REQUEST FOR PROPOSALS

ADDENDUM # 1

ISSUED: 4/2/2015

RFP NUMBER: CSPSP1500
INDEX NUMBER: LOT124

The State of Ohio, through the Department of Administrative Services, Office of Procurement Services, for the Ohio Lottery Commission is requesting proposals for a:

Attached are page(s) to this Request for Proposal (RFP). Remove the corresponding page(s) from the existing RFP and replace with the attached.

Reason for Addendum. Clarifications on pages 1, 3, 4, 13, 26, 27, 29, 30, 31, 32, 33, 35, 36, 41, 57, 58, 71, 72, 75, 103, 128, 129, 130 and, 131

Following is the revised document.

PROPOSAL DUE DATE:	**April 10, 2015 by 1:00 p.m.**
OPENING LOCATION:	**Department of Administrative Services** **General Services Bid Desk** **4200 Surface Road** **Columbus, Ohio 43228-1395**

REQUEST FOR PROPOSALS

RFP NUMBER: **CSPSP1500**
INDEX NUMBER: **LOT124**
UNSPSC CATEGORY: **8212500 & 73151900**

The state of Ohio, through the Department of Administrative Services, Office of State Printing, for the Ohio Lottery Commission, is requesting proposals for:

INSTANT LOTTERY TICKET PRODUCTS AND SERVICES

RFP ISSUED: **February 18, 2015**
INQUIRY PERIOD BEGINS: **February 26, 2015**
PRE-PROPOSAL CONFERENCE: **March 5, 2015**
INQUIRY PERIOD ENDS: **March 12, 2015 at 8:00 a.m.**
*** PROPOSAL DUE DATE:** **April 10, 2015 by 1:00 p.m.**

Proposals received after the due date and time will not be evaluated.

OPENING LOCATION: **Department of Administrative Services**
Office of Procurement Services
ATTN: Bid Desk
4200 Surface Rd.
Columbus, OH 43228-1395

Offerors must note that all proposals and other material submitted will become the property of the state and may be returned only at the state's option. Proprietary information should not be included in a proposal or supporting materials because the state will have the right to use any materials or ideas submitted in any proposal without compensation to the offeror. Additionally, all proposals will be open to the public after the award of the contract has been posted on the State Procurement Web site. Refer to the Ohio Administrative Code, Section 123:5-1-08 (E).

This RFP consists of five (5) parts and seventeen (16) attachments, totaling 133 consecutively numbered pages. Please verify that you have a complete copy.

***Denotes change 4/2/2015**

PART ONE: EXECUTIVE SUMMARY

PURPOSE. This is a Request for Competitive Sealed Proposals (RFP) under Section 125.071 of the Ohio Revised Code (ORC) and Section 123:5-1-08 of the Ohio Administrative Code (OAC). The Department of Administrative Services (DAS), Office of State Printing, on behalf of the Ohio Lottery Commission (the Lottery), (the Agency), is soliciting competitive sealed proposals (Proposals) for Instant Lottery Ticket Products and Services and this RFP is the result of that request. If a suitable offer is made in response to this RFP, the state of Ohio (State), through DAS, may enter into a contract (the Contract) to have the selected Offeror (the Contractor) perform all or part of the Project (the Work). This RFP provides details on what is required to submit a Proposal for the Work, how the State will evaluate the Proposals, and what will be required of the Contractor in performing the Work.

This RFP also gives the estimated dates for the various events in the submission process, selection process, and performance of the Work. While these dates are subject to change, prospective Offerors must be prepared to meet them as they currently stand.

Once awarded, the term of the Contract will be from the award date through June 30, 2017. The State may solely renew this Contract at the discretion of DAS for a period of one month. Any further renewals will be by mutual agreement between the Contractor and DAS for any number of times and for any period of time. The cumulative time of all mutual renewals may not exceed eight (8) years and are subject to and contingent upon the discretionary decision of the Ohio General Assembly to appropriate funds for this Contract in each new biennium. DAS may renew all or part of this Contract subject to the satisfactory performance of the Contractor and the needs of the Agency. The Contract term including renewals may not go beyond June 30, 2025.

Any failure to meet a deadline in the submission or evaluation phases and any objection to the dates for performance of the Project may result in DAS refusing to consider the Proposal of the Offeror.

BACKGROUND. Lottery Mission, Vision and Values.

Mission: To offer entertaining games that maximize profits for K-12 public education.

Vision: To create fun and innovative gaming experiences.

Values.

- To adhere to all legal and ethical standards of the State of Ohio.
- To protect the integrity of the Ohio Lottery with employees, sales retailers and most importantly, players.
- To honor and maintain the annual commitment to the Lottery Profits Education Fund.
- To continue to offer to players only games which are fair and equitable in terms of quality, quantity and value of awarded prizes.
- To promote the accessibility of Lottery games among all the citizens of the State of Ohio.
- To evaluate retailers not only on the basis of revenues generated, but with consideration to their location and the population that they serve.
- To maximize the excess of revenues over expenses, to judge all expenditures solely on the basis of their contribution to producing profits for the agency, and to make every effort to evaluate and improve operational efficiency.
- To be always worthy of the public's trust and respect.

OBJECTIVES. DAS has the following objectives that it wants this Work to fulfill, and it will be the Contractor's obligation to ensure that the personnel the Contractor provides are qualified to perform their portions of the Work.

The purpose of this RFP is to solicit Proposals that fulfill the requirements, performance expectations, and deliverables as outlined in the Scope of Work (SOW). It shall be the successful Offeror's obligation to ensure that personnel involved with this Project are qualified to perform their portions of the Work.

The State of Ohio ("State"), via the Ohio Department of Administrative Services ("DAS"), Office of State Printing ("State Printing - SP"), desires to obtain Contractor services to provide instant ticket manufacturing and marketing services, and related licensing and delivery services to meet the requirements of the Ohio Lottery Commission ("Lottery") and for the benefit of the Lottery. Although this RFP and any Contract(s) awarded are administered by DAS, State Printing, the Lottery is the direct beneficiary of the awarded Contract(s) and shall be the primary contact with respect to the Selected Contractor(s) performance under any Contract(s), including invoicing. The Lottery currently sells its instant tickets via a retailer network of approximately 9,500 retailers throughout the State, which 65% of the retailers are independent and 35% are chains. The Lottery expects, but does not guarantee, to print approximately 400 million instant tickets during Fiscal Year 2016 and 400 million instant tickets during Fiscal Year 2017. The Lottery estimates, but does not guarantee, that approximately 45 to 55 instant ticket games, including re-orders, will be ordered during the first fiscal year of the contract, with a range of one (1) to thirty (30) million tickets per game.

The State, however, does not guarantee the number of instant game tickets that will be ordered. See Attachment Eleven for a breakdown of games ordered during Fiscal Years 2013 and 2014 (July 1, 2012, through June 30, 2014).

It is the intent of the State to award two (2) contracts as a result of this Request for Proposal ("RFP") process; a Primary contract and a Secondary contract. The Lottery intends to award contracts to both a Primary Contractor and Secondary Contractor with compensation based on a Percent of Sales structure.

The Lottery anticipates that the Primary Contractor will be assigned approximately 90% of the Lottery's instant ticket manufacturing over the life of the Contract. Work assigned will be at the Lottery's discretion. The Primary Contractor will not have exclusivity, but can expect to print the majority of the Lottery's instant tickets. Offerors are permitted to submit a proposal for Secondary Contractor services alone. However, Offerors wishing to submit a proposal for the Primary Contract must submit both Primary and Secondary Contract proposals. The State encourages responding Contractors to provide pricing for both possibilities. The Offeror selected as the Primary Contractor will not also be selected as a Secondary Contractor. The Lottery will select Primary and Secondary Contractors based on overall quality of proposals, competitive pricing, and best value to the Lottery.

The Primary Contractor will be the prime source of instant ticket printing, Licensing Agreements, sub-contract Licensing Agreements, Marketing services, Sales Support services, Research services and any other Instant Ticket related services as determined by the Lottery. The Lottery anticipates that the Primary Contractor will serve as a business partner and work closely with the Lottery to ensure that instant ticket sales continue to increase.

* The Secondary Contractor must be capable of meeting all of the specifications set forth in this RFP, and will minimally be required, but not guaranteed, to print at least forty million (40,000,000) tickets for the Lottery per fiscal year and serve as a back up to the Primary Contractor for any reason. Therefore, Offerors must respond to all requirements for the primary contract as to demonstrate capability for the primary contract. One proposal submission for both primary and secondary contracts is acceptable and Offeror must complete both Section A and Section B of Attachment Ten - Cost Summary Form. The Lottery will have the sole option of determining the number of additional games that will be required of the Secondary Contractor, but such determination shall reasonably be based on the capabilities of the Secondary Contractor to meet the requirements. The business plan of the Ohio Lottery Commission and the proprietary nature of specific games may alter the requirements of the Secondary Contract.

The instant game tickets to be provided by the Selected Contractor(s) shall enable the instant game ticket player, by his or her own method, to readily and easily reveal concealed numbers/symbols, hereinafter referred to as game data as used in this RFP. These instant Lottery games must be designed to make possible the winning of a prize payable immediately and/or provide for the possibility of winning prizes that are payable through claim processing or other designated prize opportunities.

When both contracts are awarded, the Selected Contractor(s) shall be required to provide products and services, including but not limited to, design, license agreements, Marketing and Research services, security and production of these instant game tickets for a two (2) year period (beginning July 1, 2015, through June 30, 2017). The first ordered games under the new contract resulting from this RFP are tentatively scheduled for sale by September 2015.

While the Lottery anticipates that the Contracts that result from this RFP will provide for all of the Lottery's instant ticket production requirements, the Lottery reserves the right to secure production and related services from other vendors at any time during the Contracts' terms.

CALENDAR OF EVENTS. The schedule for the Project is given below, and is subject to change. DAS may change this schedule at any time. If DAS changes the schedule before the Proposal due date, it will do so through an announcement on the State Procurement Web site area for this RFP. The Web site announcement will be followed by an addendum to this RFP, also available through the State Procurement Web site. After the Proposal due date and before the award of the Contract, DAS will make scheduled changes through the RFP addendum process. DAS will make changes in the Project schedule after the Contract award through the change order provisions located in the general terms and conditions of the Contract. It is each prospective Offeror's responsibility to check the Web site question and answer area for this RFP for current information regarding this RFP and its calendar of events through award of the Contract. No contact shall be made with agency/program staff until contract award is announced.

DATES:

Firm Dates

RFP Issued:	February 18, 2015.
Inquiry Period Begins:	February 26, 2015
Pre Proposal Conference:	March 5, 2015
Inquiry Period Ends:	March 12, 2015, at 8:00 a.m.
* Proposal Due Date:	April 10, 2015, by 1:00 p.m.

***Denotes change 4/2/2015**

Estimated Dates

State Visit to Offeror Site:	To Be Determined.
* Contract Award Notification:	June 12, 2015
Issuance of Purchase Order:	Upon Award

Pre-Proposal Conference. A mandatory Pre-Proposal Conference will be held at 10:00 a.m. on March 5, 2015, in the 4th Floor Conference Room of the Ohio Lottery Commission, State Lausche Building, 615 W. Superior Ave., Cleveland, Ohio, 44113-1879. The purpose of this conference is to discuss the RFP and the Project with prospective Offerors and to allow them to ask questions arising from their initial review of this RFP. The conference will commence promptly at 10:00 a.m., barring an unforeseen circumstance that results in a delay of the conference. Attendance will be taken. The state will not be responsible to a offeror for their failure to obtain information discussed during the pre-proposal conference due to their failure to attend and/or arriving after the conference has convened. All prospective Offerors need to contact Mr. Timothy Riley, Printing Standards Analyst, Office of State Printing at Telephone (614) 995-5268 or E-mail at tim.riley@das.ohio.gov by February 20, 2015 to arrange admission to the facility.

NOTE: These dates are subject to change.

There are references in this RFP to the Proposal due date. Prospective Offerors must assume, unless it is clearly stated to the contrary, that any such reference means the date and time (Columbus, OH local time) that the Proposals are due.

Proposals received after 1:00 p.m. on the due date will not be evaluated.

*All times referenced in this document are Eastern Daylight Time.

***Denotes change 4/2/2015**

PART TWO: STRUCTURE OF THIS RFP

ORGANIZATION. This RFP is organized into five (5) parts and seventeen (16) attachments. The parts and attachments are listed below.

PARTS:

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Attachment Fifteen	Ohio Lottery, Instant Game Vendtape/Destroy Process Specification, Revision 1.6	131
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Note: There may be additional attachments or pages containing supplements, etc. For example, the Cost Summary Form may not be Attachment Ten if additional attachments are inserted ahead of the Cost Summary Form. There may also be instances in which some attachments are not used. For 7B, Licensure and Certification may need to be included.

PART THREE: GENERAL INSTRUCTIONS

The following sections provide details on how to get more information about this RFP and how to respond to this RFP. All responses must be complete and in the prescribed format.

CONTACTS. The following person will represent DAS:

Tim Riley, CPPB
Ohio Department of Administrative Services
Office of Procurement Services
4200 Surface Road
Columbus, OH 43228-1395

During the performance of the Work, a State representative (the "Agency Project Representative") will represent the Agency and be the primary contact for matters relating to the Work. The Agency Project Representative will be designated in writing after the Contract award.

INQUIRIES. Offerors may make inquiries regarding this RFP any time during the inquiry period listed in the Calendar of Events. To make an inquiry, Offerors must use the following process:

1. Access the State Procurement Web site at http://www.ohio.gov/procure.
2. From the Navigation Bar on the left, select "Find It Fast".
3. Select "Doc/Bid/Schedule #" as the Type.
4. Enter the RFP Number found on Page 1 of the document. (RFP numbers begin with the letters "CSP")
5. Click "Find It Fast" button.
6. On the document information page, click "Submit Inquiry".
7. On the document inquiry page, complete the required "Personal Information" section by providing:

    a. First and last name of the prospective Offeror's representative who is responsible for the inquiry.
    b. Name of the prospective Offeror.
    c. Representative's business phone number.
    d. Representative's e-mail address.

8. Type the inquiry in the space provided including:

    a. A reference to the relevant part of this RFP.
    b. The heading for the provision under question.
    c. The page number of the RFP where the provision can be found.

9. Click the "Submit" button.

Offerors submitting inquiries will receive an immediate acknowledgement that their inquiry has been received as well as an e-mail acknowledging receipt of the inquiry. Offerors will not receive a personalized e-mail response to their question, nor will they receive notification when the question has been answered.

Offerors may view inquiries and responses using the following process:

1. Access the State Procurement Web site at http://www.ohio.gov/procure.
2. From the Navigation Bar on the left, select "Find It Fast".
3. Select "Doc/Bid/Schedule #" as the Type.
4. Enter the RFP Number found on Page 1 of the document. (RFP numbers begin with the letters "CSP")
5. Click "Find It Fast" button.
6. On the document information page, click the "View Q & A" button to display all inquiries with responses submitted to date.

DAS will try to respond to all inquiries within 48 hours of receipt, excluding weekends and State holidays. DAS will not respond to any inquiries received after 8:00 a.m. on the inquiry end date.

Offerors are to base their RFP responses, and the details and costs of their proposed projects, on the requirements and performance expectations established in this RFP for the future contract, not on details of any other potentially related contract or project. If Offerors ask questions about existing or past contracts using the Internet Q&A process, DAS will use its discretion in deciding whether to provide answers as part of this RFP process.

DAS is under no obligation to acknowledge questions submitted through the Q&A process if those questions are not in accordance with these instructions or deadlines.

PROTESTS. Any Offeror that objects to the award of a Contract resulting from the issuance of this RFP may file a protest of the award of the Contract, or any other matter relating to the process of soliciting the Proposals. Such protest must comply with the following information:

1. The protest must be filed by a prospective or actual bidder objecting to the award of a Contract resulting from the RFP. The protest must be in writing and contain the following information:

    a. The name, address, and telephone number of the protester;
    b. The name and number of the RFP being protested;
    c. A detailed statement of the legal and factual grounds for the protest, including copies of any relevant documents;
    d. A request for a ruling by DAS;
    e. A statement as to the form of relief requested from DAS; and
    f. Any other information the protester believes to be essential to the determination of the factual and legal questions at issue in the written request.

2. A timely protest will be considered by DAS, on behalf of the agency, if it is received by the DAS Office of Procurement Services (OPS) within the following periods:

    a. A protest based on alleged improprieties in the issuance of the RFP, or any other event preceding the closing date for receipt of proposals which are apparent or should be apparent prior to the closing date for receipt of proposals, must be filed no later than five (5) business days prior to the proposal due date.
    b. If the protest relates to the recommendation of the evaluation committee for an award of the Contract, the protest must be filed as soon as practicable after the Offeror is notified of the decision by DAS regarding the Offeror's proposal.

3. An untimely protest may be considered by DAS at the discretion of DAS. An untimely protest is one received by the DAS OPS after the time periods set in paragraph 2 above. In addition to the information listed in paragraph 1, untimely protests must include an explanation of why the protest was not made within the required time frame.

4. All protests must be filed at the following location:

    Department of Administrative Services
    Office of Procurement Services
    4200 Surface Road
    Columbus, OH 43228-1395

    SUBJECT: RFP Number CSPSP1500 and Index Number LOT124

This protest language only pertains to this RFP offering.

ADDENDA TO THE RFP. If DAS decides to revise this RFP before the Proposal due date, an addendum will be announced on the State Procurement Web site.

Offerors may view addenda using the following process:

1. Access the State Procurement Web site at http://www.ohio.gov/procure;
2. From the Navigation Bar on the left, select "Find It Fast";
3. Select "Doc/Bid/Schedule #" as the Type;
4. Enter the RFP Number found on Page 1 of the document (RFP numbers begin with the letters "CSP");
5. Click "Find It Fast" button;
6. On the document information page, click on the addendum number to display the addendum.

When an addendum to this RFP is necessary, DAS may extend the Proposal due date through an announcement on State Procurement Web site. Addenda announcements may be provided any time before 5:00 p.m. on the day before the Proposal is due. It is the responsibility of each prospective Offeror to check for announcements and other current information regarding this RFP.

After the submission of Proposals, addenda will be distributed only to those Offerors whose submissions are under active consideration. When DAS issues an addendum to the RFP after Proposals have been submitted, DAS will permit Offerors to withdraw their Proposals.

This withdrawal option will allow any Offeror to remove its Proposal from active consideration should the Offeror feel that the addendum changes the nature of the transaction to the extent that the Offeror's Proposal is no longer in its interests. Alternatively, DAS may allow Offerors that have Proposals under active consideration to modify their Proposals in response to the addendum, as described below.

Whenever DAS issues an addendum after the Proposal due date, DAS will tell all Offerors whose Proposals are under active consideration whether they have the option to modify their Proposals in response to the addendum. Any time DAS amends the RFP after the Proposal due date, an Offeror will have the option to withdraw its Proposal even if DAS permits modifications to the Proposals. If the Offerors are allowed to modify their Proposals, DAS may limit the nature and scope of the modifications. Unless otherwise stated in the notice by DAS, modifications and withdrawals must be made in writing and must be submitted within ten (10) business days after the addendum is issued. If this RFP provides for a negotiation phase, this procedure will not apply to changes negotiated during that phase. Withdrawals and modifications must be made in writing and submitted to DAS at the address and in the same manner required for the submission of the original Proposals. Any modification that is broader in scope than DAS has authorized may be rejected and treated as a withdrawal of the Offeror's Proposal.

