulator of other forms of legalized gaming. For additional information visit the website at: www.ncлотtery.com

The North Carolina Education Lottery (NCEL) is comprised of approximately 300 full time equivalent (FTE) positions in 6 locations, and about 80 of those positions are commissioned salespeople. We have approximately 120 distinct positions. Our last compensation and classification study was completed in 2023. Every position was evaluated, a new salary structure was developed and several employees received adjustments to pay as a result of the evaluation or because of internal compression. These changes were implemented in July of 2023.

Work on the compensation study contemplated by this RFP will begin on or after July 1, 2025 and should be completed no later than January 31, 2026. The Successful Contractor shall provide ongoing support to the NCEL HR staff, recommendations related to the compensation study, benchmarking new jobs, determining exempt/non-exempt status, salary administration questions, etc. until July 1, 2028.

2.0 SCOPE OF SERVICES:

The scope of Services required includes:

- a. Provide guidance on updating job descriptions that NCEL will accomplish before the work begins.
- b. Study and evaluate all full-time positions within NCEL for purposes of determining the proper classification and salary for each employee. If evaluation of all positions is not deemed necessary, propose an alternative method that ensures an equitable treatment for all NCEL positions.
- c. Make recommendations for NCEL's overall compensation system including hiring rates and compression issues.
- d. Review NCEL salary structure and pay plan to ensure we are able to effectively support recruitment and retention of employees.
- e. Develop and present final recommendations and implementation plan, including financial impact of implementing recommended adjustments to current salaries both immediately and in the future.
- f. Provide recommendations to NCEL about any changes to the pay plan, strategies, policies, best practices and other compensation-related items in order to maintain a competitive place in the labor market.
- g. Provide assistance to the NCEL HR staff to enable ease of maintaining the compensation classification system. We are particularly interested in guidance regarding a structure that can support the promotion practices for long service employees.
- h. Provide guidance and explanation for communicating to management and staff the methodology and rationale behind the revised compensation program.
- i. Provide information and pricing for follow up support after the completion of the study. For instance, for benchmarking new jobs, determining exempt/non-exempt status, salary administration questions, etc.

3.0 Proposal – Required Content

All of the questions and information included in this Section are required. Please review Section 4.6 of the RFP Terms and Conditions ("Proposal Subject to Public Records Laws") before responding and label each applicable answer, report, document, etc. as "Confidential" or "Trade Secret." Only information that qualifies as confidential or a trade secret under North Carolina Public Records Laws should be marked as such. Do NOT mark the entire Proposal as "Confidential."

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

3.1. Qualifications

- Provide a brief description of the firm, including major practice areas, typical client type and size, organizational structure, etc.
- Brief description of Responding Contractor's experience and track record on similar projects with similar organizations, including its experience/reputation in this field.
- Provide qualifications of the key personnel to be assigned to the project and list similar compensation projects that they have coordinated within the last three years.

3.2. Work Plan:

- Written, detailed description of its methodology for providing the specified Services, including detailed project plan with defined scope. Please include detailed list of salary sources used as well as an explanation for why those sources were selected.
- Projection of support needed from the Human Resources staff and for what phases of the project.
- Responding Contractor shall clearly describe any assumptions for the NCEL Project and any required tasks and/or information from the NCEL to successfully complete the project, including any foreseeable risks.
- Estimate of time required to complete project and a proposed timeline to include estimate of time on each phase through completion.

3.3. Costs (see Attachment A):

- Submit a cost proposal including a proposed amount for each task and the overall cost to complete the entire scope of work.

3.4. References:

- Provide three references of similar organizations for whom you have performed similar services within the last three (3) years. Include company name, contact name and contact information, size of company's workforce, what services were provided, and project begin/end date.

3.5. Selection Process:

The selection will be made based upon the following criteria:

- Experience with organizations of a similar size and type
- Understanding of the scope of work
- Strategy for providing the required Services
- Demonstrated ability of key personnel
- Cost competitiveness

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

4.1 SUMMARY OF KEY DATES

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

April 21, 2025	RFQ Issuance Date
May 2, 2025	Deadline for Submission of any and all Questions 4:00 p.m. ET
May 16, 2025	Answers posted
June 6, 2025	Written Quotations due by 4:00 p.m. ET by email (late Proposals will not be accepted) (the " Quotation Submission Deadline ")
	<u>DELIVERY ADDRESS:</u> North Carolina State Lottery Commission Headquarters Attn: Anthony Downey adowney@lotterync.net RFQ – Succession Planning Services
June 9 – June 12, 2025	Commission reserves the right to schedule 90-minute meetings with responsive contractors, based upon the strength and responsiveness of written proposals.
June 20, 2025	Target date for Decision of Apparent Successful Contractor
After July 1, 2025	Work begins

4.2 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
RFQ – Compensation Evaluation Services
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.

