

STATE OF OHIO
DEPARTMENT OF ADMINISTRATIVE SERVICES
GENERAL SERVICES DIVISION
OFFICE OF PROCUREMENT SERVICES
4200 SURFACE ROAD, COLUMBUS, OH 43228-1395

AMENDMENT FOR CHANGE
AMENDMENT NO. 2

TO: LIMITED DISTRIBUTION - OHO LOTTERY COMMISSION
FROM: ROBERT BLAIR, DIRECTOR, DEPARTMENT OF ADMINISTRATIVE SERVICES
SUBJECT: CONTRACT FOR PLAYER LOYALTY REWARDS PROGRAM AND RELATED SERVICES

Attached are pages 1, 2, 11, 12 and 13 to this contract. Remove these pages from the existing contract and replace with the attached pages on the effective and/or revision date.

As a result of mutual agreement between the state of Ohio and the contractor, this amendment is issued to renew the subject contract an additional twenty-four (24) months, effective July 1, 2015 through June 30, 2017.

The Cost Summary has been updated and a clarification added for URLs.

All other prices, terms and conditions remain unchanged.

Questions regarding this Amendment and/or the Requirements Contract may be directed to:

Therese Gallego, CPPB
therese.gallego@das.ohio.gov

This Amendment, the Contract and any additional Amendments thereto are available from the DAS Web site at the following address:

<http://www.ohio.gov/procure>

Affected Contractor(s):

67488
Marcus Thomas LLC
4781 Richmond Road
Cleveland, OH 44128
jnash@marcusthomasllc.com



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MANDATORY USE CONTRACT FOR: PLAYER LOYALTY REWARDS PROGRAM AND RELATED SERVICES

CONTRACT NUMBER: CSP906114

EFFECTIVE DATES: 02/20/14 TO 06/30/15
* Renewal through 06/30/17

The Department of Administrative Services has accepted Proposals submitted in response to Request for Proposal (RFP) No. CSP906114 that opened on October 23, 2013. The evaluation of the Proposal responses has been completed. The Offeror listed herein has been determined to be the highest ranking Offeror and has been awarded a Contract for the services listed. The respective Proposal response including, Contract Terms & Conditions, any Proposal amendment, special Contract Terms & Conditions, specifications, pricing schedules and any attachments incorporated by reference and accepted by DAS become a part of this Services Contract.

This Requirements Contract is effective beginning and ending on the dates noted above unless, prior to the expiration date, the Contract is renewed, terminated, or cancelled in accordance with the Contract Terms and Conditions.

This Requirements Contract is available to the Ohio Lottery Commission as applicable.

The agency is eligible to make purchases of the contracted services in any amount and at any time as determined by the agency. The State makes no representation or guarantee that department will purchase the volume of services as advertised in the Request for Proposal.

Questions regarding this and/or the Services Contract may be directed to:

Therese Gallego, CPPB
therese.gallego@das.ohio.gov

This Requirements Contract and any Amendments thereto are available from the DAS Web site at the following address:

<http://www.ohio.gov/procure>

*Indicates renewal, effective 07/01/15.

MUTUALLY AGREED-UPON CLARIFICATIONS

Financial Module. The Marcus Thomas solution uses an upgrade to the Kentico CMS solution to add eCommerce functionality. The Kentico eCommerce solution is customizable to accept any form of tender, conforming to federal stands for security and encryption. The system could tie to rewards points, PayPal, Visa/MasterCard, or any other third-party payment system. The eCommerce solution also supports credits, allowing customer balances to be managed within Kentico. Transaction fees for handling claiming and processing of prize payments would be based on volume of transactions and the specific transaction methods required by the Lottery, so cannot be estimated at this time. Marcus Thomas would work with the Lottery to determine how online payments will be used, help select the appropriate processors, and integrate the payment processor.

Messaging. Marcus Thomas shall develop a vendor partner relationship with DirectConnect separate from the current contract OLC has with DirectConnect. Based on the last RFP's reported 433 emails per month, and the desire to add 50% additional support beyond that, the yearly costs will be:

URL	Message Cost	Yearly Cost	Yearly with 50%
DirectConnect	0.00005	\$ 259,800	\$ 389,700
Number of Subscribers	Monthly Sends	Yearly Sends	Yearly with 50%
4,300,000	433,000,000	5,196,000,000	7,794,000,000

*URLs. URLs acquired on the behalf of the Ohio Lottery Commission, such as MyLotto.com and MyLottoRewards.com become the property of the Ohio Lottery Commission if the contract expires or is terminated.

MUTUALLY AGREED-UPON ADDITIONS TO THE TERMS AND CONDITIONS

1. GENERAL REQUIREMENTS FOR HOSTING AND CLOUD SERVICES

1.1. Standards

All Service subscriptions must provide Service that maintains a redundant infrastructure that will ensure access for all of the State's enrolled users in the event of failure at any one of the Contractor locations, with effective contingency planning (including back-up and disaster recovery capabilities) and [24x7] trouble shooting service for inquiries, outages, issue resolutions, etc. All such Services must be dependable and provide response rates that are as good as or better than industry standards. They also must meet the Service Level Contracts ("SLAs") provided in this Contract and be supported with sufficient connectivity and computing resources to handle reasonably anticipated peak demand, and the Contractor must ensure that sufficient bandwidth and computing resources are dedicated to the Services to meet peak demand times without material degradation in performance.