PROPOSAL SUBMITTAL**.** Each Offeror must submit a Technical Proposal and a Cost Proposal as part of its Proposal package. Proposals must be submitted as two (2) separate components (Cost Proposal and Technical Proposal) in separate sealed envelopes/packages. Each Technical Proposal package must be clearly marked "CSPSP1500 RFP – Technical Proposal" on the outside of each Technical Proposal package's envelope. Each Cost Proposal package must be clearly marked "CSPSP1500 RFP – Cost Proposal" on the outside of each Cost Proposal package's envelope. Each Offeror must submit one (1) original, completed and signed in blue ink, and nine (9) copies for a total of ten (10) Proposal packages.

The Offeror must also submit, in the sealed package, a complete copy of the Proposals on CD-ROM in Microsoft Office (Word, Excel, or Project) 2003 or higher, format and/or PDF format as appropriate. In the event there is a discrepancy between the hard copy and the electronic copy, the hard copy will be the official Proposal. Proposals are due no later than the proposal due date, at 1:00 p.m. Proposals submitted by e-mail or fax are not acceptable and will not be considered. Proposals must be submitted to:

Department of Administrative Services
Office of Procurement Services - Bid Desk
4200 Surface Road
Columbus, OH 43228-1395

DAS will reject any Proposals or unsolicited Proposal addenda that are received after the deadline. An Offeror that mails its Proposal must allow adequate mailing time to ensure its timely receipt. DAS recommends that Offerors submit proposals as early as possible. Proposals received prior to the deadline are stored, unopened, in a secured area until 1:00 p.m. on the due date. Offerors must also allow for potential delays due to increased security. DAS will reject late proposals regardless of the cause for the delay.

Each Offeror must carefully review the requirements of this RFP and the contents of its Proposal. Once opened, Proposals cannot be altered, except as allowed by this RFP.

By submitting a Proposal, the Offeror acknowledges that it has read this RFP, understands it, and agrees to be bound by its requirements. DAS is not responsible for the accuracy of any information regarding this RFP that was gathered through a source different from the inquiry process described in the RFP.

ORC Section 9.24 prohibits DAS from awarding a Contract to any Offeror(s) against whom the Auditor of State has issued a finding for recovery if the finding for recovery is "unresolved" at the time of award. By submitting a Proposal, the Offeror warrants that it is not now, and will not become subject to an "unresolved" finding for recovery under Section 9.24, prior to the award of a Contract arising out of this RFP, without notifying DAS of such finding. ORC Section 9.231 applies to this contract.

DAS may reject any Proposal if the Offeror takes exception to the terms and conditions of this RFP, fails to comply with the procedure for participating in the RFP process, or the Offeror's Proposal fails to meet any requirement of this RFP. Any question asked during the inquiry period will not be viewed as an exception to the Terms and Conditions.

CONFIDENTIAL, PROPRIETARY OR TRADE SECRET INFORMATION. DAS procures goods and services through a RFP in a transparent manner and in accordance with the laws of the state of Ohio. All proposals provided to DAS in response to this RFP become records of DAS and as such, will be open to inspection by the public after award unless exempt from disclosure under the Ohio Revised Code or another provision of law.

Unless specifically requested by the State, an Offeror should not voluntarily provide to DAS any information that the Offeror claims as confidential, proprietary or trade secret and exempt from disclosure under the Ohio Revised Code or another provision of law. Additionally, the Offeror must understand that all Proposals and other material submitted will become the property of the State and may be returned only at the State's option. Confidential, proprietary or trade secret information should not be voluntarily included in a Proposal or supporting materials because DAS will have the right to use any materials or ideas submitted in any Proposal without compensation to the Offeror.

However, if the State requests from the Offeror, or if the Offeror chooses to include, information it deems confidential, proprietary or trade secret information, the Offeror may so designate information as such and request that the information be exempt from disclosure under the Ohio Revised Code or another provision of law. The Offeror must clearly designate the part of the proposal that contains confidential, proprietary or trade secret information in order to claim exemption from disclosure by submitting both an unredacted copy and a redacted copy of its proposal in both electronic and paper (hard) format. Both electronic and paper (hard) copies shall be clearly identified as either 'ORIGINAL COPY" or "REDACTED COPY". Failure to properly redact and clearly identify all copies will result in the State treating all information in the original proposal as a public record.

DAS will review the claimed confidential, proprietary or trade secret information to determine whether the material is of such nature that confidentiality is warranted.

The decision as to whether such confidentiality is appropriate rests solely with DAS. If DAS determines that the information marked as confidential, trade secret, or proprietary does not meet a statutory exception to disclosure, DAS will inform the Offeror, in writing, of the information DAS does not consider confidential.

Upon receipt of DAS' determination that all or some portion of the Offeror's designated information will not be treated as exempt from disclosure, the Offeror may exercise the following options:

1. Withdraw the Offeror's entire Proposal;
2. Request that DAS evaluate the Proposal without the claimed confidential, proprietary or trade secret information; or
3. Withdraw the designation of confidentiality, trade secret, or proprietary information for such information.

In submitting a proposal, each Offeror agrees that DAS may reveal confidential, proprietary and trade secret information contained in the proposal to DAS staff and to the staff of other state agencies, any outside consultant or other third parties who serve on an evaluation committee or who are assisting DAS in development of specifications or the evaluation of proposals. The State shall require said individuals to protect the confidentiality of any specifically identified confidential, proprietary or trade secret information obtained as a result of their participation in the evaluation.

Finally, if information submitted in the Proposal is not marked as confidential, proprietary or trade secret, it will be determined that the Offeror waived any right to assert such confidentiality.

DAS will retain all Proposals, or a copy of them, as part of the Contract file for at least ten (10) years. After the retention period, DAS may return, destroy, or otherwise dispose of the Proposals or the copies.

WAIVER OF DEFECTS. DAS may waive any defects in any Proposal or in the submission process followed by an Offeror. DAS will only do so if it believes that it is in the State's interests and will not cause any material unfairness to other Offerors.

MULTIPLE OR ALTERNATE PROPOSALS. DAS accepts multiple Proposals from a single Offeror, but DAS requires each such Proposal be submitted separately from every other Proposal the Offeror makes. Additionally, the Offeror must treat every Proposal submitted as a separate and distinct submission and include in each Proposal all materials, information, documentation, and other items this RFP requires for a Proposal to be complete and acceptable. No alternate Proposal may incorporate materials by reference from another Proposal made by the Offeror or refer to another Proposal. DAS will judge each alternate Proposal on its own merit.

ADDENDA TO PROPOSALS. Addenda or withdrawals of Proposals will be allowed only if the addendum or withdrawal is received before the Proposal due date. No addenda or withdrawals will be permitted after the due date, except as authorized by this RFP.

PROPOSAL INSTRUCTIONS. Each Proposal must be organized in an indexed binder ordered in the same manner as the response items are ordered in Attachment Two of this RFP.

DAS wants clear and concise Proposals. Offerors should, however, take care to completely answer questions and meet the RFP's requirements thoroughly. All Offerors, including current contract holders, if applicable, must provide detailed and complete responses as Proposal evaluations, and subsequent scores, are based solely on the content of the Proposal.

No assumptions will be made or values assigned for the competency of the Offeror whether or not the Offeror is a current or previous contract holder.

The requirements for the Proposal's contents and formatting are contained in an attachment to this RFP.

DAS will not be liable for any costs incurred by an Offeror in responding to this RFP, regardless of whether DAS awards the Contract through this process, decides not to go forward with the Project, cancels this RFP for any reason, or contracts for the Project through some other process or by issuing another RFP.

PART FOUR: EVALUATION OF PROPOSALS

EVALUATION OF PROPOSALS. The evaluation process consists of, but is not limited to, the following steps:

1. Certification. DAS shall open only those proposals certified as timely by the Auditor of State.

2. Initial Review. DAS will review all certified Proposals for format and completeness. DAS normally rejects any incomplete or incorrectly formatted Proposal, though it may waive any defects or allow an Offeror to submit a correction. If the Offeror meets the formatting and mandatory requirements listed herein, the State will continue to evaluate the proposal.

   Offerors may not contact members of the evaluation committee except at the DAS procurement representative's request. Contacting members of the evaluation committee without DAS permission may result in the rejection of that Offeror's proposal.

3. Proposal Evaluation. The procurement representative responsible for this RFP will forward all timely, complete, and properly formatted Proposals to an evaluation committee, which the procurement representative will chair. The evaluation committee will rate the Proposals submitted in response to this RFP based on criteria and weight assigned to each criterion.

   The evaluation committee will evaluate and numerically score each Proposal that the procurement representative has determined to be responsive to the requirements of this RFP. The evaluation will be according to the criteria contained in this Part of the RFP. An attachment to this RFP may further refine these criteria, and DAS has a right to break these criteria into components and weight any components of a criterion according to their perceived importance.

   The committee may also have the Proposals or portions of them reviewed and evaluated by independent third parties or various State personnel with technical or professional experience that relates to the Work or to a criterion in the evaluation process. The committee may also seek reviews of end users of the Work or the advice or evaluations of various State committees that have subject matter expertise or an interest in the Work. In seeking such reviews, evaluations, and advice, the committee will first decide how to incorporate the results in the scoring of the Proposals. The committee may adopt or reject any recommendations it receives from such reviews and evaluations.

   The evaluation will result in a point total being calculated for each Proposal. At the sole discretion of DAS, any Proposal, in which the Offeror received a significant number of zeros for sections in the technical portions of the evaluation, may be rejected.

   DAS will document all major decisions in writing and make these a part of the Contract file along with the evaluation results for each Proposal considered.

4. Clarifications & Corrections. During the evaluation process, DAS may request clarifications from any Offeror under active consideration and may give any Offeror the opportunity to correct defects in its Proposal if DAS believes doing so does not result in an unfair advantage for the Offeror and it is in the State's best interests. Any clarification response that is broader in scope than what DAS has requested may result in the Offeror's proposal being disqualified.

5. Interviews, Demonstrations, and Presentations. DAS may require top Offerors to be interviewed. Such presentations, demonstrations, and interviews will provide an Offeror with an opportunity to clarify its Proposal and to ensure a mutual understanding of the Proposal's content. This will also allow DAS an opportunity to test or probe the professionalism, qualifications, skills, and work knowledge of the proposed candidates. The presentations, demonstrations, and interviews will be scheduled at the convenience and discretion of DAS. DAS may record any presentations, demonstrations, and interviews. No more than the top three (3) Proposals may be requested to present an oral presentation of their proposed Work Plan to the committee.

6. Contract Negotiations. Negotiations will be scheduled at the convenience of DAS. The selected Offeror(s) are expected to negotiate in good faith.

   a. General. Negotiations may be conducted with any Offeror who submits a competitive Proposal, but DAS may limit discussions to specific aspects of the RFP. Any clarifications, corrections, or negotiated revisions that may occur during the negotiations phase will be reduced to writing and incorporated in the RFP, or the Offeror's Proposal, as appropriate. Negotiated changes that are reduced to writing will become a part of the Contract file open to inspection to the public upon award of the Contract. Any Offeror whose response continues to be competitive will be accorded fair and equal treatment with respect to any clarification, correction, or revision of the RFP and will be given the opportunity to negotiate revisions to its Proposal based on the amended RFP.

b. Top-ranked Offeror. Should the evaluation process have resulted in a top-ranked Proposal, DAS may limit negotiations to only that Offeror and not hold negotiations with any lower-ranking Offeror. If negotiations are unsuccessful with the top-ranked Offeror, DAS may then go down the line of remaining Offerors, according to rank, and negotiate with the next highest-ranking Offeror. Lower-ranking Offerors do not have a right to participate in negotiations conducted in such a manner.

c. Negotiation with Other Offerors. If DAS decides to negotiate with all the remaining Offerors, or decides that negotiations with the top-ranked Offeror are not satisfactory and negotiates with one or more of the lower-ranking Offerors, DAS will then determine if an adjustment in the ranking of the remaining Offerors is appropriate based on the negotiations. The Contract award, if any, will then be based on the final ranking of Offerors, as adjusted.

Negotiation techniques that reveal one Offeror's price to another or disclose any other material information derived from competing Proposals are prohibited. Any oral modification of a Proposal will be reduced to writing by the Offeror as described below.

d. Post Negotiation. Following negotiations, DAS may set a date and time for the submission of best and final Proposals by the remaining Offeror(s) with which DAS conducted negotiations. If negotiations were limited and all changes were reduced to signed writings during negotiations, DAS need not require the submissions of best and final Proposals.

It is entirely within the discretion of DAS whether to permit negotiations. An Offeror must not submit a Proposal assuming that there will be an opportunity to negotiate any aspect of the Proposal. DAS is free to limit negotiations to particular aspects of any Proposal, to limit the Offerors with whom DAS wants to negotiate, and to dispense with negotiations entirely.

DAS generally will not rank negotiations. The negotiations will normally be held to correct deficiencies in the preferred Offeror's Proposal. If negotiations fail with the preferred Offeror, DAS may negotiate with the next Offeror in ranking. Alternatively, DAS may decide that it is in the interests of the State to negotiate with all the remaining Offerors to determine if negotiations lead to an adjustment in the ranking of the remaining Offerors.

From the opening of the Proposals to the award of the Contract, everyone working on behalf of the State to evaluate the Proposals will seek to limit access to information contained in the Proposals solely to those people with a need to know the information. They will also seek to keep this information away from other Offerors, and the evaluation committee will not be allowed to tell one Offeror about the contents of another Offeror's Proposal in order to gain a negotiating advantage.

Before the award of the Contract or cancellation of the RFP, any Offeror that seeks to gain access to the contents of another Offeror's Proposal may be disqualified from further consideration.

The written changes will be drafted and signed by the Offeror and submitted to DAS within a reasonable period of time. If DAS accepts the change, DAS will give the Offeror written notice of DAS' acceptance. The negotiated changes to the successful offer will become a part of the Contract.

e. Failure to Negotiate. If an Offeror fails to provide the necessary information for negotiations in a timely manner, or fails to negotiate in good faith, DAS may terminate negotiations with that Offeror and collect on the Offeror's bid bond.

7. Best and Final Offer. If best and final proposals, or best and final offers (BAFOs), are required, they may be submitted only once; unless DAS makes a determination that it is in the State's interest to conduct additional negotiations. In such cases, DAS may require another submission of best and final proposals. Otherwise, discussion of or changes in the best and final proposals will not be allowed. If an Offeror does not submit a best and final proposal, the Offeror's previous Proposal will be considered the Offeror's best and final proposal.

8. Determination of Responsibility. DAS may review the highest-ranking Offerors or its key team members to ensure that the Offeror is responsible. The Contract may not be awarded to an Offeror that is determined not to be responsible. DAS' determination of an Offeror's responsibility may include the following factors: the experience of the Offeror and its key team members; past conduct and past performance on previous contracts; ability to execute this contract properly; and management skill. DAS will make such determination of responsibility based on the Offeror's Proposal, reference evaluations, and any other information DAS requests or determines to be relevant.

9. Reference Checks. DAS may conduct reference checks to verify and validate the Offeror's or proposed candidate's past performance. Reference checks indicating poor or failed performance by the Offeror or proposed candidate may be cause for rejection of the proposal. In addition, failure to provide requested reference contact information may result in DAS not including the referenced experience in the evaluation process.

The reference evaluation will measure the criteria contained in this part of the RFP as it relates to the Offeror's previous contract performance including, but not limited, to its performance with other local, state, and federal entities. DAS reserves the right to check references other than those provided in the Offeror's Proposal. DAS may obtain information relevant to criteria in this part of the RFP, which is deemed critical to not only the successful operation and management of the Project, but also the working relationship between the State and the Offeror.

10. Financial Ability. Part of the Proposal evaluation criteria is the qualifications of the Offeror which may include, as a component, the Offeror's financial ability to perform the Contract. This RFP may expressly require the submission of financial statements from all Offerors in the Proposal contents attachment. If the Proposal contents attachment does not make this an expressed requirement, the State may still request that an Offeror submit audited financial statements for up to the past three (3) years if the State is concerned that an Offeror may not have the financial ability to carry out the Contract.

    In evaluating an Offeror's financial ability, if requested, the State will review the documentation provided by the Offeror to determine if the Offeror's financial position is adequate or inadequate. If the State believes the Offeror's financial ability is not adequate, the State may reject the Proposal despite its other merits.

DAS will decide which phases are necessary. DAS has the right to eliminate or add phases at any time in the evaluation process.

To maintain fairness in the evaluation process, all information sought by DAS will be obtained in a manner such that no Offeror is provided an unfair competitive advantage.

MANDATORY REQUIREMENTS. The following Table 1 contains items that are considered minimum requirements for this RFP.

Determining the Offeror's ability to meet the minimum requirements is the first step of the DAS evaluation process. The Offeror must demonstrate, to DAS, it meets all minimum requirements listed in the Mandatory Requirements section (Table 1). The Offeror's response to the minimum requirements must be clearly labeled "Mandatory Requirements" and collectively contained in Tab 1 of the Offeror's Proposal in the "Cover Letter and Mandatory Requirements" section. (Refer to Attachment Two of the RFP document for additional instructions.)

DAS will evaluate Tab 1, alone, to determine whether the Proposal meets all Mandatory Requirements. If the information contained in Tab 1 does not clearly meet every Mandatory Requirement, the Proposal may be disqualified by DAS and DAS may not evaluate any other portion of the Proposal.

TABLE 1 - MANDATORY PROPOSAL REQUIREMENTS

Mandatory Requirements	Accept	Reject
1. Proof of Insurance Coverage (See Insurance Section)		
2. * Proof of Crime Insurance (See Insurance Section)		
3. Display Ability to Acquire a Performance Bond (See Insurance Section)		
4. Submission of a Litigation Bond (See Insurance Section)		
5. Submission of a Bid Bond (See Insurance Section)		
6. Display Ability to Obtain and Maintain a Line of Credit (See Insurance Section)		
7. Submission of Instant Game Ticket Stock Samples		
8. Have a minimum of five continuous years of experience printing instant scratch-off tickets within the last eight years		
9. Have had contracts for production of instant tickets with at least four different lottery jurisdictions, at least three of which are members of either the North American Association of State and Provincial Lotteries or the World Lottery Association		
10. Have the capability of producing at least 50 million instant lottery tickets per game		
11. Are legal business entities and legally qualified to do business in Ohio		
12. Have the capabilities to provide the required services included in Attachment Three, Scope of Services and Service Specifications		

***Denotes change 4/2/2015**

If the State receives no Proposals meeting all of the mandatory requirements, the State may elect to cancel this RFP.

PROPOSAL EVALUATION CRITERIA. If the Offeror provides sufficient information to DAS, in Tab 1, of its proposal, demonstrating it meets the Mandatory Requirements, the Offeror's Proposal will be included in the next part of the evaluation process which involves the scoring of the Proposal Technical Requirements, followed by the scoring of the Cost Proposals. In the Proposal evaluation phase, DAS rates the Proposals submitted in response to this RFP based on the following listed criteria and the weight assigned to each criterion. The possible points allowed in this RFP are distributed as indicated in the Table 2 - Scoring Breakdown.

TABLE 2 - SCORING BREAKDOWN

Criteria	Maximum Allowable Points
Proposal Technical Requirements (65%)	700 Points
Proposal Cost (35%)	377 Points
Total	1077 Points

The scale below (0-5) will be used to rate each proposal on the criteria listed in the Technical Proposal Evaluation table.