4.3 PROPOSAL VALIDITY; INCURRED EXPENSES

All Proposals shall remain valid for one hundred eighty (180) calendar days (the "Proposal Offer Period") following the Proposal Submission Deadline. A Proposal constitutes an offer by the Potential Contractor to contract with the Commission in accordance with the terms of the Proposal and this RFP, which offer is

irrevocable for the duration of the Proposal Offer Period and may not be withdrawn or amended during the Proposal Offer Period without the written consent of the Commission, which may be granted or withheld in its sole discretion. The Commission shall not be liable or responsible for any costs, expenses, reimbursements, or fees incurred by a Potential Contractor in preparing and submitting a Proposal or in performing any other action in connection with this Procurement.

4.4 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 from one of the entities to serve as the sole contact between the Commission and the Contractor.

4.5 PROPOSAL SUBJECT TO PUBLIC RECORDS LAWS

All Proposals, data, materials, and documentation originated, prepared, and submitted to the NCEL pursuant to this RFP shall belong exclusively to the NCEL 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 NCEL 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 NCEL pursuant to N.C.G.S. §132-9 to compel NCEL to disclose information marked as confidential or a trade secret, NCEL will promptly notify Potential Contractor in writing of such to allow Potential Contractor to determine if it will intervene and defend such action, NCEL, and its Commissioners, officers, and employees. If Potential Contractor opts to not intervene and defend such action and the NCEL, its commissioners, officers, and employees, the NCEL may, in its sole discretion decide whether to defend such action or release the requested records. The NCEL shall have no liability to Potential Contractor with respect to any such disclosures.

4.6 REJECTION OF PROPOSALS AND CANCELLATION OF RFP; REISSUE OF RFP

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

4.7 NEGOTIATION AND EXECUTION OF CONTRACT

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

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

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

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ATTACHMENT A
COST SUBMISSION
COMPENSATION EVALUATION SERVICES

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

- Submit a cost proposal including a detailed itemized proposed overall cost to complete the entire scope of work, which may include the following:

[INSERT ITEMIZED COSTS REQUIRED UNDER RFP]

- Any additional costs for unspecified but recommended options/additions/accessories/etc. should be included on separate line(s).
- Proposal may include any cost savings based on contract lengths (such as 3-year, 5-year, election of option years, etc.)
- **Cost proposal must be in a separate document from the rest of the proposal.**

(Potential Contractor's Name)

Signed by: _____

Title: _____

Date: _____

(Title)

(Date)

BACKGROUND DISCLOSURE FORM

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

[These pages may be copied and used as needed]

PLEASE PROVIDE THE FOLLOWING INFORMATION:

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

Relationship to Responding Contractor:

Address:

Telephone number, including area code:

Social Security number:
 - b. Name:

Relationship to Responding Contractor:

Address:

Telephone number, including area code:

Social Security number:

c. Name:

Relationship to Responding Contractor:

Address:

Telephone number, including area code:

Social Security number:

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

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

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

a. State:

Type of license:

Status of license:

Fines or penalties:

Circumstances:

b. State:

Type of license:

Status of license:

Fines or penalties:

Circumstances:

c. State:

Type of license:

Status of license:

Fines or penalties: Circumstances:

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

Charge:

Date of proceeding:

Custodian of records concerning this proceeding:

Outcome of proceeding:

Charge:

Date of proceeding:

Custodian of records concerning this proceeding:

Outcome of proceeding:

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

Charge:

Date of proceeding:

Custodian or records concerning this proceeding:

Outcome of proceeding:

Charge:

Date of proceeding:

Custodian or records concerning this proceeding:

Outcome of proceeding:

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

a. Filing or action:

Date of filing or action:

Court of filing or action:

Date of discharge if bankruptcy:

Pending litigation:

b. Filing or action:

Date of filing or action:

Court of filing or action:

Date of discharge if bankruptcy:

Pending litigation:

11. List the business entities that are a part of the Responding Contractor Team, and list the Fiscal Years for each team member. Complete an Authorization for Contractor Investigation for each (see Attachment C.)
12. List all the individuals constituting the Responding Contractor Team who will work on the Commission Contract. Complete an Authorization for Individual Investigation for each (see Attachment D).
13. Does the Responding Contractor Team or any individual member thereof have an ownership interest in any entity that has supplied consultation services under contract to the Commission regarding this RFP? If yes, please provide details.
14. Does any "public officer" or employee of such public officer have an ownership interest of five percent (5%) or more in any member of the Responding Contractor Team? If yes, please provide details.
15. List any conflict of interest with the products, promotions and goals contemplated by the Commission that could result from other projects in which the Responding Contractor Team or

any of the staff members designated to work on the project are involved. Failure to disclose any such conflict may be cause for Contract termination or disqualification of the Proposal.

16. List all lobbyists and consultants working on behalf of the Responding Contractor Team in connection with this Proposal or any subsequent Contract.

Attachment B Certification

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

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

(Signature of Authorized Representative)

(Print Name)

(Title)

(Date)

ATTACHMENT C

AUTHORIZATION FOR CONTRACTOR INVESTIGATION

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

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

(Signature)

(Print Name)

(Title)

(Date)

ATTACHMENT D

**ACKNOWLEDGMENT AND AUTHORIZATION FOR
BACKGROUND CHECK**

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

Signature _____ Date _____

Please Print Clearly

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

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

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

Social Security # _____ Male/Female (circle one)

Employer _____ Position _____

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

Street _____ from _____

City, State, Zip _____ to _____

Street _____ from _____

City, State, Zip _____ to _____

Street _____ from _____

City, State, Zip _____ to _____

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

Notary:

State of _____, County of _____

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

Notary Public _____

My commission expires _____ **[SEAL]**

ATTACHMENT E

Equal Business Opportunity Forms

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

Affidavit A -- Identification of Subcontractors

State of _____

County of _____

Affidavit of _____ (Name of
Responding Contractor)

I do hereby certify that on this Proposal, we will subcontract the following business enterprises as vendors, suppliers, or providers of professional services.

Firm Name, Address and Phone #	Work type	*Minority Category

*Minority categories: Black, African American (**B**), Hispanic (**H**), Asian American (**A**) American Indian (**I**), Female (**F**), Socially and Economically Disadvantaged (**D**), Not a Minority Business (**N/A**)

The total value of minority business contracting will be (\$): _____

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)

Please note that some of the categories listed below may not be applicable to this procurement and should, therefore, be left blank.

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

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

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

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

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

(Signature of Authorized Representative)

(Print Name)

(Title)

(Date)

NOTARY:

State of _____, County of _____

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

Notary Public _____

My commission expires _____

[SEAL]

Affidavit C-- Intent to Perform Contract with Own Workforce

State of _____

County of _____

Affidavit of _____ (Name
of Responding Contractor)

Responding Contractor is a Certified HUB Vendor: Yes ☐ No ☐

Responding Contractor is a Minority Vendor: Yes ☐ No ☐

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

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

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

(Signature of Authorized Representative)

(Print Name)

(Title)

(Date)

NOTARY:

State of _____, County of _____

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

Notary Public _____

My commission expires _____ [SEAL]

ATTACHMENT F

COMMISSION VENDOR INFORMATION FORM

Vendor Name (Commonly Used Name)

Full Legal Entity Name (As Listed on Tax Returns)

State of Incorporation

Name of Person Signing Contract

Title

Contractor's Main Contact Person for Commission

Title

Telephone Number

Email Address

Legal Notice Information

Name of Person to Receive Legal Notices

Title

Street Address

Street Address Line 2

City

State

Zip Code

Telephone Number

Email Address

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

**COMPENSATION EVALUATION SERVICES RFP
PROPOSAL REQUIREMENTS CHECKLIST**

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



ATTACHMENT G



SAMPLE CONTRACT **COMPENSATION EVALUATION AND RELATED SERVICES AGREEMENT**

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

WITNESSETH:

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

WHEREAS, VENDOR submitted the Proposal, dated _____ (the “**Proposal**,” Exhibit A) to the Commission in response to the Commission’s Request for Proposals dated _____ (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 _____ (the “**Questions and Answers**,” Exhibit C). Exhibits A, B and C are attached hereto and incorporated by reference herein; and

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

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

1. SERVICES AND DELIVERABLES

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

2. DUTIES AND RESPONSIBILITIES OF VENDOR

A. VENDOR and its Subcontractors (defined in Section 3(A) below) will work in conjunction with the Executive Director of the Commission, the Commission staff, the North Carolina State Lottery Commission and such other Contractors, subcontractors, employees, agents, retailers, and consultants as directed by the Commission. VENDOR and its “Subcontractors” will provide the Services and Deliverables to the Commission as detailed in the RFP, the Questions and Answers

and the Proposal and as requested, from time to time, orally or in writing or via shipment, by the Executive Director, their designee(s) and/or the Commission. Except as otherwise set forth herein, VENDOR agrees that all Services and Deliverables to be provided to the Commission under this Agreement shall meet or exceed the requirements as set forth in this Agreement, the RFP, the Questions and Answers and the Proposal.

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

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

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

3. **SUBCONTRACTORS**

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

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

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

D. Notwithstanding anything herein to the contrary, VENDOR will remain fully liable and responsible for all Services and Deliverables and work to be performed under this Agreement, whether or not subcontracted to or performed by a Subcontractor or any other person or entity

retained by VENDOR or under VENDOR's control, and VENDOR will ensure the compliance of its employees, and will exercise its best efforts to ensure the compliance of, and in any event be responsible for, Subcontractors and their employees with the terms of this Agreement, the Act and all other applicable laws which govern the performance and provision of Services and Deliverables pursuant to this Agreement and such other standards or policies as the Commission may establish from time to time.

4. INDEPENDENT CONTRACTOR

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

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

5. COMPENSATION

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

B. VENDOR shall be responsible for all charges incidental to the routine conduct of business including, but not limited to travel, mileage, meals, telephone calls, copying, color copies, postage, and delivery charges from VENDOR to the Commission. VENDOR's travel-related expenses must be pre-approved by the NCEL prior to booking and will be reimbursed by the NCEL at the North Carolina State Rate. Travel-related expenses are limited to airline tickets, rental car, meals and/or hotel accommodations, as applicable or required.

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

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

6. TERM

Unless sooner terminated in accordance with the provisions of Section 18 or other provisions of this Agreement and the RFP, the term of this Agreement shall commence upon execution of the Agreement until July 1, 2028. The compensation study contemplated by this Agreement shall be completed and released to the NCEL Director of Human Resources by January 31, 2026, and VENDOR shall provide ongoing support services as contemplated by the RFP for the Term of this Agreement.

7. WORK STANDARD

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

8. CHANGES IN WORK

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

9. BOOKS AND RECORDS

Upon request of the Commission, VENDOR and each Subcontractor shall provide to the Commission a copy of its latest audited financial statements for such year; provided, however, if VENDOR and/or a Subcontractor does/do not obtain audited financial statements, then its/their financial statements must be certified by its chief financial officer. VENDOR and all Subcontractors shall maintain all books, documents, papers, accounting records and other evidence pertaining to the Services to be performed and provided under this Agreement in accordance with the Act, Governing Laws and Regulations, generally accepted accounting principles and any other applicable procedures established by the Commission from time to time. VENDOR and all Subcontractors shall make all such materials available at its offices at all reasonable times during the term of this Agreement and for five (5) years after the date of final payment under this Agreement, for inspection by the Commission, by any authorized representative of the Commission and/or the State of North Carolina Auditor of State's Office ("**State Auditor**"), and copies thereof shall be furnished to the Commission and/or the State Auditor by the appropriate entity, at no cost to the Commission or the State Auditor, if requested by the Commission or the State Auditor. The Commission and/or the State Auditor shall have the right to audit the records and operations of VENDOR and each Subcontractor with respect to the Services to be performed and provided pursuant to this Agreement. VENDOR and Subcontractor shall also comply with all other requirements of the Act and Governing Laws and Regulations.

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

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

"**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 thorough 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 (NCGS §18C-151(a)(5)).