The Services must also operate at the moderate level baseline] as defined in the National Institute of Standards and Technology ("NIST") 800-53 Rev. 3 moderate baseline requirements, be consistent with Federal Information Security Management Act ("FISMA") requirements, and offer a customizable and extendable capability based on open-standards APIs that enable integration with third party applications. Additionally, they must provide the State's systems administrators with 24x7 visibility into the services through a real-time, web-based "dashboard" capability that enables them to monitor, in real or near real time, the Services' performance against the established SLAs and promised operational parameters.

The Contractor has and will continue to use its best efforts through quality assurance procedures to ensure that there are no viruses or malware or undocumented features in its infrastructure and Services and that they do not contain any embedded device or code (e.g., time bomb) that is intended to obstruct or prevent any use of or access to them by the State. Notwithstanding any rights granted under the Contract or at law, the Contractor hereby waives under any and all circumstances any right it may have or may hereafter have to exercise electronic self help.

The Contractor must obtain annual Statements on Standards for Attestation Engagements ("SSAE") No. 16, Service Organization Control 1 Type 2, audit. The audit must cover all operations pertaining to the Services covered by this Contract. The audit will be at the sole expense of the Contractor and a copy of it must be provided to the State within 30 days of its completion each year. At no cost to the State, the Contractor must immediately remedy any issues, material weaknesses, or other items identified in each audit as they pertain to the Services.

1.2. Object Reassignment

Any Service subscriptions that are provided by the number of items that may be used by or in conjunction with it, such as nodes, users, or connections ("Objects"), may be reassigned to other, similar Objects within the State at any time and without any additional fee or charge. For example, a named user subscription may be assigned to another user. But any such reassignment must be in conjunction with termination of use by or with the previous Object, if such termination is required to keep the total number of licensed Objects within the scope of the applicable subscription. Should the State require a special code, a unique key, or similar item to reassign the subscription as contemplated by this section, the Contractor will provide such a code, key, or similar item to the State at any time and without a fee or charge. A later section in this Contract governs assignment of the State's subscription to any Service to a successor in interest.

*Indicates change 07/01/15.

Player Loyalty Rewards Program and Related Services
 CSP906114
 UNSPSC CATEGORY CODE: 80140000

The Monthly Administration of fulfillment awards does not include the cost of merchandise, shipping or housing of merchandise as these costs will be included on the Reimbursable Expenses. Only the sourcing, management of the program, and generation of reports and tax documents shall be included in the Monthly Administration of Fulfillment and Awards.

Description	Evaluation Quantity	Cost	Extended Cost
OAKS ITEM NUMBER: 25750 Build and Launch of Player Loyalty Rewards Program and Related Services	1	\$ 692,053.38	\$ 692,053.38
OAKS ITEM NUMBER: 25751 Monthly Maintenance	24	\$ *49,203.13	\$ 1,180,875.12
OAKS ITEM NUMBER: 25752 Monthly Administration of Fulfillment and Rewards	24	\$ *55,975.00	\$ *1,343,400.00
*OAKS ITEM NUMBER : 27224 Weekly Drawing (over 5 drawings per week)	208	\$ *500.00	\$ *104,000.00
OAKS ITEM NUMBER: 25754 Financial Module option. Cost includes license upgrade fee and integration to one payment processor. Additional integrations are estimated at \$10,000.00 per processor.	1	\$ 18,500.00	\$ 18,500.00
OAKS ITEM NUMBER Finsterwald Royalty	2	\$ 30,000.00	\$ 60,000.00
OAKS ITEM NUMBER: 26053 Merchandise Budget for *FY16 (Pass Through Costs)	1	\$ 3,000,000.00	\$ 3,000,000.00
*Grand Total			\$ *6,398,828.50
OAKS ITEM NUMBER: 25787 Hourly Rate for Upgrades			\$ 100.00

All costs must be in U.S. Dollars.

*Indicates change 07/01/15.

CONTRACTOR INDEX

CONTRACTOR AND TERMS:

*BID CONTRACT NO.: CSP906114-1



67488
Marcus Thomas LLC
4781 Richmond Road
Cleveland, OH 44128

TERMS: Net 30

CONTRACTOR'S CONTACT:

Jim Nash

Office: (216) 292-4700
E-Mail: jnash@marcusthomasllc.com

*Indicates change 07/01/15.

SUMMARY OF AMENDMENTS

Amendment Number	Effective Date	Description
2	07/01/15	To renew the contract for an additional twenty-four (24) months, from July 1, 2015 through June 30, 2016, update the Cost Summary and add clarification on URLs.
1	05/28/14	To add Merchandise Budget for FY15.