DOES NOT MEET 0 POINTS	WEAK 1 POINT	WEAK TO MEETS 2 POINTS	MEETS 3 POINTS	MEETS TO STRONG 4 POINTS	STRONG 5 POINTS

DAS will score the Proposals by multiplying the score received in each category by its assigned weight and adding all categories together for the Offeror's Total Technical Score in Table 3. Representative numerical values are defined as follows:

DOES NOT MEET (0 pts.): Response does not comply substantially with requirements or is not provided.

WEAK (1 pt.): Response was poor related to meeting the objectives.

WEAK TO MEETS (2 pts.): Response indicates the objectives will not be completely met or at a level that will be below average.

MEETS (3 pts.): Response generally meets the objectives (or expectations).

MEETS TO STRONG (4 pts.): Response indicates the objectives will be exceeded.

STRONG (5 pts.): Response significantly exceeds objectives (or expectations) in ways that provide tangible benefits or meets objectives (or expectations) and contains at least one enhancing feature that provides significant benefits.

TABLE 3 - TECHNICAL PROPOSAL EVALUATION

Criterion	Weight	Rating (0=Does not Meet to 5=Strong)	Extended Score
REQUIREMENTS (Attachment Two)			
1. Offeror's Experience in Instant Ticket Printing (References)	5		
2. Offeror's Capabilities	10		
3. Offeror Profile	5		
4. Account Personnel	5		
5. Sales Forecast FY'16 – FY '17	5		
6. Hypothetical Games	10		
SPECIFICATIONS (Attachment Three, Scope of Services and Service Specifications)			
1. Ticket Samples and Packaging	5		
2. Game Planning (Section 1)	20		
3. Game Development (Section 2)	10		
4. Game Manufacturing (Section 3)	10		
5. Sales Support and Marketing (Section 4)	20		
6. Game and Plant Security (Section 5)	10		
7. Ticket Delivery and Deliverables (Section 6)	5		
8. Additional Vendor Offerings (Section 7)	10		
9. Credits (Section 8)	10		

Total Technical Score: _____

In this RFP, DAS asks for responses and submissions from Offerors, most of which represent components of the above criteria. While each criterion represents only a part of the total basis for a decision to award the Contract to an Offeror, a failure by an Offeror to make a required submission or meet a mandatory requirement will normally result in a rejection of that Offeror's Proposal. The value assigned above to each criterion is only a value used to determine which Proposal is the most advantageous to the State in relation to the other Proposals that DAS received.

Only those Offerors whose technical Proposals meet or exceed the minimum technical quality score of (80% of all possible points) 560 points out of the possible score of 700 points will be considered.

Once the technical merits of a Proposal are evaluated, the costs of that Proposal will be considered. It is within DAS' discretion to wait to factor in a Proposal's cost until after any interviews, presentations, demonstrations or discussions. Also, before evaluating the technical merits of the Proposals, DAS may do an initial review of costs to determine if any Proposals should be rejected because of excessive cost. DAS may reconsider the excessiveness of any Proposal's cost at any time in the evaluation process.

COST PROPOSAL POINTS. DAS will calculate the Offeror's Cost Proposal points after the Offeror's total technical points are determined, using the following method:

Cost points = (lowest Offeror's cost/Offeror's cost) x Maximum Allowable Cost Points as indicated in the "Scoring Breakdown" table. The value is provided in the Scoring Breakdown table. "Cost" = Total Not to Exceed Cost identified in the Cost Summary section of Offeror Proposals. In this method, the lowest cost proposed will receive the Maximum Allowable Points.

Cost Points: The Evaluation Committee will calculate the Offeror's points after the Offeror's total technical points are determined. The Offeror's cost points are calculated using the following formula:

$$\text{Cost Points} = \frac{\text{Lowest Offeror's Cost}}{\text{Offeror's Cost}} \times C$$

The value of C is 377 points, which is 35 percent of the total possible weighted evaluation points (1077), based on a technically possible score of 700 points.

The number of points assigned to the cost evaluation will be prorated, with the lowest accepted cost proposal given the maximum number of points possible for this criterion. Other acceptable cost proposals will be scored as the ratio of the lowest price proposal to the proposal being scored, multiplied by the maximum number of points possible for this criterion.

An example for calculating cost points, where Maximum Allowable Cost Points Value = 60 points, is the scenario where Offeror X has proposed a cost of $100.00. Offeror Y has proposed a cost of $110.00 and Offeror Z has proposed a cost of $120.00. Offeror X, having the lowest cost, would get the maximum 60 cost points. Offeror Y's cost points would be calculated as $100.00 (Offeror X's cost) divided by $110.00 (Offeror Y's cost) equals 0.909 times 60 maximum points, or a total of 54.5 points. Offeror Z's cost points would be calculated as $100.00 (Offeror X's cost) divided by $120.00 (Offeror Z's cost) equals 0.833 times 60 maximum points, or a total of 50 points.

Cost Score: _____

FINAL STAGES OF EVALUATION. The Offeror with the highest point total from all phases of the evaluation (Technical Points + Cost Points) will be recommended for the next phase of the evaluation.

Technical Score: _____ + Cost Score: _____ = Total Score: _____

If DAS finds that one or more Proposals should be given further consideration, DAS may select one or more of the highest-ranking Proposals to move to the next phase. DAS may alternatively choose to bypass any or all subsequent phases and make an award based solely on the proposal evaluation phase.

REJECTION OF PROPOSALS. DAS may reject any Proposal that is not in the required format, does not address all the requirements of this RFP, or that DAS believes is excessive in price or otherwise not in its interests to consider or to accept. In addition, DAS may cancel this RFP, reject all the Proposals, and seek to do the Project through a new RFP or by other means.

DISCLOSURE OF PROPOSAL CONTENTS. DAS will seek to open the Proposals in a manner that avoids disclosing their contents. Additionally, DAS will seek to keep the contents of all Proposals confidential until the Contract is awarded. DAS will prepare a registry of Proposals containing the name and address of each Offeror. That registry will be open for public inspection after the Proposals are opened.

PART FIVE: AWARD OF THE CONTRACT

CONTRACT AWARD. DAS plans to award the Contract based on the schedule in the RFP, if DAS decides the Project is in the best interests of the State and has not changed the award date.

The signature page for the Contract is included as Attachment Five of this RFP. In order for an Offeror's Proposal to remain under active consideration, the Offeror must sign, the two (2) copies enclosed, in blue ink and return the signed Contracts to DAS with its response. Submittal of a signed Contract does not imply that an Offeror will be awarded the Contract. In awarding the Contract, DAS will issue an award letter to the selected Contractor. The Contract will not be binding on DAS until the duly authorized representative of DAS signs both copies and returns one (1) to the Contractor, the Agency issues a purchase order, and all other prerequisites identified in the Contract have occurred.

DAS expects the Contractor to commence work upon receipt of a state issued purchase order. If DAS awards a Contract pursuant to this RFP and the Contractor is unable or unwilling to commence the work, DAS reserves the right to cancel the Contract and return to the original RFP process and evaluate any remaining Offeror Proposals reasonably susceptible of being selected for award of the Contract. The evaluation process will resume with the next highest ranking, viable Proposal.

CONTRACT. If this RFP results in a Contract award, the Contract will consist of this RFP including all attachments, written addenda to this RFP, the Contractor's accepted Proposal and written authorized addenda to the Contractor's Proposal. It will also include any materials incorporated by reference in the above documents and any purchase orders and change orders issued under the Contract. The general terms and conditions for the Contract are contained in Attachment Four of this RFP. If there are conflicting provisions between the documents that make up the Contract, the order of for the documents is as follows:

1. This RFP, as amended;
2. The documents and materials incorporated by reference in the RFP;
3. The Offeror's proposal, as amended, clarified, and accepted by DAS; and
4. The documents and materials incorporated by reference in the Offeror's Proposal.

Notwithstanding the order listed above, change orders and amendments issued after the Contract is executed may expressly change the provisions of the Contract. If they do so expressly, then the most recent of them will take precedence over anything else that is part of the Contract.

ATTACHMENT ONE: WORK REQUIREMENTS AND SPECIAL PROVISIONS
PART ONE: WORK REQUIREMENTS

The Contractor will be responsible for performing all of the Work necessary to fulfill the requirements of this Project. All operating expenses associated with the management, including without limitation, the Contractor's service fees, on-site salaries, wages, prevailing wages, payroll taxes, benefits, materials, equipments, tools, subcontractors, and insurance must be included in the Contractor's cost summary.

This attachment describes the Project and what the Contractor must do to get the job done. It also describes what the Offeror must deliver as part of the completed Project (the "Deliverables"), and it gives a detailed description of the Project's schedule.

I. DEFINITIONS:

A. Administrator. The Administrator of State Printing.

B. Agency. Any State department, office, institution, board or commission.

C. Days. Unless otherwise specified, "days" shall mean "calendar days."

D. Director of DAS. The Director of the Ohio Department of Administrative Services or his designee.

E. Instant Game Tickets. Instant game tickets enable the player, by his or her own method, to readily and easily reveal concealed numbers/symbols (game data) to determine whether the player has won a prize payable immediately or a prize payable through claim processing, or other designated prize opportunities. Tickets shall remain readable, able to be scratched easily and in good condition, regardless of the environment encountered in normal handling and usage, for a minimum of twenty-four (24) months from delivery to the Strongsville Facility or any other facility as designated by the Lottery. Tickets that do not meet this requirement will be credited to a future invoice at cost.

F. Instant Ticket Department (ITD): The contact department for the Lottery that is responsible for the development of instant ticket games, including the coordination of their production from concept inception through printing and distribution and any research and marketing development.

G. Instant Ticket Vending Machine. The Lottery's current vendor of instant ticket vending machines ("ITVMs") is Intralot Inc., USA. There are currently 2,000 ITVMs in the field.

H. BOS – Lottery Management System refers to the instant ticket inventory software operating on the current gaming system and/or future upgrades. The Lottery's current gaming vendor for both the On-line and Instant Ticket Gaming Systems is Intrabook. Intrabook provides an instant ticket accounting system known as the BOS until June 30, 2021.

I. Book. A book of instant game tickets which may range in number from twenty-five (25), fifty (50), one hundred (100), two hundred (200) or whatever number is required by the Lottery

J. Lottery Director (or Director). The Director of the Ohio Lottery Commission or his/her designee.

K. Materials. Items of an expendable or non-expendable nature from which something can be made, improved or repaired.

L. Primary Contractor. The responding Contractor which, upon awarding of the contract, becomes the primary Contractor that is considered to be the primary source for providing the goods or services listed in the awarded contract, and the party to which payment will be made for the purchase of the goods and services to be provided under the primary contract

M. Purchase. To buy, purchase, purchase in installments, rent or lease, lease/purchase or otherwise acquire equipment, materials, supplies or services. "Purchase" also includes all functions that pertain to obtaining of equipment, materials, supplies or services including descriptions of requirements, selection and solicitation of sources, preparation and award of contracts, and all phases of contract administration.

N. Sales Agent or Retailer. Any retailer in the State of Ohio who is licensed by the Ohio Lottery Commission to sell Lottery products.

O. Secondary Contractor. The Offeror which, upon awarding of a contract, becomes the Secondary Contractor that is considered to be secondary source and back-up to the primary Contractor for providing the goods or services listed in the awarded contract, and the party to which payment will be made for the purchase of the goods and services to be provided under the Secondary contract.

P. Selected Contractor. The Contractor that is awarded this RFP for either the Primary or Secondary contract.

Q. Services. The furnishing of labor, time or effort by a person or persons, not involving the delivery of a specific end product other than a report summarizing the services, which, if provided, are incidental to the required performance under the contract for the production of the goods (instant game tickets). "Services" does not include services furnished pursuant to employment agreements or collective bargaining agreements.

R. Specification. Any description of the physical or functional characteristics or of the nature of supplies, equipment, goods, services or insurance. It may include a description of any requirements for inspecting, testing or preparing supplies, equipment, goods, services or insurance.

S. State - State of Ohio. Includes, but is not limited to, any and all agencies of the State of Ohio involved in the RFP and the contract(s) awarded.

T. Supplies. Provisions and items normally considered expendable or that will ultimately become a part of the instant game tickets.

U. Transactions. An agreement for the sale of instant tickets and/or exchange of currency between consumer(s) and a Lottery sales agent.

V. Working Papers. A document prepared by the Selected Contractor(s) that details the specifications for a particular instant game, which includes, but is not limited to, prize structures, how-to-plays, artwork, book size, quantity to be printed, delivery schedules, contact persons, etc.

II. SCOPE OF WORK: SCOPE OF SERVICES AND SERVICE SPECIFICATIONS

Each Selected Contractor must provide overall project management for the tasks in this Contract, including the day-to-day management of its staff and assist State staff as pertaining to their assignment to this RFP Project. The Selected Contractor must provide administrative support for its staff and activities. Throughout the Project, the Selected Contractor must employ ongoing project management techniques to ensure a comprehensive Work Plan is developed, executed, monitored, reported, and maintained based on Attachment Three, the Scope of Services and Service Specifications. The State will provide oversight for the entire Project.

III. SELECTED CONTRACTOR RESPONSIBIILITIES

The Selected Contractor shall be responsible for the design, production, deployment and delivery of all instant game tickets ordered under the contract. The State will consider the Selected Contractor as the sole contact with regard to their respective contract.

A. Responsibility for Final Prize Structure: Instant game tickets printed in error can result in over redemption where any prize amount exceeds the actual number of prizes as listed on the end of production prize structure. Any instant game ticket delivered by the Selected Contractor which constitutes a winning instant game ticket on its face shall be deemed a winning instant game ticket even if it was not intended by that Selected Contractor to be a winning instant game ticket, and the responsible Selected Contractor shall reimburse the Lottery for any prize amount paid to the holder of the winning instant game ticket. The Lottery shall pay a game player for a verified winning instant game ticket printed in error. However, if such a ticket has been altered, mutilated, tampered with, counterfeited or otherwise changed after delivery by a Selected Contractor, it shall not be deemed a winning instant game ticket. The Lottery will employ independent experts and will carefully evaluate any claim against the Selected Contractor pursuant to this Section. No claim for an instant game ticket printed in error shall be honored unless the Lottery Director has been advised by the Lottery's Legal Counsel that there is a legal obligation to pay, and if payment is approved by the Auditor of State.

B. Extent of Prize Award Liability: If for any reason set forth in these sections, a Selected Contractor is deemed obligated to pay a prize award, the payment of which extends beyond that term of that Selected Contractor's contract with the State, that Selected Contractor agrees to guarantee full repayment of the prize award to the Lottery.

IV. RIGHT TO INSPECTION, AUDITS AND RECORDS RETENTION

The Lottery shall have the right, acting by itself, or through its authorized representatives, to enter the Selected Contractor's premises at all reasonable times to inspect or examine its production facilities for the manufacture of instant game tickets, and to inspect, copy and audit the Contractor's records pertaining to the compliance with the technical and financial requirements of the contract(s). The Selected Contractor shall secure similar rights from any of its subcontractors on behalf of the Lottery. The Selected Contractor shall retain all accounting records pertaining to the manufacture and production of instant game tickets for the Lottery for a period of three (3) years after termination of the contract(s) or any renewals or extensions thereof.

V. LIMITS TO LIABILITY OF THE SELECTED CONTRACTOR

The Selected Contractor shall be liable for tickets printed in error as specified in Paragraph III above.

A. This provision does not affect or limit a Selected Contractor's obligation to indemnify the State, DAS and the Lottery as provided for by its contract.

B. In establishing over redemption with respect to instant game tickets winning high-tier prizes, the State will permit the Selected Contractor to examine such instant game tickets.

C. A Selected Contractor shall have no liability for altered or counterfeit instant game tickets paid by sales agents or authorized claim centers.

D. A Selected Contractor shall have no liability for prizes paid due to errors, omissions, negligence or fraudulent acts of persons or parties other than the Selected Contractor and its subcontractors, or any of their respective officers, agents or employees; provided that the provisions of this Subsection shall not limit a Selected Contractor's liability for payment of instant game tickets printed in error as covered under the errors and omissions provisions of Attachment Four, General Terms & Conditions, Part Two, Work & Contract Administration, Errors and Omissions or a Selected Contractor's liability for payment of prizes for tickets deemed to be winning instant game tickets under Paragraph IV. Selected Contractor(s) Responsibilities. Further, provisions of this Subsection shall not limit a Selected Contractor's liability for prizes paid according to procedures developed by that Selected Contractor hereunder if those procedures were properly followed by the Lottery.

E. The cost of installment or annuitized prize(s) offered in games or drawings held by the Lottery shall be included in the prize structure based on a discounted rate pre-approved by the Lottery. This rate is subject to change based on current economic conditions and may vary from game to game and drawing to drawing.

VI. RESPONSIBILITY FOR CLAIMS

A. Indemnification: The Selected Contractor agrees to indemnify, hold harmless and defend at their expense, the State, DAS and the Lottery and any persons who are at any time during any term hereof the State's, DAS' or the Lottery's Directors, Commissioners, employees or agents, licensed retailers and vendors and their respective successors, heirs, representatives, administrators and assigns ("Indemnities"), from and against any and all responsibilities, suits, judgments, awards, costs, damages, claims, demands, actions, expenses or liabilities of every nature, threatened or brought against or incurred by any of them, whether joint, several or individual, which result or arise from or are connected with or based upon the instant game tickets or related services provided by the Selected Contractor or their subcontractor(s) in any of the following situations:

1. A claim that any program, process, composition, writing, equipment, appliance or device, or any trademark, service mark, logo, idea, combination of ideas, or any other work or invention of any nature, or any other tangible, intangible or intellectual or conceptual property whatsoever developed, provided or used by the Selected Contractor in connection with their performance under the contract constitutes an infringement of any United States patent, or any copyright or trademark, or any unlawful use of a trade secret of another.

2. A claim by a person other than a party hereto arising from or alleging facts which constitute a violation or breach of any representation, warranty or agreement of a Selected Contractor; provided, further, that the Selected Contractor involved is notified promptly in writing and given information and assistance, (all at the Selected Contractor's expense), for the said defense. In conjunction with the express approval of the Lottery and the Ohio Attorney General, the Selected Contractor may request and offer to settle any claim indemnified under this Section.

B. Relief from Injunction: If the uses of any element of any instant game tickets provided by the Selected Contractor are enjoined as a result of any such suit, action or proceeding, the Contractor shall, at their own option and expense:

1. Procure for the State and the Lottery the right to continue to use said element;

2. Replace said element with a comparable element that is non-infringing or is not a trade secret;

3. Modify said element so it becomes non-infringing or no longer is a trade secret; or

4. Remove said element and pay to the Lottery:

   a. The actual aggregate cost paid by the Lottery to the Selected Contractor for the infringing items or unlawful use of a trade secret, less a reasonable sum for the Lottery's use; and,

   b. Any damages incurred by the State or the Lottery as a result of the infringement or unlawful use of a trade secret.

CONTRACTOR RESPONSIBILITIES. The Contractor must meet all RFP requirements and perform Work as defined in the Scope of Work.

ATTACHMENT ONE: WORK REQUIREMENTS AND SPECIAL PROVISIONS
PART TWO: SPECIAL PROVISIONS

THE OFFEROR'S FEE STRUCTURE. The Offeror's fee shall include any and all expenses associated with the Offeror's goods and services as contemplated hereunder. The Contractor will be paid as proposed on the Cost Summary Form after the Agency approves the receipt of product(s) and continued completion of all deliverables.

REIMBURSABLE EXPENSES. No expenses are reimbursable.

BILL TO ADDRESS**.** Offerors must have a completed, blue ink signed W-9 on file for any address or subsidiary company. If a subsidiary company is involved, Offerors must have an original W-9 for *both* the parent and subsidiary companies.