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

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

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

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

H. Neither VENDOR nor any Subcontractors, nor any of its or their respective employees, officers, directors, partners or major shareholders, shall use Commission's' name, logos, images or any other information or data related to the Services to be provided pursuant to this Agreement as a part of or in connection with any commercial advertising without the prior written consent of the Executive Director or his/her designee(s) in each instance.

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

16. OBLIGATIONS OF VENDOR

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

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

C. VENDOR and its Subcontractors shall disclose all written and oral agreements with all lobbyists and consultants doing work on its behalf in the State of North Carolina and before the federal government. VENDOR and its approved Subcontractors shall also comply with all state and

federal lobbying laws. This Agreement may be terminated, at the sole option and discretion of the Commission, if VENDOR has not complied with these disclosure requirements.

D. VENDOR agrees to fully disclose to the Commission all matters materially affecting the Commission, this Agreement or the performance of this Agreement and all matters reasonably necessary to perform and legally required background and security investigations with respect to VENDOR, the Subcontractors, their respective officers, directors and employees, and the individuals performing services pursuant to this Agreement or otherwise for the benefit of the Commission or the State of North Carolina. In addition, VENDOR acknowledges that to the extent under Applicable Laws some or all of its employees, officers, directors and its Subcontractors and their respective employees, officers and directors may be required to submit to background and other investigations, VENDOR shall cause any such individuals or Subcontractors to fully cooperate with any such investigations and to provide all necessary information and authorizations in connection therewith. VENDOR further agrees that it will routinely update all information disclosed to the Commission pursuant to this Agreement or the RFP; including, without limitation, any breaches of all representations, warranties and additional covenants set forth in Section 15 hereof, no less often than every six (6) months; provided, however, VENDOR shall as soon as possible notify the Commission upon the occurrence of any event the effect or results of which VENDOR would be required to disclose, or to update a previous disclosure, to the Commission under this Agreement or the RFP and which materially affect the Commission, VENDOR, the Subcontractors, any of their respective officers, directors, partners, major shareholders or employees, this Agreement or the performance of this Agreement. VENDOR further agrees to notify the Commission: (i) as soon as possible, but no more than five (5) days after the filing of any criminal proceeding or issuance of any indictment involving VENDOR or any Subcontractor or any officer, director or employee of VENDOR or any Subcontractor; and (ii) within thirty (30) days of VENDOR's first learning of any civil or administrative proceeding involving VENDOR or any Subcontractor or any officer, director or employee of VENDOR or any Subcontractor; provided, however, if any such proceeding would have a material adverse effect on VENDOR or a Subcontractor or their ability to perform pursuant to this Agreement, then such notice must be delivered to the Commission no more than five (5) days after VENDOR learns of such proceeding.

E. VENDOR shall at all times maintain at least the following types and amounts of insurance during the term of this Agreement:

- (i) General liability insurance in the amount of at least one million dollars (\$1,000,000);
- (ii) Such other types and amounts of insurance as the Commission shall from time to time reasonably require; and
- (iii) Workers Compensation Insurance at or above levels required by the State of North Carolina.

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

17. TAXES

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

18. TERMINATION

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

B. VENDOR may cancel and terminate this Agreement if the Commission, after thirty (30) calendar day's prior written notice from VENDOR, fails to correct or cure any breach of this Agreement.

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

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

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

19. INDEMNIFICATION

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

20. CONFLICT RESOLUTION PROCEDURES

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

21. NOTICES

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

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

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

If to VENDOR: []

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

22. [RESERVED]

23. MISCELLANEOUS

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

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

ANY FINAL DECISIONS OF THE COMMISSION MADE PURSUANT TO THE DISPUTE RESOLUTION PROCEDURES, AND VENDOR IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY APPEAL BEING SOLELY IN THE SUPERIOR COURT OF WAKE COUNTY, NORTH CAROLINA.

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

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

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

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

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

H. Upon the request of either party, the other party agrees to take, and VENDOR agrees to cause any Subcontractor to take, any and all actions, including, without limitation, the execution of certificates, documents or instruments, necessary or appropriate to give effect to the terms and conditions set forth in this Agreement.

24. ADDITIONAL SERVICES

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

[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.]

EXHIBIT A
[PROPOSAL AND COST PROPOSAL]

EXHIBIT B
[RFP]

EXHIBIT C
[QUESTIONS AND ANSWERS]