All Contractor invoices shall be submitted to:

BILL TO ADDRESS,

OHIO LOTTERY COMMISSION
ATTN.: ACCOUNTS PAYABLE
615 WEST SUPERIOR AVENUE
CLEVELAND, OHIO 44113

SHIP TO ADDRESS,

STRONGSVILLE WAREHOUSE FACILITY
ATTN: WAREHOUSE MANAGER
1755 ENTERPRISE PARKWAY, SUITE 200
STRONGSVILLE, OH 44087

OR shipment to other facility as designated by the Lottery.

STATE INVOICING REQUIREMENTS: Any extraneous costs must be approved in advance by the Lottery and billed to the Lottery at cost.

NOTICE TO THE SELECTED CONTRACTOR(S): EFFECTIVE IMMEDIATELY - ALL INVOICES TO THE STATE OF OHIO MUST SHOW THE CONTRACTOR'S E.I. NUMBER (FEDERAL I.D.)

PURCHASE ORDERS REQUIRED: The State shall not be obligated to pay for any goods or services, provided by the Selected Contractor(s) as a result of the contract(s), until or unless the State has issued an official purchase order or request. The official purchase order, for purchases in excess of $500, is the ADM 0523 (PORE/ORDE). With the exception of one-time RFPs issued by the State Printing, this document must contain approval signatures of the Office of Budget and Management, DAS and a responsible representative of the Lottery. When noted in the BID/contract(s) for purchases of $500 or less, the request may be in either written or verbal form, at the discretion of the Lottery, and from a responsible representative of the Lottery. The approved purchase order or request shall authorize the Selected Contractor(s) to provide goods and/or services as ordered and will obligate the State to pay for such goods and/or services upon completion of delivery and acceptance of the goods and/or performance of the service to the satisfaction of the State and the Lottery. NO OTHER ENCUMBERING METHODOLOGIES SHALL BE ACCEPTABLE FOR ANY PURCHASES PLACED AGAINST THE CONTRACT(S). ANY OTHER METHOD FOR PLACEMENT OF A PURCHASE AGAINST THE CONTRACT(S) SHALL NOT BE ACCEPTABLE, SHALL NOT BE CONSIDERED AS A VALID PURCHASE, AND MAY RESULT IN DENIAL OF PAYMENT AND/OR RETURN OF THE GOODS AT THE SELECTED CONTRACTOR(S)' EXPENSE.

ATTACHMENT TWO: REQUIREMENTS FOR PROPOSALS

SAMPLES AND DEMONSTRABILITY, Certain Sections of this RFP require that samples be furnished at the responding Contractor's expense, and unless otherwise specified, such samples shall be submitted with the submittals of Offerors. If samples or literature are provided with the submittals (either in response to a specific requirement or voluntarily by the responding vendor), they shall be clearly marked or labeled with the responding Contractor's name and reference the corresponding item in the submittal as well as the RFP number. Samples shall become the property of the State and shall not be returned to the responding Contractor that provided them. The State may also require samples and/or demonstrations of equipment that shall be utilized in providing the goods and services contemplated hereunder be furnished at the responding Contractor's expense. The State requires that all such equipment and software, at a minimum, be capable of a demonstration which indicates the responding Contractor's ability to meet the Lottery's requirements for instant game tickets and supporting services as described within Attachment Three, Scope of Services and Service Specifications. If required, demonstrations of sample prototypes, may consist of simulations of productions at the responding Contractor's facilities. Failure to propose demonstrable prototypes of the products contemplated hereunder may subject the responding Contractor's bid to rejection.

PROPOSAL FORMAT. Each Proposal must include sufficient data to allow the State to verify the total cost for the Project and all of the Offeror's claims of meeting the RFP's requirements. Each Proposal must respond to every request for information in this attachment whether the request requires a simple "yes" or "no" or requires a detailed explanation. Simply repeating the RFP's requirement and agreeing to comply will be an unacceptable response and may cause the Proposal to be rejected.

These instructions describe the required format for a responsive Proposal. The Offeror may include any additional information it believes is relevant. An identifiable tab sheet must precede each section of a Proposal, and each Proposal must follow the format outlined below. All pages, except pre-printed technical inserts, must be sequentially numbered. Any material deviation from the format outlined below may result in a rejection of the non-conforming Proposal.

Each Proposal must contain the following information, chronologically in order, as listed below:

1. Cover Letter and Mandatory Requirements
2. Certification
3. Offeror Disclosure of Location of Services and Data
4. Offeror Review
   a. Profile
   b. Capabilities
5. Offeror References
6. Staffing plan / Personnel
7. Background Investigation Forms
8. Personnel Profile Summary
9. Work Plan
10. Equipment and System Elements
11. Support Requirements
12. Conflict of Interest Statement
13. Assumptions
14. Payment Address
15. Proof of Insurance
16. Signed Contracts
17. Contract Performance
18. W 9 Form and Vendor Information Form.W-9 Form
19. Affirmative Action
20. Cost Summary Form
21. Financial Information Requested
22. Corporate Review
23. Consultants and Lobbyists
24. Descriptions or Schematics
25. Instant game ticket stock samples
26. Methods of avoiding plate pattern recognition and profitable utilization of pattern data
27. Method of reconstruction of the instant game ticket while retaining security
28. Audit control and problem tracing methodology
29. Method for accounting for plate production, reproduction, use, reuse, quality control and disposal of damaged or worn plates
30. Method of instant game ticket numbering as defined
31. Standards of materials information as defined
32. Ink specifications and samples as described
33. Methodology for uniformity in the printing process as described
34. Plant security and quality control methods as described
35. Winning instant game ticket security as defined

36. Contingency Plan to meet requirements as defined
37. Ability to comply with all delivery schedules outlined in the RFP
38. Scope of Work Requirements as outlined in Attachment Three, Scope of Services and Service Specifications
39. Cost of Performance Bond
40. Governing The Expenditure Of Public Funds For Offshore Services**.**

REQUIREMENTS:

1. Cover Letter. The cover letter must be in the form of a standard business letter and must be signed by an individual authorized to legally bind the Offeror. The cover letter will provide an executive summary of the solution the Offeror plans to provide. Offerors shall address each and every mandatory requirement as specified. The Offeror shall indicate whether they are submitting a proposal for Primary Contract Pricing, Secondary Contract Pricing, or both. The Offeror shall indicate in writing whether the proposal addresses the optional requirements, as outlined in Attachment Ten. If the Offeror is not proposing all optional requirements noted above, it must be noted in the Cover Letter. Offerors shall discuss the degree of understanding and agreement with goals and objectives of the Lottery. The letter must also have the following:

    a. A statement regarding the Offeror's legal structure (e.g., an Ohio corporation), Federal tax identification number, and principal place of business.
    b. A list of the people who prepared the Proposal, including their titles.
    c. The name, phone number, fax number, e-mail address, and mailing address of a contact person who has authority to answer questions regarding the Proposal.
    d. A list of all subcontractors, if any, that the Offeror will use on the Project if the Offeror is selected to do the Work.
    e. For each proposed subcontractor, the Offeror must attach a letter from the subcontractor, signed by someone authorized to legally bind the subcontractor, with the following included in the letter:

        1) The subcontractor's legal status, tax identification number, and principal place of business address.
        2) The name, phone number, fax number, e-mail address, and mailing address of a person who is authorized to legally bind the subcontractor to contractual obligations.
        3) A description of the work the subcontractor will do.
        4) A commitment to do the work if the Offeror is selected.
        5) A statement that the subcontractor has read and understood the RFP and will comply with the requirements of the RFP.

        6) A statement that the Subcontractor will maintain any permits, licenses, and certifications required to perform work.

    f. A statement that the Offeror's proposed solution for the Project meets all the requirements of this RFP.
    g. A statement that the Offeror has not taken any exception to the Terms and Conditions.
    h. A statement that the Offeror does not assume there will be an opportunity to negotiate any aspect of the proposal.
    i. A statement indicating the Offeror will comply with all Federal and Ohio (Ohio Revised Code) Laws and Rules of the Ohio Administrative Code as those law and rules are currently enacted and promulgated, and as they may subsequently be amended and adopted.
    j. A statement that the Contractor shall not substitute, at Project start-up, different personnel from those evaluated by the State except when a candidate's unavailability is no fault of the Contractor (e.g., Candidate is no longer employed by the Contractor, is deceased, etc.).
    k. A statement that the Offeror is not now, and will not become subject to an "unresolved" finding for recovery under Revised Code Section 9.24, prior to the award of a Contract arising out of this RFP, without notifying DAS of such finding.
    l. A statement that all the Offerors personal and business associates are in compliance with Chapter 3517 of the Revised Code regarding limitations on political contributions and will remain in compliance for the duration of the Contract and with all applicable provisions that extend beyond the expiration of the Contract. Refer to the Political Contributions paragraph in Attachment Four, Part Seven of this RFP document.
    m. All contractors from whom the State or any of its political subdivisions make purchases in excess of $2500.00 shall have a written affirmative action program for the employment and effective utilization of economically disadvantaged persons, as referred to in division (E)(1) of section 122.71 of the Revised Code. Annually, each such contractor shall file a description of the affirmative action program and a progress report on its implementation with the Equal Employment Opportunity office of the Department of Administrative Services. Provide a statement that the Offeror has been approved through this affirmative action program. Refer to the Affirmative Action paragraph in Attachment Two and to the Equal Employment Opportunity paragraph in Attachment Four, Part Seven of this RFP.

n. Registration with the Secretary of State. By the signature affixed to this Offer, the Offeror attests that the Offeror is:

1) An Ohio corporation that is properly registered with the Ohio Secretary of State; or

2) A foreign corporation, not incorporated under the laws of the state of Ohio, but is registered with the Ohio Secretary of State pursuant to Ohio Revised Code Sections 1703.01 to 1703.31, as applicable.

Any foreign corporation required to be licensed under Sections 1703.01 to 1703.31 of the Ohio Revised Code, which transacts business in the state of Ohio, without being so licensed, or when its license has expired or been canceled, shall forfeit not less than $250 nor more than ten thousand dollars. No officer of a foreign corporation shall transact business in the state of Ohio, if such corporation is required by Section 1703.01 to 1703.31 of the Revised Code to procure and maintain a license, but has not done so. Whoever violates this is guilty of a misdemeanor of the fourth degree.

Offeror attests that it is registered with the Ohio Secretary of State.

The Offeror's Charter Number is: _____.

Questions regarding registration should be directed to (614) 466-3910 or visit the Web site at: http://www.sos.state.oh.us

All Offerors who seek to be considered for a contract award must submit a response that contains an affirmative statement using the language in paragraph(s) a. through n. above.

Responses to all Mandatory Requirements from Table 1 must be included in this section (Tab 1).

2. Certification. Each Proposal must include the following certification signed by the individual Offeror.

(Insert Company name) affirms they are the prime Offeror.

(*Insert Company name)* affirms it shall not and shall not allow others to perform work or take data outside the United States without express written authorization from DAS.

(*Insert Company name*) affirms that all personnel provided for the Project, who are not United States citizens, will have executed a valid I-9 form and presented valid employment authorization documents.

(*Insert Company name*) affirms that any small business program participants will provide necessary data to ensure program reporting and compliance.

(*Insert Company name*) agrees that it is a separate and independent enterprise from the state of Ohio, the Agency, and the Department of Administrative Services. (*Insert Company name*) has a full opportunity to find other business and has

made an investment in its business. Moreover (*Insert Company name*) will retain sole and absolute discretion in the judgment of the manner and means of carrying out its obligations and activities under the Contract. This Contract is not to be construed as creating any joint employment relationship between (*Insert Company name*) or any of the personnel provided by (*Insert Company name*), the Agency, or the Department of Administrative Services.

(*Insert Company name*) affirms that the individuals supplied under the Contract are either: (1) employees of (*Insert Company name*) with (*Insert Company name*) withholding all appropriate taxes, deductions, or contributions required under law; or (2) independent contractors to (*Insert Company name*).

If the Offeror's personnel are independent Contractors to the Offeror, the certification must also contain the following sentence:

(*Insert Company name*) affirms that it has obtained a written acknowledgement from its independent Contractors that they are separate and independent enterprises from the state of Ohio and the Department of Administrative Services and the Agency for all purposes including the application of the Fair Labor Standards Act, Social Security Act, Federal Unemployment Tax Act, Federal Insurance Contributions Act, the provisions of the Internal Revenue Code, Ohio tax law, worker's compensation law and unemployment insurance law.

3. Offeror Disclosure of Location of Services and Data. As part of the Proposal, the Offeror must disclose the following:

   a. The location(s) where all services will be performed.
   b. The location(s) where any Lottery data applicable to the Contract will be maintained or made available.
   c. The principal location of business for the Contractor and all subcontractors.

   During the performance of this contract, the Offeror must not change the location(s) of the country where the services are performed, change the location(s) of the country where the data are maintained, or made available without prior written approval of the State.

4. Offeror Review**.** Each Proposal must include a profile of the Offeror's capability, capacity, and relevant experience working on projects similar to this Work.

   a. **Profile:** The profile must also include the Offeror's legal name, address, telephone number, fax number, e-mail address, home office location, date established, ownership (such as public firm, partnership, or subsidiary), firm leadership (such as corporate officers or partners), number of employees, number of employees engaged in tasks directly related to the Work, and any other background information that will help the State gauge the ability of the Offeror to fulfill the obligations of the Contract. The financial stability of the company should also be described and is considered a necessary component of this portion of the proposal's response. This RFP includes an Offeror Profile Form as Attachment Six, which must be completed for the Offeror as well as any key personnel assigned to this Project. The Offeror must use this form and fill it out completely to provide the Offeror requirement information. Failure to recreate the form accurately to include all fields, may lead to the rejection of the Offeror's Proposal. The Offeror shall also provide information on the firm's background as well as evidence that it has in place the personnel, internal procedures, and any other resources required under the terms of the Contract to ensure successful performance and contract compliance. Offerors must describe current operational capacity of the organization and the Offeror's ability to absorb the additional workload resulting from this Project. The Offeror must provide current financial statements and data describing the current organization, dollar volume, number of employees, home office location, and any other general company profile information.

   b. *** Capabilities:** In a written narrative, Offeror must demonstrate how it's capabilities and resources make it well-suited to service the Lottery account. The narrative should discuss all subjects addressed in the following sections.

Ticket Production Capabilities

1. Offeror's capacity to produce at least 50 million instant lottery tickets per game while meeting all contractual obligations set forth in Attachment Three, Scope of Services and Service Specifications.

2. Offeror's total printing capacity for producing tickets that meet all contractual obligations set forth in the Attachment Three, Scope of Services and Service Specifications.

3. Offeror's ability to quickly develop, print, finish, and deliver tickets for the Lottery. Offeror must propose a delivery timetable. It is highly desirable that the Offeror provide shorter turnaround times than the minimums found in Attachment Three, Scope of Services and Service Specifications. This timetable should include at a minimum the turnaround time for delivery of Draft Working Papers/Game Specifications and the number of business days needed to deliver tickets after execution of the Final Working Papers.

4. Offeror's ability to conduct an instant ticket sign-off for press approval without a Lottery employee on site, while ensuring that tickets pass all security tests and comply with ticket design criteria. Offeror must describe how the press approval will occur without a Lottery employee on site.

Graphics and Creative Design Capabilities

1. Offeror's capabilities for designing ticket graphics that are impactful and attention grabbing as determined by industry best practices or via consumer research studies. This description should include the approach and philosophy to designing tickets, as well as the technical resources and expertise the Offeror has in order to produce high-quality and marketable designs. Designs should not be limited to standard games but also include any new and innovative designs used in the industry.

2. Offeror's printing capabilities in terms of number of display colors and quality of graphics, overprint colors and graphics, as well as the library of imaged fonts and graphics used for the play symbols.

3. Offeror's ability to produce unique marking systems for Bingo, Crossword, and other types of extended-play games with a variety of colors.

***Denotes change 4/2/2015**

Special Production Capabilities

Describe any unique, innovative or proprietary tickets that may be provided to ensure a positive, engaging experience resulting in repeated future purchase behavior. These may include pouch tickets, niche tickets, multi-page tickets, die cut tickets, folds, specialty inks, and other proprietary techniques unique to the Offeror. Offeror should describe its special vending capabilities, including any equipment designed to dispense special games.

Game Programming Capabilities

1. Offeror should describe its game programming capabilities and provide examples of programming an instant game that provides exciting play action and is not predictable to even the frequent player.

2. In particular, the Offeror should discuss how a game's prize structure would be programmed to achieve the following:

a. Maximize the perception that mid-tier and high-tier winners are randomly seeded, and prevent low-probability occurrences, such as a single book including ten $50 winners, from occurring in a single book.

b. Minimize the occurrence of discernible patterns of prize distribution (such as books including no more than one winner above a certain prize level).

c. Facilitate cross-promotion of Lottery draw games with instant games.

d. * Use the back of tickets for additional play areas.

3. Offeror should also include a description of its capabilities to program games like Bingo and Crossword so that very few tickets hold identical combinations of numbers or words. Additionally, describe any ability to create and provide seasonal or special word lists.

4. Offeror should describe how scratch-off play areas on the back of tickets can be effectively programmed.

Other Proprietary Capabilities

Offeror should provide information about any proprietary capabilities it has that can: provide instant game tie-ins with the Lottery website, the internet, mobile applications, and social media; drive those players back to retail; and stay ahead of the industry with cutting-edge technologies and functionalities.

Offeror should describe capabilities for integration of brand products (Licensed Properties) with ancillary promotional extensions that create a superior player experience, widen the player base, and increase frequency of play.

Quality Control Plan

In addition to the above capabilities, Offerors must provide a detailed plan for quality control that, at a minimum, includes the following:

1. A description of how and by whom (Offeror, subcontractor, other) numbering and lettering of instant tickets will be accomplished.

2. An explanation of how the numbering is to be controlled to ensure error-free results.

3. An explanation of the numbering, lettering or symbol printing which relates to how the game is to be played.

4. A description of the numbering of books and instant tickets for use in controlling instant ticket distribution and accounting.

5. An explanation of the numbering and barcodes on instant tickets for claims validation, reconstruction of game ticket numbers, and letters and/or symbols for mutilated and/or unreadable tickets.

6. An explanation of the barcodes used by the check-a-ticket devices.

7. An explanation of the barcodes used by retailers for validating tickets.

8. An explanation of UPC (Universal Product Code) barcode.

***Denotes change 4/2/2015**

9. A description of the procedure for 100% visual inspection of instant tickets, including visual observation of the application of the covering material, release coat, and game data.

10. An explanation of how the Offeror will provide the Lottery with subgame and omit production within the acceptable range of variance.

11. An explanation of procedures to ensure that game files' submittals are accurate.

12. A description of the procedures in place to track and resolve any problems that arise.

13. A description of the quality assurance tests the Offeror may use to complete a remote sign-off for press approval, including the processes used to evaluate the colors in the graphic and scratch-off areas, conduct security-related tests, and proof writing on the ticket front and back.

Security Control

Identify and describe physical and logical security components, controls, processes, and procedures to ensure the security, honesty, and fairness of the design, development, and production of instant tickets including:

1. Security Plan
    a. Security Organization, Policies, Awareness, and other Administrative Controls
    b. Human Resources Security
    c. Business Continuity Plan and Disaster Recovery Plan

2. Development Security
    a. Game Design - identify physical, logical and game security components
    b. Game Generation - identify controls and / or enhanced security measures for the development, quality control and security of programs, tables, and data and configuration files
    c. Game Printing
    d. Game Editing - identify controls for the physical delivery of games
    e. Game Load Media
    f. Finishing Steps - include monitoring of defective, superfluous, and invalid tickets

3. Delivery of Tickets and Game Files

4. Instant Ticket Reconstruction Process
    a. Controls surrounding requests, execution and notifications

5. Information Systems Security
    a. Logical Access Security of programs and files
    b. Operating System Access Controls
    c. Operational Procedures and Responsibilities
    d. Software and Information Backup
    e. Network Controls and Network Security
    f. Security of Network Configuration
    g. Web-based and External Access
    h. Dial-up Controls
    i. Wireless Security
    j. Vulnerability and Patch Management
    k. Monitoring

6. Physical Security
    a. Data Center Security
    b. Equipment Security

5. Offeror References. The Offeror must include a minimum of three (3) references for organizations and/or clients for whom the Offeror has successfully provided services on projects that were similar in their nature, size, and scope to the Work. These references must relate to work that was completed within the past five (5) years. This RFP includes an Offeror Reference Form as Attachment Seven. Additional pages may be added to allow Offerors the ability to provide complete reference information. Failure to recreate the form accurately may lead to the rejection of the Offeror's Proposal. Incumbents may not utilize the Ohio Lottery Commission as a reference for purposes of this RFP.

   * The Offeror must document previous experience and expertise in providing projects / contracts for the production of instant tickets with at least four different lottery jurisdictions, at least three of which are members of either the North American Association of State and Provincial Lotteries or the World Lottery Association, within the last eight years. These projects must be of similar size, scope and nature. Details of the similarities must be included. Attachment six B, C, D and E must be filled out completely for each of the four (4) contracts provided.

   The State does not assume that since the experience requirement is provided at the top of the page that all descriptions on that page relate to that requirement. Offerors must reiterate the experience being described, including the capacity in which the experience was performed and the role of the Offeror on the Project. It is the Offeror's responsibility to customize the description to clearly substantiate the qualification. Previous experience must include the conduct, management, and coordination of projects. Incumbents must ensure specifics are addressed. Evaluations will not be based on intrinsic knowledge of evaluation committee members.

   the Offeror's experience, capability, and capacity to develop this Project's deliverables and/or to achieve this Project's milestones. Details such as the size of the contracting organizations, duration of involvement, level of responsibility, significant accomplishments, as well as a thorough description of the nature of the experience will be required for appropriate evaluation by the committee.

   a. Contact Information. The contact name, title, phone number, e-mail address, company name, and mailing address must be completely filled out. If the primary contact cannot be reached, the same information must be included for an alternate contact in lieu of the primary contact. Failure to provide requested contact information may result in the State not including the reference in the evaluation process.
   b. Project Name. The name of the project where the mandatory experience was obtained and/or service was provided.
   c. Dates of Experience. Must be completed to show the length of time the Offeror performed the experience being described, not the length of time the Offeror was engaged for the reference. The Offeror must complete these dates with a beginning month and year and an ending month and year.
   d. Description of the Related Service Provided. The State does not assume that since the experience requirement is provided at the top of the page that all descriptions on that page relate to that requirement. Offerors must reiterate the experience being described, including the capacity in which the experience was performed and the role of the Offeror on the Project. It is the Offeror's responsibility to customize the description to clearly substantiate the qualification.
   e. Description of how the related service shows the Offeror's experience, capability and capacity to develop this Project's deliverables and/or to achieve this Project's milestones.
   f. The Offeror's project experience must be listed separately and completely every time it is referenced, regardless of whether it is on the same or different pages of the form.

   When contacted, each reference must be willing to discuss the Offeror's previous performance on projects that were similar in their nature, size, and scope to the Work.

6. Staffing Plan / Personnel. The Offeror must provide a key contact person, by name, who will be assigned to this Project. If the Offeror intends to meet the Proposal requirements through a joint effort with another business entity, the Offeror must describe the specific responsibilities assigned to each entity and how the responsibilities will be integrated into the organization.

   The Offeror must provide a staffing plan that identifies all key personnel required to do the Project and their responsibilities on the Project. The State is seeking a staffing plan that matches the proposed Project personnel and qualifications to the activities and tasks that will be completed on the Project. In addition, the plan must have the following information:

   a. Support Personnel, Provision of an Account Representative, Background Checks and Provisions Against Playing and/or Selling the Ohio Lottery.

      1) The Offeror shall provide a corporate organizational chart and supply a staffing plan to meet the needs of the Lottery account and the manner in which the Offeror intends to meet those needs. The Offeror should persuade the Lottery that its team would produce the best results due to its unique combination and experience of personnel.

2) The Offeror shall highlight names and positions on that chart of who will work on the Lottery account and demonstrate how the Offeror's team is most advantageous to the Lottery. Offerors shall provide detail on the number of hours for each key staff member estimated to fulfill the contract requirements. Less consideration will be given to those categories where staff is identified as "to be determined".

3) The Offerors shall supply résumés describing the education and work experiences of each key staff member. The Lottery may interview and may require that the Offeror's staff be held in compliance with the provisions of Ohio Rev. Code Sec. 3770.051 as it applies to Lottery vendors, and specifically as they relate to background checks and provisions against playing the Lottery.

4) The Offerors shall ensure that none of its/their principals or employees has any interest in the sale of Lottery tickets in Ohio.

5) For the primary contract, the Offeror shall provide a full-time senior staff member as an account representative dedicated solely to the Ohio Lottery account. The account representative is not required to be based at the Ohio Lottery Commission.

6) For the Secondary contract, the Offeror shall designate a senior staff member as an account representative with whom the Lottery shall work on all projects.

The Lottery reserves the right to reject any staff assigned to the contract by the Selected Contractor. By submitting its proposal, the Offeror is representing that, if awarded a contract, it will provide the same Account/Project Manager for all Lottery projects. In the event that the Account/Project Manager leaves the Offeror's employment at any point in the RFP process or Contract term, the Offeror must notify the Lottery and submit a replacement of like education and experience for approval by the Lottery.

b. A matrix matching each key team member to the staffing requirements in this RFP.
c. A contingency plan that shows the ability to add more staff if needed to ensure meeting the Project's due date(s).
d. A discussion of the Offeror's ability to provide qualified replacement personnel.
e. The Offeror must submit a statement and chart that clearly indicate the time commitment of the proposed work team, including the Project Manager, to the Project and any other, non-related work during the term of the Contract. The Offeror must also include a statement indicating to what extent, if any, the Project Manager may be used on other projects during the term of the Contract. The Evaluation Committee may reject any Proposal that commits the proposed Project Manager to other work during the term of the Contract if the committee believes that doing so will be detrimental to the Offeror's performance.

7. * Background Investigation Forms. The Offeror is required to provide a completed Background Investigation Form for each key personnel to be assigned to the Lottery account. Upon the award of Contract, the selected Offeror shall be required to submit a completed Background Investigation Form for all other employees and new employees working on the Lottery account. Only the original proposal should contain the Social Security numbers of the individuals and these forms should be submitted in a labeled sealed envelope. The proposal copies shall contain the forms without Social Security numbers.

8. Personnel Profile Summary**.** This RFP includes Offeror Candidate Forms as Attachments Eight A, B and C. The Offeror must use these forms and fill them out completely for each key candidate referenced. The forms must be completed using typewritten or electronic means. The forms may be recreated electronically, but all fields and formats must be retained. Failure to recreate the forms accurately may lead to the rejection of the Offeror's Proposal.

All candidate requirements must be provided using the Offeror Candidate Forms (See Attachments Eight A, B and C.) The various sections of the form are described below:

a. Candidate References. If fewer than three (3) projects are provided, the Offeror must include information as to why fewer than three (3) projects were provided. The State may disqualify the proposal if fewer than three (3) projects are given. (Refer to Attachment Eight A.)

For each reference the following information must be provided:

1. Candidate's Name.

2. Contact Information. The contact name, title, phone number, e-mail address, company name, and mailing address must be completely filled out. If the primary contact can not be reached, the same information must be included for an alternate contact in lieu of the primary contact. Failure to provide requested contact information may result in the State not including the reference experience in the evaluation process.

Denotes change 4/2/2015

3. Dates of Experience. Must be completed to show the length of time the candidate performed the technical experience being described, not the length of time the candidate worked for the company. The Offeror must complete these dates with a beginning month and year and an ending month and year.

4. Description of the Related Service Provided. The State does not assume that since the technical requirement is provided at the top of the page that all descriptions on that page relate to that requirement. Contractors must reiterate the technical experience being described, including the capacity in which the experience was performed and the role of the candidate in the reference project as it relates to this RFP Project. It is the Contractors' responsibility to customize the description to clearly substantiate the candidate's qualification.

b. Education and Training. This section must be completed to list the education and training of the proposed candidates and will demonstrate, in detail, the proposed candidate's ability to properly execute the Contract based on the relevance of the education and training to the requirements of the RFP. Must include copies of any pertinent licenses and or certificates. (Refer to Attachment Eight B.)

c. Required Experience and Qualifications. This section must be completed to show how the candidate meets the required experience requirements. If any candidate does not meet the required requirements for the position the candidate has been proposed to fill, the Offeror's Proposal may be rejected as non-responsive. (Refer to Attachment Eight C.)

The candidate's project experience must be listed separately and completely every time it is referenced, regardless of whether it is on the same or different pages of the form.

One of the criteria on which the State may base the award of the Contract is the quality of the Offeror's Work Team. Switching personnel after the award will not be accepted without due consideration. The Offeror must propose a Work Team that collectively meets all the requirements in this RFP. Additionally, each team member may have mandatory requirements listed in this RFP that the team member must individually meet. All candidates proposed must meet the technical experience for the candidate's position and be named.

9. Work Plan. The State encourages responses that demonstrate a thorough understanding of the nature of the Project and what the Offeror must do to complete the Project satisfactorily. To this end, the Offeror must submit for this section of the Proposal, the Work Plan that will be used to create a consistent, coherent management plan of action that will be used to guide the Project. The Work Plan should include detail sufficient to give the State an understanding of the Offeror's knowledge and approach, and be consistent with the requirements as stated in Attachment Three, Scope of Services and Service Specifications.

Specifically, Offerors must:

a. Provide a Work Plan which definitively describes the processes and methodologies involved with performing Project requirements. Describe the approach used for each phase of the Project. Include a Project time line and plan delineating each phase of the Project specifying time commitment and responsibility of each staff member. Provide an estimated number of hours for each phase of the Project.

b. Provide Fiscal Year 2016 and Fiscal Year 2017 Sales Forecasts derived from the Offeror's Two-Year Product Plan in Attachment Three, Scope of Services and Service Specifications.

c. Provide four (4) Hypothetical Games that shows the Offeror's ability to meet the requirements in the Game Planning section found in Attachment Three, Scope of Services and Service Specifications.

d. Describe the methodology proposed to prepare and present comprehensive reports accurately and within the required timeframes.

e. Describe the methodology proposed to prepare and present periodic invoices within the State of Ohio's guidelines.

f. Provide a positive commitment to the availability of the Offeror's time on-site, when it is mutually agreed that on-site meetings will accomplish more than teleconferences or other means of communication.

g. Describe how the vendor proposes to work with the current Instant Ticket Warehousing and Distribution vendor to increase instant ticket sales.

h. Provide an Inventory Transfer Solution that will deal with Instant Ticket inventory in the Lottery's possession at the beginning of the contract.

Offeror must fully describe its current capacity, approach, methods, and specific work steps for doing the Work on this Project. The State encourages responses that demonstrate a thorough understanding of the nature of the Project and what the Contractor must do to complete the Project satisfactorily. To this end, the Offeror must submit for this section of the Proposal the Project plan that will be used to create a consistent, coherent management plan of action that will be used to guide the Project. The Project plan should include detail sufficient to give the State an understanding of the Offeror's knowledge and approach, including Gantt charts documenting the successful completion of all of the deliverables to complete the Project.

The Work Plan must demonstrate an understanding of the requirements of the project as described in Attachment One Part One Work Requirements. Describe the methodologies, processes and procedures it will utilize in the implementation and production of the Scope of Work. Provide a comprehensive Work Plan that gives ample description and detail as to how it proposes to accomplish this project and what resources are necessary to meet the deliverables.

The State seeks insightful responses that describe proven state-of-the-art methods. Recommended solutions should demonstrate that the Offeror would be prepared to immediately undertake and successfully complete the required tasks. The Offeror's Work Plan should clearly and specifically identify key personnel assignments. (NOTE: The staffing plan should be consistent with the Work plans).

Additionally, the Offeror should address potential problem areas, recommended solutions to the problem areas, and any assumptions used in developing those solutions.

10. * Equipment and System Elements. The Lottery is looking for Offerors to provide a response with the number and types of printing presses, display and security ink printing equipment, finishing equipment (ticket inspection, pack separation, shrink wrapping, final inspection and packaging), quality assurance testing, and systems used to generate game data and assure randomness. Any other equipment or systems used in the ticket development and production process should be detailed.

11. Support Requirements. The Offeror must describe the support it wants from the State other than what the State has offered in this RFP. Specifically, the Offeror should address the following:

    a. Nature and extent of State support required in terms of staff roles, percentage of time available, etc.;
    b. Assistance from State staff and the experience/qualification level required; and
    c. Other support requirements.

    The State may not be able or willing to provide the additional support the Offeror lists in this part of its Proposal. The Offeror must therefore indicate whether its request for additional support is a requirement for its performance. If any part of the list is a requirement, the State may reject the Offeror's Proposal if the State is unwilling or unable to meet the requirements.

12. Conflict of Interest Statement. Each Proposal must include a statement indicating whether the Offeror or any people that may work on the Project through the Offeror have a possible conflict of interest (e.g., employed by the State of Ohio, etc.) and, if so, the nature of that conflict. The State has the right to reject a Proposal in which a conflict is disclosed or cancel the Contract if any interest is later discovered that could give the appearance of a conflict.

13. Assumptions. The Offeror must provide a comprehensive listing of any and all of the assumptions that were made in preparing the proposal. If any assumption is unacceptable to the State, it may be cause for rejection of the Proposal. No assumptions shall be included regarding negotiation, terms and conditions, and requirements.

14. Payment Address. The Offeror must provide the address to which payments to the Offeror will be sent. DAS requires thirty (30) day notice to change the "Bill to Address".

15. Proof of Insurance. In this section, the Offeror must provide the certificate of insurance required by the General Terms & Conditions, Attachment Four, Part Two. The policy may be written on an occurrence or claims made basis.

16. Signed Contracts. The Offeror must provide two (2) originally signed, blue ink copies of the included Contract (Attachment Five). The Offeror must complete, sign, and date both copies of the Contract and include it with their Proposal.

17. Contract Performance. The Offeror must complete Attachment Nine, Offeror Performance Form.

***Denotes change 4/2/2015**

18. W-9 Form and Vendor Information Form. The Offeror must complete Federal Form W-9, Request for Taxpayer Identification Number and Certification form and the Vendor Information Form (OBM-5657) in their entirety. At least one (1) original of each form (signed in blue ink) must be submitted in the "original" copy of the Proposal. All other copies of the Proposal may contain duplicates of these completed forms. If a subsidiary company is involved, Offerors must have an original W-9 and OBM-5657 for both the parent and subsidiary companies. These documents and directions can be found on the OBM Web site under the heading "Vendor Forms" at http://www.ohiosharedservices.ohio.gov/Vendors.aspxPlease indicate on the outside of the binder which Proposal contains the original signature.

19. Affirmative Action. Before a contract can be awarded or renewed, an Affirmative Action Program Verification Form must be completed using:

    http://das.ohio.gov/Divisions/EqualOpportunity/AffirmativeActionProgramVerification/tabid/133/Default.aspx.

    Approved Affirmative Action Plans can be found by going to the Equal Opportunity Department's Web site:

    http://eodreporting.oit.ohio.gov/searchAffirmativeAction.aspx

    Copies of approved Affirmative Action plans shall be supplied by the Offeror as part of its Proposal or inclusion of an attestation to the fact that the Offeror has completed the process and is pending approval by the EOD office.

20. * Cost Summary Form. The Cost Summary Form (Attachment Ten) must be submitted with the Offeror's Proposal. The Offeror's total cost for the entire Project must be represented as the firm fixed price. Offerors shall provide a comprehensive cost analysis; this cost must include all ancillary costs. All costs for furnishing the services must be included in the Cost Proposals as requested. No mention of or reference to, the Cost Proposals may be made in responses to the general, technical, performance, or support requirements of this RFP.

    All prices, costs, and conditions outlined in the proposal shall remain fixed and valid for acceptance for 120 days, starting on the due date for proposals. The awarded contractor must hold the accepted prices and/or costs for the entire contract period. No price change shall be effective without prior written consent from DAS, OPS.

    NOTE: Offeror's should ensure Cost Proposals are submitted separately from the Technical Proposals, as indicated the Proposal Submittal paragraph of this RFP (see Part Three). This information should not be included in the Technical Proposal.

    The State shall not be liable for any costs the Offeror does not identify in its Proposal.

21. Financial Information Requested. The Selected Contractor(s) must be financially sound and well managed, and must demonstrate five (5) years as a going concern in the instant ticket printing business. (Any responding Offeror that has formed a joint venture for the purpose of submitting a response to this RFP must show that each entity comprising the joint venture has been in the instant ticket printing business for at least five (5) years. It is not required that a joint venture must have been established for five (5) years). Offerors, including the parent corporation of any subsidiary corporation submitting a response, or a subcontractor of Contractor performing greater than fifty (50) percent of the work to be performed hereunder, must provide evidence of financial responsibility and stability for performance of this magnitude. If the Offeror is a subsidiary of another corporation, the information requested below must be supplied for both the parent and subsidiary. If the Offeror is a joint venture, the information requested below must be supplied for both entities comprising the joint venture. Please note, however, that the State will not accept responses in response to the RFP from both a parent and a subsidiary or two subsidiaries of the same parent corporation.

    In order to ensure the responding Contractor's financial ability to perform under the contract(s), the State requires the following financial information:

    a. Financial Statements in customary form for the last three (3) fiscal years, with such Statements for the last two (2) fiscal years being audited by an independent certified public accountant, and copies of federal tax returns for 2011, 2012, and 2013.

    b. Annual reports for the responding Contractor's last three (3) fiscal years. The information requested in this Subsection need only be supplied if such annual reports have been prepared in the ordinary course of the Contractor's business.

    c. Reports on form 10-K, if any, for its last three (3) fiscal years as filed with Securities and Exchange Commission, ("SEC"), and any other filings submitted to the SEC since that time. The State does not require that a Contractor's stock be publicly traded, and thus for such Contractor, failure to provide the information described in this Subsection will not be a basis for disqualification.

    ***Denotes change 4/2/2015**

d. Other financial information required by the State. Offerors, including the parent corporation of any subsidiary corporation submitting a proposal, or any subcontractor that will be providing greater than fifty percent (50%) of the work performed hereunder, must provide evidence of a minimum net annual billings from the production of instant ticket games of forty million dollars ($40,000,000.00). If the responding Contractor is a subsidiary of another corporation, the above information must be supplied on a consolidated basis for the parent corporation and the information requested above must also be supplied for the Contractor, but none of such Statements as to the Contractor need to have been audited. For any audited returns, reports and statements requested, such shall have been prepared in accordance with generally accepted accounting principles and must have been audited by a certified public accountant licensed to do business in the state in which the responding Contractor's principal place of business is located. If audited, parent-only or responding Contractor/subsidiary returns, reports or statements are not available, the State will accept unaudited statements provided the Contractor's Chief Financial Officer certifies that the statements are current, accurate and complete.

e. If the responding Contractor is a subsidiary and will rely on the financial resources of the parent to perform under a contract, the parent must certify, in writing, the availability of its resources to the responding Contractor.

f. Listing of any States and/or countries in which the responding Contractor has an existing contract(s) for instant game tickets, and all pricing and quantities of instant game tickets provided in those jurisdictions.

g. Offerors are asked to provide a list of all principals of the entity that would provide the instant game tickets and services, including: full name, home address, telephone number and social security number. Additionally, attach professional biographies of all principals and heads of each division within the company or organization.

h. Has the Offeror or any of its principals ever filed for protection under federal bankruptcy laws? If so, what is the current status of such filing?

i. List all bank affiliation(s) of the responding Contractor as credit references. The list must include contact name(s) and phone number(s).

j. Offerors shall acknowledge that they are not in arrears of federal, state and local taxes of any type, and that there are no outstanding liens, levies, lawsuits or investigations of any type pending against their corporation. If such an acknowledgement cannot be provided, the responding Contractor must provide detailed information explaining such lien, levy, lawsuit or investigation. In addition, Offerors must disclose and list any other litigation in which they are involved either as a plaintiff or defendant. The disclosure requirements contained in this subsection are continuing.

k. Offerors must submit documentation indicating their ability to procure the bonds, insurance and line of credit that would be required under the contract(s) pursuant to Attachment Four, General Terms and Conditions, Part Two, Work & Contract Administration Insurance. If the Offeror has sufficient capital on hand so as not to require the extension of any credit for the production and delivery of the minimum amounts of instant game tickets set forth herein, then financial statements evidencing the continuous availability of such capital must be provided to the State demonstrating such financial status.

22. Corporate Review. The Offeror is required to demonstrate corporate experience, technical capability, and financial means to support the contract. Offerors are asked to formally submit the following information:

a. Corporate and d.b.a. name and address of the business entity submitting the proposal.

b. Full name, address and date of birth of each partner, officer, and director of the Offeror, and each owner of ten percent (10%) or more of the stock if a corporation, and all key management personnel that would be involved in fulfillment of contract obligations pursuant to this RFP. Each individual identified pursuant to this Subsection must complete a Background Investigation Form (Attachment Sixteen) and be all completed forms shall be submitted with the responding Contractor's proposal.

c. Type of business entity (e.g., corporation, partnership, etc.).

d. Place of incorporation, if applicable. Please provide a copy of your incorporation documents.

e. Name and location of major offices, plants and other facilities that relate to the Offeror's performance under the terms of this RFP.

f. Name and address of any and all subcontractors, associated companies, or consultants to be involved in any phase of the contract. For subcontractors, Offerors must provide details of the company including, but not limited to: size of the subcontractor including the number of employees (indicating the percentage of women and minorities); date established; ownership (public company, partnership, subsidiary, etc.); and the number of personnel to be engaged or equipment provided in the implementation.

g. The Offeror(s) must be a business in good standing with its customers and the business community. The Offerors shall state whether any of the following have occurred:

1) During the last three (3) years, has the responding Contractor had a contract suspended or terminated for default or cause? If so, the responding Contractor must submit full details including the other party's name, address and telephone number.

2) The responding Contractor shall disclose all states and jurisdictions in which the responding Contractor has applied for, sought renewal of, has received, has been denied, has pending or has had revoked or terminated a gaming license or contract of any kind and the disposition in each state or jurisdiction for the past three (3) years. If a gaming license or contract has been revoked or terminated or has not been renewed or a gaming license application or contract bid has either been denied or is pending and has remained pending for more than six (6) months, all of the facts and circumstances underlying this failure to receive a license or contract must be disclosed.

3) During the last three (3) years, has the responding Contractor been assessed total penalties in excess of $50,000.00 for liquidated damages under any of its existing or past contracts with any other state or provincial Lottery or other gaming enterprises? If so, indicate the public jurisdiction and the penalty amount.

4) During the last three (3) years, has the responding Contractor, a subsidiary or intermediate company, parent company or holding company been the subject of any order, judgment or decree of any federal or state authority barring, suspending or otherwise limiting the right of the responding Contractor to engage in <u>any</u> business, practice or activity or, if trading, in the stock of the company? Has the responding Contractor ever been suspended from such trade? Please provide date(s) and explanation(s).

5) During the last three (3) years, has the responding Contractor, a subsidiary or intermediate company, parent company or holding company encountered significant problems in producing and/or supplying a game? If so, please describe the problems and the solutions used to correct such problems?

6) During the last three (3) years, has the responding Contractor, a subsidiary or intermediate company, parent company or holding company encountered significant problems with the methods of production? If so, please describe the problems and the measures taken to correct or avoid recurrence of such problems.

7) During the last three (3) years, has the responding Contractor, a subsidiary or intermediate company, parent company or holding company encountered any security breaches? Please describe such incidences in detail.

8) The responding Contractor shall disclose any contracts which the responding vendor was awarded but was unable to honor.

9) Capacity to provide instant game tickets is critical to the contract. Offerors shall describe their capability, capacity, and plans for producing (through current inventory, manufacturing, purchasing, or modification) the instant game tickets proposed to meet the requirements of the RFP. Offerors' proposals must address quality manufacturing practices.

23. <u>Consultants and Lobbyists</u>. The Offeror(s) shall disclose all written and oral agreements with all lobbyists and consultants doing work on its behalf in the State of Ohio and before the Federal Government. Upon the Lottery's request, the Selected Contractor shall immediately provide copies of any written agreement with such entities. Any contracts with the Selected Contractor who has/has not complied with these disclosure requirements is voidable at the Lottery's option. Failure to provide the Lottery with timely disclosure updates during the term of the Contract may result in the termination of the Contract by the State.

24. Descriptions or schematics describing the instant game tickets as required in Attachment Three, Scope of Services and Service Specifications.

25. * <u>Instant Game Ticket Stock Samples</u>. Offerors shall submit two thousand (2,000) sample tickets of varying sizes for a minimum of four (4) different games or play styles with their submittals (minimum of 1,000 on foil laminated stock and 1,000 on recycled/recyclable stock). Tickets shall contain a complete functional game design, including barcodes (front or back), validation barcodes, and shall be made on production equipment or on other equipment such that the resulting instant game tickets submitted as samples shall be of the same quality and have the same characteristics as tickets made on production equipment. The covering material and ink for the Game Data Printing shall be of the same material which shall be used for the games in Ohio. Instant game tickets submitted as samples may consist of variable voids of games produced by the responding Contractor for other states.

***Denotes change 4/2/2015**

Manually produced or hand samples will not be acceptable. The Lottery may submit instant game tickets to testing laboratories, for independent evaluation. The sample of instant game tickets shall be evaluated in accordance with the criteria for instant games previously stated. The overall acceptable security of instant game tickets is based on the evaluation by the Lottery's independent testing facility and shall be used as the criteria for determining acceptable security during the evaluation of the Offeror's response.

26. * Methods of avoiding pattern recognition and profitable utilization of pattern data

27. Method of reconstruction of the instant game ticket while retaining security

28. Audit control and problem tracing methodology

29. Method for accounting for plate production, reproduction, use, reuse, quality control and disposal of damaged or worn plates

30. Method of instant game ticket numbering as defined

31. Standards of materials information as defined

32. Ink specifications and samples as described

33. Methodology for uniformity in the printing process as described

34. Plant security and quality control methods as described

35. Winning instant game ticket security as defined

36. Contingency Plan to meet requirements as defined

37. Ability to comply with all delivery schedules outlined in the RFP

38. Scope of Work Requirements as outlined in Attachment Three, Scope of Services and Service Specifications

39. Cost of Performance Bond

40. Governing The Expenditure Of Public Funds For Offshore Services**.** The Contractor affirms to have read and understands Executive Order 2011-12K and shall abide by those requirements in the performance of this Contract. Notwithstanding any other terms of this Contract, the State reserves the right to recover any funds paid for services the Contractor performs outside of the United States for which it did not receive a waiver. The State does not waive any other rights and remedies provided the State in this Contract.

    The Offeror must complete the attached Contractor/Subcontractor Affirmation and Disclosure to abide with Executive Order 20114-12K affirming no services of the Contractor or its subcontractors under this Contract will be performed outside the United States. During the performance of this Contract, the Contractor must not change the location(s) of the country where the services are performed, change the location(s) of the country where the data are maintained, or made available unless a duly signed waiver from the State has been attained to perform the services outside the United States.

***Denotes change 4/2/2015**

ATTACHMENT THREE
SCOPE OF SERVICES AND SERVICE SPECIFICATIONS

SCOPE OF SERVICES

The Selected Contractor must provide all services requested by the Ohio Lottery (Lottery) for the production of Instant Ticket games and related services, including but not limited to game planning, game design and programming, game and prize structure development, game and ticket production and delivery, extended marketing and sales support, a secure printing plant, systems analysis, computer programming in conformity with technical specifications, and maintenance of systems, programs, and equipment. The Selected Contractor may also be required to provide special services and features and industry innovations that are or become available during the term of the Contract.

The Lottery introduces between 45 and 55 Instant Ticket games annually. Ticket quantities for each game typically range from 4 million to 20 million. The Selected Contractor must at all times be prepared to produce at least 50 million instant tickets per game as ordered by the Lottery while meeting all contractual obligations.

SERVICE SPECIFICATIONS

1. GAME PLANNING (Primary Contractor)

BASE SERVICE SPECIFICATIONS (included in base price)

1.1 Game Planning Requirements

The Lottery expects its Primary Contractor to play an important role in the Lottery's Instant Ticket marketing program. The Contractor will work closely with the Lottery as decisions are made regarding games and release schedules. The requisite marketing planning and support services associated with the development and release of Instant Ticket games includes consideration of the overall mix of Instant Tickets on sale at the time and includes recommendations with regard to game price point and themes, prize structure development, game design, artwork, added benefits and product innovations, promotions, online games, mobile applications, coupons, future technological advancements as they are developed, ticket merchandise messages, and the placement of each game in a comprehensive marketing plan for Instant Ticket games overall. Recommendations must be supported by trend and data analysis.

The Primary Contractor will also be required:

a. To assist in the planning and development of Instant Ticket games by: proposing innovative game strategies that utilize unique or new play styles, printing techniques, or capabilities; recommending the timing of game releases; determining the appropriate ticket order quantities; providing research; and providing relevant sales information from other states' lotteries.

b. To regularly keep the Lottery informed of recent trends in the lottery industry, including any information that the Selected Contractor considers useful to increase of Instant Ticket sales in Ohio;

c. To ensure demographic appeal ranging from non-players to frequent players by recommending a mix of Instant Ticket games;

d. To provide extended marketing support for a minimum of four (4) Instant Ticket games per year; and

e. To take advantage of specific target markets through promotions and/or licensed properties.

1.2 Contractor Account Manager

For the Primary contract, the Selected Contractor shall provide a full-time senior staff member as an account representative dedicated solely to the Ohio Lottery account. The account representative is not required to be based at the Ohio Lottery Commission.

For the Secondary contract, the Selected Contractor shall designate a senior staff member as an account representative with whom the Lottery shall work on all projects and identify the percentage of time the account representative will be available to the Lottery.

1.3 Marketing Financial Support

In addition to providing assistance with the marketing of Instant Ticket products, the Primary Contractor is expected to contribute financial support for the Lottery's own marketing efforts in connection with sale of Instant Ticket products. The Primary Contractor must provide the Lottery with Instant Ticket marketing support funds in the amount of $25,000 per month, or the amount specified in the Primary Contractor's Proposal in Response to RFP #CSPSP1500**,** whichever is greater.

These funds are cumulative and may be expended at any time during the course of the Contract. The Primary Contractor's marketing support funds will be held by the Primary Contractor until expended or until expiration of the Contract term, whichever comes first. Any marketing support funds that remain in the Primary Contractor's possession at the expiration or termination of the Contract will be remitted to the Lottery not more than 30 calendar days after Contract expiration.

While the Lottery has sole discretion with respect to the expenditure of any marketing support funds, it expects to use the funds for, among other things, special promotions, advertising, POS pieces, and specialty game dispensing equipment.

1.4 Two-Year Instant Ticket Product Plan

The Primary Contractor is required to provide a comprehensive two-year Instant Ticket Product plan upon Contract execution and thereafter throughout the term of the Contract that includes specific, strategic recommendations for the long-term sales success of Instant Ticket games in Ohio. The product plan must demonstrate an understanding of the Lottery's statutory and regulatory requirements. The product plan must address all areas relating to the sale and marketing of Instant Ticket games. The product plan must also take into consideration games to be produced by the Secondary Contractor. At a minimum the following must be included:

a. An analysis of the Lottery's Instant Ticket marketing environment, addressing the challenges and opportunities facing Ohio in reaching its Instant Ticket sales goals;

b. A presentation of the key marketing and distribution strategies the Lottery should follow to maximize Instant Ticket game revenues;

c. A product mix review with recommendations for the number and types of games, game themes, price points, and payout percentages that will appeal to base players as well as new players;

d. A recommended number of game releases, as well as dates and ticket quantities for each release;

e. Recommendations for Instant Ticket game facings by price point and plans for various sizes of bin facings;

f. The recommended sequence in which proposed games should be released and the life expectancy of each game;

g. Proposed sales projections for each game and recommendations with regard to market segments to which each game should appeal;

h. Proposed sales projections for the upcoming fiscal year;

i. Proposed advertising and retailer and/or consumer promotions;

j. Proposed integrated services to Instant Ticket games to enhance the product;

k. Proposed POS materials;

l. Proposed sell-in sheets or game highlights for retailers;

m. Proposed performance measures and monitoring processes to ensure that Instant Ticket games are continuously evaluated to optimize performance and achieve sales goals in a timely manner;

n. Presentation of industry innovations and technology developments.

2. GAME DEVELOPMENT (Primary and Secondary Contractor)
BASE SERVICE SPECIFICATIONS (included in base price)

2.1 Game Development

2.1.1 Game Design

Game design includes creative concept development and various design options for review, consideration and approval by Lottery Instant Ticket Department (ITD). Design options must include high-performing games sold in other lottery jurisdictions with relevant sales index performance data over time, customized tickets relevant to the Lottery, and brand new concepts designed to continue Instant Ticket business growth. Design encompasses not only appearance of the ticket, its player appeal, and its ability to be prominent at retail, but also incorporates entertainment or "play value" as it relates to the overall ticket concept. The Lottery will not be required to accept any of the proposed designs and may require new, design, graphics, play style, new game symbols and ticket size.

Upon request, the Contractor must provide graphic designs for games to be used in Lottery research.

2.1.2 Game Generation

Game generation includes the development or modification of programs, tables, and configuration files to produce games that comply with the requirements set forth in the Working Papers or Customer Specification documents. As specified herein, all games must be audited by the Contractor for quality assurance to ensure all game specifications are met.

The Selected Contractor shall provide an instant game ticket verification program. This program shall verify the presence of the number of winning instant game tickets within each prize category in each pool of instant game tickets designated by the final prize structure. The Selected Contractor shall also provide information concerning the distribution of winning instant game tickets throughout each pool of instant game tickets in a game. The Selected Contractor shall guarantee the confidentiality of the foregoing information.

For each printing of an instant game, the Selected Contractor agrees to engage an independent certified public accounting firm to provide the Lottery with a letter certifying that instant game tickets winning one hundred dollars ($100.00) or more from the time of seeding to printing by the Selected Contractor among all other instant game tickets did, in fact, appear in the instant game. The aforementioned certified public accounting firm shall also statistically sample the odds of winning low-tier prizes of less than one hundred dollars ($100) and shall report on the occurrence of such winning instant game tickets at the ninety-five percent (95%) confidence level with a rate of two percent (2%) allowance for error or a percent designated by the Lottery. If instant game tickets are produced in more than one production batch, the high-tier winner control procedures, and the low-tier statistical sample shall be repeated for each batch. If the number of winning instant game tickets of any given prize or of all prizes in any one of the total number of statistical samples taken by the independent certified public accountant does not fall within the ninety-five percent (95%) confidence limits, the number of such winners expected, based upon the independent audit, shall not be a basis for instant game ticket rejection. This letter must be delivered to the Lottery at least two (2) weeks before the game's first estimated on-sale date.

To protect the integrity and confidentiality of the gaming generation process, game data files must be stored in an encrypted format. Additionally, folder level security and access controls must be thoroughly managed, so that no one person has full and unmonitored access to live game programs and data.

2.2 Game Development Schedule

The Contractor must adhere to the following minimum requirements for Instant Ticket game development. Quick turnarounds are imperative to the Lottery to insure timely delivery and game releases.

a. The Lottery approves an Instant Ticket Product Plan which is set for the fiscal year and may be subject to change. Game development is scheduled around the planned release dates for each game.

b. Prize Structures. The Lottery's ITD is provided a draft prize structure by the Contractor for development into a full prize structure based on the constraints provided for the game while the graphic design is being developed. The Contractor shall meet any demands by the Lottery within the confines of the Instant Ticket Management System. The Lottery's ITD may make changes and will approve the final prize structure. The Selected Contractor will give the Lottery permission to publish the prize structure, or a portion of the prize structure, as a game rule.

   According to the provisions of Ohio Revised Code Chapter 3770, the Ohio Lottery must promulgate administrative rules for each instant game offered to the public. These provisions require that such administrative rules include the number, nature and value of prize awards contained in the instant game being offered. These rules must be filed with the Ohio Legislative Service Commission and will become part of the Ohio Administrative Code. The Lottery's past practice has been to convert specific portions of the agreed upon prize structure to the written word and include this language in the administrative game rule. The Lottery is moving to a more efficient process that will take those same portions of the agreed upon prize structure and attach them as an exhibit to the administrative rule. The selected contractor must provide to the Lottery for use as an exhibit to the administrative game rule a "modified prize structure," which shall be in addition to any other prize structure required in this RFP, which shall contain the following:

A prize structure consisting of multiple horizontal lines.

1. A first column containing the prize value or combination of prize values available on winning tickets in the applicable instant ticket game, with each such prize value or combination of prize values set forth on a separate line.

2. A second column showing the total prize award for each such winning ticket in the applicable instant ticket game set forth on the line corresponding to the prize value or combination of prize values to which the total prize award applies.

3. A third column setting forth on each corresponding line the number of anticipated winning tickets containing the prize value or combination of prize values and total prize award expected in the quantity of tickets or number of ticket pools generated for the applicable instant ticket game.

Anything in the this RFP to the contrary notwithstanding, and except as set forth below, contractor consents to the use of the "modified prize structure" as an exhibit to the administrative game rule and the "modified prize structure" shall be considered a deliverable of this RFP and shall be owned by the Lottery, with all rights, title, and interest in all intellectual property that comes into existence through the Contractor's custom work being assigned to the Lottery. In the event that a "modified prize structure" cannot be provided by Contractor without the inclusion of properties, brands or trademarks (proprietary material) owned by contractor or licensed to Contractor by a third party, Contractor shall notify the Lottery in writing thereof as soon as possible and shall 1) authorize the use of the proprietary material by Lottery for inclusion in the administrative game rule, and/or 2) secure third party authorization for inclusion of the proprietary material in the administrative game rule, and/or 3) work with the Lottery to find an alternative to use of the proprietary material that will allow the use to the "modified prize structure" as an exhibit to the administrative game rule.

c. Trademark Search. The Selected Contractor shall conduct a trademark search of each name proposed to be used by the Lottery for each game, in a sufficient time prior to the presentation of the tickets before the Lottery Commission meeting so that if a question arises as to the use of a particular game name, the Lottery will have sufficient time to change that game name, if necessary. Failure to comply with this Subsection shall subject the Selected Contractor(s) to liquidated damages assessment as referenced in Attachment Four, General Terms and Conditions, Part Two, Work & Contract Administration, Liquidated Damages. The Selected Contractor(s) shall also be liable for any claims of trademark infringement filed against the Lottery, the State and/or the vendor.

d. Draft Working Papers: For each instant game, the Selected Contractor shall electronically deliver a draft of the required Working Papers to the Lottery's ITD. At a minimum the following items will be required for the Lottery's review and comment in the Working Papers.

1. Cover Page
2. Table of Contents
3. Covered Front of Ticket
4. Uncovered Front of Ticket
5. Back of Ticket
6. Back of Ticket Showing SAMPLE (actual size)
7. Back of Ticket with Dimensions.
8. Insert Card
9. Oversize Art
10. Prize Structure
11. Game Order Information
12. Data Processing
13. Actual Fonts
14. Retailer Codes
15. Programming Parameters
16. Schedule
17. Order/Price Confirmation

e. Signature Working Papers: Signature Working Papers are to be provided electronically no later than three (3) business days after approval or revisions of the Draft Working Papers are given by the Lottery's ITD. The Contractor will provide an area on the Prize Structure and the Pricing Page for the Lottery Representative and the Representative for the Selected Contractor to sign and date the papers.

f. Executed Working Papers: Within three business days after execution of Final Working Papers, the Contractor must deliver, via overnight mail, the original executed Working Papers and one (1) copy with all signatures. Also, an electronic copy of the Executed Working Papers will need to be sent to the Lottery during this time period. The cost of Working Papers' creation and revisions is included in the Base ticket price. The Lottery expects the Selected Contractor to produce Working Papers free from material errors. Production of any Instant Ticket game will not proceed until all necessary Lottery approvals are obtained and the Lottery gives written authorization.

g. Delivery Date. The Selected Contractor shall deliver ± 3% of the quantity of instant game tickets requested by the Lottery for each game or a percentage designated by the Lottery. The Selected Contractor shall notify the Lottery's ITD of the increase or decrease, over the 3% variance quantity. Delivery of all tickets printed and accepted for a game is required within thirty (30) business days of execution of the working papers.

h. Within two business days of the delivery of the game tickets, the Contractor must deliver Validation files to the Lottery via secure file transfer protocol (SFTP) process.

i. End-of-Production Prize Structure Report (EOPPS): Prior to the arrival of a printed game at a Lottery distribution center, the Selected Contractor must submit an EOPPS report summarizing the game's prize value by prize level and showing any variance between the post-production prize structure and the prize structure that was specified in the game's executed Working Papers.

The EOPPS report must be sent electronically as specified by the Lottery and must be received prior to actual delivery of tickets to the distribution center. The Lottery will review the report and if any errors are detected, the Selected Contractor must correct the errors as soon as identified. However, in no event will the deadline for ticket delivery specified in the executed Working Papers be extended.

2.3 Game Development Requirements

a. Random Distribution of High Tier Winners: High-tier winners shall be randomly distributed within the pools of tickets. The size of said pools shall be agreed to by the Lottery and the Selected Contractor.

b. Maximum Non-Winning Strings: The Contractor must be able to limit the number of consecutive non-winning tickets in any book. The maximum number of consecutive non-winning tickets in a game may be specified in the working papers and usually will not exceed two (2) times the overall odds of the prize structure. The Lottery realizes that this requirement may decrease randomization.

c. Guaranteed Low-Tier Prize Structure: Each book of tickets will be required to contain a guaranteed dollar value of low-tier prizes. A minimum of four (4) different configurations of low-tier prizes shall be randomly incorporated into books of tickets. Each configuration must have the same total dollar value of low-tier winners, but each will have varying numbers of winners of various denominations. The total number of low-tier prizes will not vary by more than four (4) between all of the configurations. Low-tier prizes paid by Lottery's licensed retailers and included as guaranteed low-tier prize structure may be less than thirty dollars ($30.00), however, the guaranteed low-tier prize structure may increase to one hundred dollars ($100.00) or less at the discretion of the Lottery.

d. Instant Game Ticket Stock Security: The applicable provisions of game data covering security as specified shall apply to the instant game ticket stock.

e. Instant Game Ticket Size and Shape:

f. * Instant Game Ticket Samples: Samples of instant game ticket stock (blank stock) and detailed stock specifications shall be included with the Selected Contractors' proposals. Requirements for samples to be submitted are set forth in Attachment Two, Requirements for Proposals.

*** Denotes change 4/2/2015**

g. Prize Guarantees: The Selected Contractor must guarantee the following:

1. Winning tickets are distributed with no discernible pattern throughout the entire population.

2. At the end of production, all top prizes and any games with prizes of $1,000 and above, specified in the Working Papers as guaranteed prizes, have not be omitted.

3. Shipped ticket quantities do not vary more than ±3% from the quantity specified in the executed Working Papers, and prize level allocations do not vary more than ±3% from the allocations specified in the prize structure in the executed Working Papers. Overall prize payout will be within ± .005 of that specified in the Working Papers.

4. Overall odds of the game do not vary more than ± .0005 between the final executed prize structure and the executed Working Papers.

The Lottery reserves the right to make adjustments to prize guarantee levels. Any changes will be specified in the Working Papers.

2.4 Ticket Artwork

Artwork currently required by the Lottery for reviewing and approving will be sent to the ITD in maximum quality, full size JPEG or TIFF files.

Upon execution of each game, the Selected Contractor must provide color artwork in electronic format including a covered version of the ticket, an uncovered version of the ticket revealing a winning combination of play symbols and the PDF 417 validation barcode, the back of the ticket which includes the UPC code, and all other elements specified in the executed Working Papers and/or approved Customer Specifications Document. The Selected Contractor may be asked to provide a variety of ticket-related artwork as requested by the ITD. JPEGs of uncovered and covered front and back ticket art must be provided within three working days of the execution of the final working papers. Approved high resolution artwork in an Adobe Illustrator file, EPS, etc. will be provided to the Lottery on an FTP site. The Lottery will require the site to be available to Lottery Marketing Personnel and/or Lottery Advertising Agency Personnel.

2.5 Production Schedule

The Selected Contractor must develop and provide the Lottery a production schedule and updates thereafter for all games, including the following specs:

a. Game Number
b. Game Name
c. Ticket Quantity
d. Ticket Size
e. Start of Sale Date
f. Commission Meeting Date
g. Estimated Draft Working Paper Date
h. Signature Working Paper Date
i. Executed Working Paper Date
j. Scheduled Press Date
k. Scheduled Ship Date
l. Scheduled Delivery Date

3. GAME MANUFACTURING (Primary and Secondary Contractor)
BASE SERVICE SPECIFICATIONS (included in base price)

3.1 Ticket Specifications

3.1.1 Ticket Stock

Instant game ticket stock shall consist of 10 pt. C2S recycled/recyclable paper stock, or security, laminated, ten (10) point, white coated card stock, with one side being coated in aluminum foil or a holographic design (shiny side out) or better. Tickets must be printed on virgin stock which does not curl, separate or split. Construction of instant game ticket stock shall be such that the Recycled/recyclable paper stock cannot be delaminated without extensive damage to the paper, and the paper must resist damage from normal handling. Foil and holographic stock must meet the same requirements. The Primary Contractor will be responsible for the paper costs for two (2) foil and two (2) holographic games per contract year. The Secondary Vendor will be responsible for the paper costs for one (1) foil and one (1) holographic game per contract year. The ITD and the Vendor will mutually agree upon the games chosen for the vendor responsible games.

All tickets must be compatible with the ticket dispensing systems (in-counter, on-counter, ITVMs, etc.) as utilized now or in the future by the Lottery. Ticket stock may be modified at the Lottery's discretion during the term of this Contract. Instant game tickets delivered to the Lottery must be of either the same type or quality as those samples provided to the State by Selected Contractors with their proposals, or of an improved type and quality approved by the Lottery and the Lottery's independent ticket testing facilities.

PRINTING OPTIONS/SERVICES (cost per pricing sheet)
Ticket stock printed on 12-point virgin stock C2S or 10-point and 12-point C1S recycled/recyclable paper stock may be an option upon request by the Lottery.

3.1.2 Ticket Price Point
The Lottery currently has the following price point tickets; $1, $2, $3, $5, $10, $20 and $30. The Selected Contractor will be required to produce tickets at various price points in the future. The Lottery anticipates beginning production of $50 price point games in FY '16.

3.1.3 Ticket Sizes
The Lottery currently uses or is developing the following ticket sizes: 2.2 inches by 4 inches, 3 inches by 4 inches, 4 inches by 4 inches, 6 inches by 4 inches, 8 inches by 4 inches, and 10 inches x 4 inches. The Lottery will be moving its $1 games from the 2.2 inches x 4 inches ticket size to a 2.5 inches x 4 inches ticket size beginning in Fiscal Year 2016. Minimum instant game ticket size must be as described under the Cost Matrix, See Attachment Ten, Cost Summary Form. Neither the dimensions nor the total surface area of total square inches shall vary by more than ± 1% of the stated standard. The Selected Contractor may be required to produce tickets of varying sizes and shape(s). In addition, the Selected Contractor may be required to provide various sizes of licensed retailer incentive ticket(s) or promotional tickets used for special events. The Lottery may require that a portion of the instant game ticket be a stub(s) with perforations. Due to technical considerations which may arise over the life of the contract and due to changing industry and marketing considerations, different sized and shaped instant game tickets may be selected and required for any and all games procured as a result of this RFP.

PRINTING OPTIONS/SERVICES (cost per pricing sheet)
Specialty tickets of various sizes and shapes may be requested by Lottery.

3.1.4 Ticket Orientation
The Lottery may require tickets to be printed in either horizontal or vertical formats.

3.1.5 Book Sizes
The Lottery uses the following book sizes; 200 (two hundred), 100 (one hundred), 50 (fifty), and 25 (twenty-five) tickets per book, but is not limited to these in the future. See Attachment Ten, Cost Summary Form, for ticket and book size pricing.

3.1.6 Perforations
The perforations between tickets must be such that they will separate easily from each other by hand or when dispensed from instant vending machines, in-counter dispensers and individual dispenser units, but not so easily that they fall apart. Separation should also not be so difficult that the ticket tears upon being dispensed from vending equipment or dispensers.

3.2 Imaged Data
The Contractor must provide the Lottery with samples of all imaged fonts and symbols that are available for use in tickets. In addition, the Contractor must create imaged data or graphic fonts requested by the Lottery, whether or not provided as samples. The Contractor must periodically provide updates if new fonts or imaged data have been added to its library.

3.2.1 Game Data Printing
Game symbols and game data must be:

a. Printed in black or colored ink on the front of the ticket, and, for special games, on the back;

b. Uniformly positioned and aligned on Instant Ticket, unless otherwise specified by the Lottery, to prevent potential pick-out problems associated with positioning and alignment;

c. Printed with the latest imaging printer technology;

d. Legible so as to be readily discernible and distinguishable to normal under normal lighting conditions. Game data printing shall be performed with inks that frustrate any compromise of instant game tickets. Inks shall not smear from sweat, water, commercial soaps, or other normal environmental conditions.

e. Printed with fonts approved by the Lottery. All fonts currently offered by the Contractor must be available to the Lottery upon request for use in ticket production. The Contractor must create additional fonts and symbols at the Lottery's direction at no additional cost.

f. Each successive instant game ticket must have, as closely as practicable, an equal chance of being a winning game ticket as defined by the prize structure. Winning instant game tickets must, as nearly as practicable, be randomly distributed throughout the pool. The Lottery will require independent testing to verify randomness and fairness at the Selected Contractor(s) expense.

g. Winning instant game tickets may not be uniquely recognizable from game data, game symbols, verification code, bar codes, UPC codes, validation code characteristics or any coding or characteristics required of instant game tickets in the same game ticket strip, adjacent strips, other strips in the same book or parallel strips in other books.

h. To prevent the possibility of fraud, the Selected Contractor(s) must purchase or possess what is considered in the industry to be the best equipment and tools that will prevent any deciphering of plate patterns.

i. There shall be no less than one hundred thousand (100,000) different combinations of game ticket data in the printing system. Several combinations may produce the same game data on a game ticket. The number of instant game tickets with unique game data will be approved by the Lottery. There shall be no less than three thousand (3,000) instant game tickets with unique game data, unless this requirement is waived by the Lottery. The Lottery may require independent testing for randomness.

j. Symbols shall not be less than two hundredths of an inch (.02”) in height unless approved by the Lottery. The height of the game symbol dimension includes the desirable lettering under the game symbol spelling out the definition of the symbol. Verification numbers shall be at least eight one hundredths of an inch (.08") in height, but not greater than one tenth of an inch (.1") in height unless approved by the Lottery. Validation numbers shall be at least eight one hundredths of an inch (.08") in height, but not greater than eleven hundredths of an inch (.11") in space heights unless approved by the Lottery.

k. The Selected Contractor(s) shall be required to submit sample data, statistics, reports, detailed description of game data application, randomization, number of print passes, identification of game data applied per pass, and quantity of unique instant game tickets to the Lottery and/or independent Lottery consultants. The Selected Contractor(s) may also be required to submit computer program numbers. Any deviation from the requirements of this RFP, or findings of patterns that could divulge prematurely the game data of an instant game ticket in a material way, or lack of verification of game data, or impracticality of field verification of low-tier prizes, or any aspect that would make the instant game unattractive or cause burden to the customers shall be cause for the Lottery not to approve production.

3.2.2 Captions

To provide redundancy for security reasons and to prevent player confusion, each symbol must be accompanied by a caption underneath the Instant Ticket symbol that spells out (or repeats) the instant ticket symbol itself. The captions must be specified in the individual game executed working papers.

3.2.3 Fonts

Imaged data (computer controlled) or graphic fonts (display printing) produced by the Selected Contractor must be provided to the Lottery as samples for availability for use on tickets. The Selected Contractor may also be required to create custom graphic fonts for the Lottery.

3.2.4 Bingo/Crossword Games

The Selected Contractor must have the ability to produce Bingo and Crossword games utilizing a marking system, translucent scratch-off material, or the most current technology available to mark the play numbers/letters/special symbols on the ticket. The Selected Contractor must provide a variety of transparent ink colors for the marking system.

3.3 Colors

3.3.1 Ink Colors

The Selected Contractor must be capable of producing a minimum of seven display colors on the front of a ticket. A minimum of five colors must be available for use in the overprint area. At least one color in addition to black must be available for the ticket back.

PRINTING OPTIONS/SERVICES (cost per pricing sheet)

Additional display colors beyond 7, and overprint colors beyond 5 colors may be an option upon request by the Lottery.

3.3.2 Display Printing

Display colors on the front of the ticket must be printed using at minimum four color process or spot colors or both. A full UV varnish coat and/or other secure coatings over all of the ticket and second spot coating over same play data is to be provided. Inks must be of such nature that there is no “offsetting” or picking from the front of tickets to the back of tickets on an adjacent page, and vice versa.

Display printing shall be done with such inks as to avoid smearing from sweat, water, commercial soaps or other normal environmental conditions. Game play instructions are inherently small on the ticket, lettering and treatment must be clean and crisp allowing for ease of reading by the consumer.

Subject to normal printing trade tolerances and practices, the display printing must be accurately registered. The Lottery recognizes that certain ticket options may lend themselves better to one display printing process over the others. The Lottery will specify the most efficient and cost-effective system that meets its quality standards for any given game.

The Contractor must be capable of producing the following:

a. Screens of color on display and scratch-off areas of tickets;

b. Multiple color full-bleed washes on ticket;

c. Created colors on display area or overprint areas of the ticket;

d. A variety of graphic designs and styles, including without limitation photography, integrated overprint designs, unusually shaped overprint areas, and varnishes;

e. Seven or more separate game play areas;

f. Alternating scenes or Color Pulse within a book;

g. Different scenes or Color Pulse within a game;

h. Multiple or Continuous scenes;

i. Custom fonts, including but not limited to specially designed characters or color printing (other than black);

j. Custom imaging, including but not limited to specially designed characters or color printing (other than black);

k. A variety of inks or coatings, not limited to, metallic, aromatic, simulated foil, pearlescent, or fluorescent/neon inks and UV or varnish coatings;

l. Specialty Paper/Proprietary Paper; and

m. Tickets printed on holographic paper.

3.3.3 Overprint

A color overprint (as specified in the executed Working Papers) must be printed on top of the scratch-off material. The overprint symbols must be clear, distinct, and sharp, and must be of such design as to allow detection of scratch-off material tampering or alteration. Overprinting must be performed with inks that prevent compromise of game data covering. It is mandatory that solvents used against the covering must cause the ink to distort the overprint covering.

Display colors on the front of the ticket must be printed using at minimum four color process or spot colors or both. Use of Integrated printing will be included.

3.3.4 Ticket Back Printing

Ticket back printing shall be done with such inks as to avoid smearing from sweat, water, commercial soaps or other normal environmental conditions. Ticket Back printing is inherently small on the ticket, lettering must be clean and crisp allowing for ease of reading by the consumer. At least one color in addition to black must be available for the ticket back.

3.4 Game Data Covering

The printed copy and game data under the rub-off spots must be covered with a protective coating so that the legibility of the copy and the game data are not affected by the removal of the covering. Also,

a. Game data covering material shall be of an elastomeric base and/or a material equal or better as approved by the Lottery. A dusting type of covering material is not acceptable.

b. Game data covering material and instant game ticket construction shall be of such quality as to maintain the security of each ticket's printed game data and shall resist all known optical, chemical, mechanical, thermal and copying intrusion methods.

c. Game data covering shall meet the following criteria:

    1. Shall not destroy, mutilate, or distort printed game data or background area when removed.

    2. Shall be completely removable by scraping or rubbing by various means, and shall fragment when so removed without causing dusting. Specifically, there shall be no visible removal of rub-off upon one rub using the edge of a penny at 25 grams pressure, and the game data covering must break at no more than 75 grams unless agreed to by the Lottery.

    3. Shall not cause harm or discomfort to humans or their clothing when removed such as staining or impregnating.

    4. The Selected Contractor shall be required to submit game data covering sample tickets to the Lottery and/or independent consultants for testing before game data covering production.

3.5 Background Areas/Benday Patterns

The background areas upon which game data are to be applied do not have to be printed with an anti-counterfeit pattern. If in the future an anti-counterfeit pattern is required then the pattern must not prevent readability of the game data. The Lottery reserves the right to disapprove anti-counterfeit patterns or proprietary benday-type security treatment patterns.

3.6 Security Tint

Each game must include a security tint that covers all play areas. The security tint must display evidence of overprint tampering and/or if penetrated by any normal household product, chemicals, or solvents. The color of the tint used will be determined by the design of the overprint and specified in the executed Working Papers for each game.

3.7 Protective Coating/Seal Coat

The game data under the opaque scratch-off material must be covered by a transparent coating in a manner such that the symbols are protected when the consumer rubs off the scratch-off material. If the seal coat is removed, it must exhibit evidence of tampering and be non-repairable.

3.8 Security Coating/Scratch-Off Material

The security coating must be opaque and of such quality as to maintain the security of the ticket symbols and validation numbers. The border between the scratch-off surface and the uncovered portion of the ticket must be sharp and even, i.e., the scratch-off material may not "drip" onto the display printing. The scratch-off material must be smooth and regular to the touch and must be readily removable with a reasonable degree of resistance when scratched with commonly used items (scrapers, knives, keys, coins). After the scratch-off material is removed, significant residue must not be present. Scratch-off material must remain readily removable for a minimum shelf life of 24 months under Ohio warehouse conditions. The scratch-off material must be non-toxic and not irritating to the skin. It must cover the play area and overlay into the display area.

3.9 Screened Price Point

The price point of each Instant Ticket game must be screened on the back of the ticket. This will consist of a 15% screen as specified in the executed Working Papers.

3.10 Barcodes and Numbers

3.10.1 UPC (Universal Product Code)

All instant game tickets will be required to have the UPC Barcode and human readable numbers printed on the back and within the tolerances required by Uniform Code Council, Inc. The location of the printed UPC code will be specified in the executed Working Papers for each game. The Lottery is not requesting the Selected Contractor to provide the actual license. The Lottery already possesses such a license.

3.10.2 Ohio-Specific Algorithms

At the Lottery's request, the Contractor must design, manufacture, and encode Instant Tickets so as to enable existing Ohio-specific encoding and decryption algorithms to continue to function without modification. Data items for which existing algorithmic determination must be accommodated include the following:

a. Calculation of the book check digit;

b. Calculation of the validation number check digit;

c. Calculation of the barcode check digits;

d. Calculation ("encryption") of the file validation number from the ticket validation number;

e. Calculation of the full ticket validation number from the barcode validation number combined with the last five (5) numbers from the ticket validation number; and

f. Determination of the low-tier prize amount from the barcode validation number combined with the last five (5) numbers from the ticket validation number and the two prize code digits.

3.10.3 New Ohio-Specific Algorithms

At the Lottery's request, the Primary Contractor will develop and maintain new Ohio-specific algorithms to accomplish the above tasks for any future barcode formats increased to more than the current 23 digits specified in this RFP. Any such algorithms so developed with all software modules intended to support the use of such algorithms will become the sole and exclusive property of the Lottery, both during and after the term of this Contract. The Primary Contractor is responsible for supplying the following items related to any such developed algorithms:

a. To the Lottery and/or a Lottery designated representative for safekeeping: source code implementing the algorithm and full documentation thereof;

b. To the current or successor Lottery gaming system contractor: linkable object modules, without source code, implementing the algorithms in such a way compatible with hardware and software designated by the Lottery and its gaming system contractor; and

c. To other ticket printing Contractor(s), as designated by the Lottery: any and all information as may be required by those Contractors to enable them to design, encode, and manufacture tickets in a fashion compatible with the developed algorithms.

3.10.4 Game Numbers

The game number must be able to accommodate three to four digits. For example, GGG or GGGG.

3.10.5 Book Numbers

a. The book number must be able to accommodate six digits and seven digits which are used to generate the seventh or eighth (Lottery-specified) check digit of the book-ticket number. The generation of the seventh or eighth digit must be game dependent and meet Lottery requirements. Following is an example:

Six Digit Example:
GGG-PPPPPP-TTT-C
G - Game number
P - Book number
T - Ticket number
C - Check digit

Seven Digit Example:
GGG-PPPPPPP-TTT-C
G – Game number
P – Book number
T – Ticket number
C - Check digit

b. Book numbers are to be consecutive and non-duplicating in the game as a whole. The Lottery will require a one digit Ohio-specific check digit to accompany the book number. The Selected Contractor must have procedures to assure that the same book number is on all Instant Ticket in a given book and that no book numbers are duplicated in an individual game.

c. The application of the book and Instant Ticket number must be accomplished through a secure process. The Lottery may authorize the Selected Contractor to maintain documents with the book and validation number data. This information must be maintained in a secure environment with controlled access.

3.10.6 Ticket Numbers

a. Each Instant Ticket must bear an individual, consecutive number starting with 000 and with no omissions within each book.

b. This ticket number must be printed on the back of the ticket and as part of the barcode.

c. The Selected Contractor must have procedures to assure that individual, consecutive Instant Ticket numbers are on each ticket in the book and that there are no breaks or discontinuations of ticket numbering in the book.

3.10.7 Verification Code

The Lottery uses a ten (10) digit Verification Code under the scratch-off material on the front of the ticket. The Verification Code configuration, including digit count, is subject to change at the Lottery's discretion. Any such change must be accommodated by the Selected Contractor without additional cost.

The Lottery retains the right to change the location or position of the Verification Code under the scratch-off material for each game. The location of the Verification Code will be specified in the individual game executed Working Papers. In addition, the Lottery requires the Verification Code to "float" within the play area.

The Verification Code will be formatted as follows:
VVVVV VVVVC
Where: VVVVV VVVV is a nine (9) digit number that can range from: 00000 0000X to 99999 9999X.
VVVVV the first five (5) digits of the Verification Code
Space
VVVV the next four (4) digits of the Verification Code
C is a one (1) digit check digit.

a) The low-tier verification number shall be approved by the Lottery and shall meet the following criteria:

1. The number shall consist of numeric characters, and each ticket shall possess its own unique computer number.

2. The number shall meet game data clarity standard.

3. The number shall relate to game ticket data.

4. The number shall validate low-tier winning instant game tickets.

5. The number shall not disclose a winning or a non-winning instant game ticket.

6. The number shall meet game data security requirements.

7. The number shall be covered by the game data covering material.

8. For the purpose of validating low-tier winning instant tickets, a nine (9) digit numeric verification number or any numeric verification number approved by the Lottery, plus a one (1) digit check digit, shall algorithmically determine whether or not a ticket is a winner and what the prize amount is for the purpose of validation of instant game tickets. The Algorithm must also uniquely identify a location that contains winning ticket records. The Selected Contractor must provide both the Algorithm and a file that contains records of low-tier winners. The type of file utilized shall meet the specifications of the Lottery.

b. The high-tier verification number shall be approved by the Lottery and shall meet the following criteria.

1. The number shall consist of numeric characters, and each ticket shall possess its own unique computer number.

2. The number shall meet game data clarity standards.

3. The number shall relate to game ticket data.

4. The number shall validate high-tier winning instant game tickets.

5. The number shall not disclose a winning or a non-winning instant game ticket.

6. The number shall meet game data security requirements.

7. The number shall be covered by the game data covering material.

8. For the purpose of validating high-tier winning instant tickets, a nine (9) digit numeric verification number or any numeric verification number approved by the Lottery, plus a one (1) digit check digit shall algorithmically determine whether or not the ticket is a winner and what the prize amount is for the purpose of validation of instant game tickets. The Algorithm must also uniquely identify a location that contains winning ticket records. The Selected Contractor shall provide both the Algorithm and a file that contains records of high-tier winners. The type of file identified shall meet the specifications of the Lottery.

3.11 Validation and Barcoding Specifications

The Selected Contractor must provide leading edge support and technology as required to keep pace with industry advancements. All current and future technology to be utilized by the Lottery must be created using standards that are approved by the Lottery.

3.11.1 Validation Barcode

See specification Attachment Twelveen, Ohio Lottery 2-D Ticket Barcode Specifications – Revision 1.4 (Page 7)

The Contractor's Instant Ticket must be compatible with the Lottery's gaming system as it relates to the barcode and data contained therein. The human readable barcode information, on the ticket back, must be printed as specified in the Working Papers.

3.11.2 PDF 417 Barcode and Data Matrix Barcodes

The exposed play area of each ticket includes a barcode which is read by in-store scanners that inform the players whether the ticket is a winner or a non-winner. The barcode can also be used by the retailer for validation. The Lottery currently uses 2-D Barcode technology.

See specifications Attachment Twelve, Ohio Lottery 2-D Ticket Barcode Specifications – Revision 1.4

In the future, the Lottery may also request the ability to use a Data Matrix Ticket Barcode.

See specifications Attachment Thirteen, Ohio Lottery Data Martrix Barcode Specification – Revision 1.4

The Selected Vendor will be responsible to secure any agreements with any vendor that holds patents on this technology. Any costs associated with the use of these barcodes will be included in the base pricing.

3.11.3 Barcode Technology

SPECIAL FEATURES/SERVICES (cost per price sheet)

Barcode technology such as Quick Response Codes (QRC) or similar technology may be used for players to enter internet portals and the Lottery's website. The Selected Contractor is required to provide such barcodes for use on Instant Ticket and other game-related products.

3.12 Retailer Validation Prize Codes

The Retailer Validation Prize Codes are printed and must correspond to the PDF 417 Barcode algorithm. The Lottery will provide the Selected Contractor with a current prize code list. The Lottery may remove these codes in the future.

3.13 Proofs, Color Keys, and Artwork
Upon execution of each game, the Selected Contractor must provide color artwork in electronic format including a covered version of the ticket, an uncovered version of the ticket revealing a winning combination of play symbols and the PDF 417 validation barcode, the back of the ticket which includes the UPC code, and all other elements specified in the executed Working Papers and/or approved Customer Specifications Document. JPEGs of uncovered and covered front and back ticket art must be provided within three working days of the execution of the final working papers. The Selected Contractor must provide the Lottery with final color artwork via color contract proof or ink sample/drawdowns, play area imaging, color keys, or other proofing system acceptable to the Lottery that provides an accurate representation of the final product for Lottery approval prior to ticket printing. The Selected Contractor may be asked to provide a variety of ticket-related artwork as requested by the ITD. Approved high-resolution artwork in an Adobe Illustrator file, EPS, etc. will be provided to the Lottery on an FTP site. The Lottery will require the site to be available to Lottery Marketing Personnel and/or Lottery Advertising Agency Personnel.

3.14 Shelf Life
Under Ohio warehouse conditions, Instant Tickets must remain readable, easily scratched, and in useable condition for a minimum of 24 months from date of delivery to the Lottery.

4. MARKETING AND SALES SUPPORT
BASE SERVICE SPECIFICATIONS (included in base price)

The Primary Contractor will be the prime source of instant ticket printing, Licensing Agreements, sub-contract Licensing Agreements, Marketing services, Sales Support services, Research services and any other Instant Ticket related services as determined by the Lottery. The Lottery anticipates that the Primary Contractor will serve as a business partner and work closely with the Lottery to ensure that instant ticket sales continue to increase. The Selected Contractor must provide leading edge marketing and sales support using advanced technology and upgrading as new technology becomes available. All current and future technology utilized must be pre-approved by the Lottery.

4.1 Fiscal Year Product Plan
In partnership with the Lottery's Instant Ticket Department (ITD), the Primary Contractor shall be responsible for developing and writing a comprehensive fiscal year Product Plan for all instant games, including any games to be developed by the Secondary Contractor. The development process will begin in February and will be in place by the end of April of each year. The Lottery's ITD and the Primary Contractor will evaluate this Product Plan quarterly and the Primary Contractor shall provide an updated plan if necessary.

As part of the Product Plan, the Primary Contractor shall provide the Lottery's ITD with specific recommendations for two (2) specific retailer and two (2) specific player promotions each fiscal year. Promotion outlines will include cost analyses, sales projections, pre and post analyses. Recommendations will include a plan for fully integrated retailer and consumer promotions.

4.2. Retailer Recruitment
The Selected Primary Contractor will be required to submit a plan to acquire non-traditional retailers, including new corporate/chain accounts. The plan must specify which nontraditional and corporate/chain retailers should be recruited.

4.3. Sales Support Services
The Selected Primary Contractor will play an important role in the Lottery's sales program, working closely with the Lottery as sales plans and goals are developed. The sales support services required of the Selected Primary Contractor include consulting assistance regarding initial allocation, reorders, out-of-stock issues, product placement, and appropriate equipment. Additionally, the Selected Primary and Secondary Contractor must provide annual product innovation presentations to ITD and may be required to produce and provide sell-in sheets for retailer training.

At the Lottery's request, the Selected Primary Contractor shall provide sales support by attending and participating in two (2) statewide sales meetings per contract year, any licensed retailer teleconferences and/or regional meetings, and conducting one (1) sales advance training seminar per contract year. Selected Contractor's proposals for the Primary Contract should include an outline for training programs, including topics to be discussed. At the Lottery's request, the selected Secondary Contractor may also be asked to attend at least one (1) of the above-referenced functions per contract year.

4.4 Point of Sale (POS) Materials

4.4.1 Oversized Retailer Tickets
The Selected Primary and Secondary Contractor shall supply, with each instant game ticket design, twelve thousand (12,000) oversized POS retailer tickets. These tickets shall be 5" x 9 1/2" in size or a size designated by the ITD, printed two sides and separated in cartons by destination (approximately 10) and shipped with the first shipment of that game's tickets to the Strongsville Facility or another facility as specified by the Lottery.

4.4.2 Void Samples
At first completion of ticket samples, one book from each channel across the web will be sent to the designated Lottery representative. In addition, the Selected Contractor shall supply, with first shipment of each game design, at least two hundred fifty (250) books of sample non-winning tickets to be used for educational and point of sale training purposes. Tickets shall be separated by Lottery Region and the Lottery's testing facility as requested. Void samples will ship with the first delivery of that game's tickets to the Strongsville Facility and other facilities as specified by the Lottery. The word "SAMPLE" must be printed prominently on the back of each void sample ticket. The word "VOID" must also replace the ticket number on the front of each ticket. All void samples must be packaged in the same book size as the corresponding game.

4.4.3 Additional Point-of-Sale
Upon the Lottery's ITD request, the Selected Primary Contractor must design and produce 12,000, 8½" x 11" posters (printed two sides), for each month's game release. The Lottery must approve the poster design before printing. The posters will ship with the first delivery of that game's tickets to the Lottery's Ticket Distribution Facility and other facilities as specified by the Lottery.

4.4.4 Insert Cards
The Selected Primary and Secondary Vendor will include a 4" x 4" (or size determined by the Lottery) 10 pt. card stock, instant game book card with game graphics on the front and identifying game name, game number, ticket size and book value on the back as approved by the Lottery's ITD in each live book, sample book and quality control book. A game recognition barcode may be added to the back of the insert. The graphics on the front of the insert will replicate the graphics from the display area of the ticket. The back of the insert will be printed in one color.

SPECIAL FEATURES/SERVICES (cost per price sheet)
Book inserts with retail information and/or promotional materials may be requested for certain games. These items will be inserted into every book by the Selected Contractor during the packaging process, or as specified in executed Working Papers.

4.5 Coupons
The Lottery utilizes direct mail coupons a minimum of four (4) times per fiscal year. The Lottery is seeking a comprehensive long-term plan that must specify the Selected Primary Contractor's capabilities, knowledge, ideas, experience, results and insight to help the Lottery pursue any existing or new coupon delivery/redemption methods, including but not limited to the ability to create and read appropriate barcodes including single use barcodes, digital delivery of coupons, direct mail couponing, coupons produced in-store, on book coupons, co-operative retail promotions, tie a coupon redemption to a purchase, quick response codes (QRC) or similar barcode technology, couponing with a Loyalty program, identification and data capture of the redeemer, and mobile application integration. The Selected Primary Contractor will be financially responsible for two (2) of the coupon programs, per contract year, specified in their comprehensive long-term plan.

4.6 Marketing Financial Support
In addition to providing assistance with the marketing of Instant Ticket products, the Selected Primary Contractor is expected to contribute financial support for the Lottery's own marketing efforts in connection with sale of Instant Ticket products. The Selected Primary Contractor must provide the Lottery with Instant Ticket marketing support funds in the amount of $25,000 per month, or the amount specified in the Primary Contractor's Proposal in Response to RFP #CSPSP1500, whichever is greater.

These funds are cumulative and may be expended at any time during the course of the Contract. The Selected Primary Contractor's marketing support funds will be held by the Selected Primary Contractor until expended or until expiration of the Contract term, whichever comes first. Any marketing support funds that remain in the Selected Contractor's possession at the expiration or termination of the Contract will be remitted to the Lottery not more than 30 calendar days after Contract expiration.

While the Lottery has sole discretion with respect to the expenditure of any marketing support funds, it expects to use the funds for, among other things, special promotions, advertising, POS pieces, and specialty game dispensing equipment.

SPECIAL FEATURES/SERVICES (cost per price sheet)

The Selected Primary Contractor may be required to provide Extended Marketing support for up to four (4) Instant Ticket games per year, in HTML5, or other formats specified by the Lottery. Extended Marketing support includes the following:

a. Providing recommendations and executing approved direction designed to increase player engagement and provide extra value elements by linking Instant Tickets at retail locations with extension play via digital channels, coupons, games for fun, and other interactive games.

b. Recommending and producing programs to link Instant Tickets with interactive play via digital channels such as the Lottery's MyLotto Rewards, social networks, microsites, and mobile applications. Such programs may include, among other things:

   1. 2nd Chance games/drawings
   2. Games offering opportunities for virtual Instant Ticket trials
   3. Interactive games for extended brand interaction (non-trial) for fun and/or prizes
   4. Retailer/consumer coupons and special purchase discounts/offers.

c. Recommending and providing barcode technology for Instant Ticket and/or POS to facilitate player engagement via alternate channels. Such channels may include, without limitation, mobile communication technology, digital portals for extended play, interactive games, social engagement, and other additional features/drawings.

d. Recommending and providing new and innovative "how-to-play" materials, such as instructional videos, online games, mobile applications, microsites, and other digital platforms.

e. Recommending and providing mobile-friendly digital games with web-based sharing capabilities via social channels and email, allowing players to share and socially engage with others.

f. Recommending, developing, and implementing the cross-sell of Lottery products via messaging, couponing or other strategies to increase play frequency and encourage play across all Lottery games.

g. Recommending and supporting experiential events to further marketing plans for Instant Tickets. Support is to include resources and staffing to assist the Lottery with these events.

h. Recommending and supporting retailer promotions by providing resources and marketing or POS collateral.

4.7 Marketing Research

The Selected Primary Contractor must provide market research to support the development of new Instant Ticket concepts, designs, play styles, and player base demographics, at no additional cost to the Lottery. This research may include, but is not limited to; focus group research, web-based testing, panel studies, segmentation studies, geo-demographic studies, tracking studies, industry trend research, and collecting information from other state lotteries. The Selected Primary Contractor must provide a comprehensive research plan that must specify the Selected Primary Contractor's capabilities, knowledge, ideas, experience, results and insight. The Selected Primary Contractor will be responsible to develop a research plan each contract year and present it to the ITD. In addition, any instant ticket research conducted by or for the Selected Contractor for other lotteries must be provided to the Lottery at no cost.

The ITD and the Selected Primary Contractor will make the final determination as to methodologies employed in the projects and games tested, including the Selected Secondary's games and any other vendors' games. Artwork for concepts presented to the Lottery for research must be provided in the format necessitated by the research. The Contractor must ensure that the concepts do not infringe upon the intellectual property of any third party.

4.8 Innovations and Services with Variable Pricing

SPECIAL FEATURES/SERVICES (cost per price sheet)

In addition to those services for which pricing is required prior to commencement of the Contract, the Selected Contractor may be asked to provide any service or feature that falls within the scope of this Contract, including innovations that are not yet available and services with variable pricing may be ordered and required as technology and market demands/dictate. Special prices for any such new technologies and market demands may be negotiated by the State in the best interest of the Lottery and the State, but must conform to the usual and customary fees within the instant game ticket manufacturing industry for such new technologies and market demands. Further, such negotiations should be based upon the pricing structure set forth in the contract as much as possible.

5. PLANT AND GAMING SECURITY (Primary and Secondary Contrator)
BASE SERVICE SPECIFICATIONS (included in base price)

The Selected Contractor and any subcontractor that participates to any extent in the production or delivery of instant tickets must provide, at a minimum, the following security and quality control measures.

5.1 Security Plan
The Security Plan shall be prepared by the Selected Contractor and approved by the Lottery. This plan shall include instant game ticket accountability, record security, plant security, data security, and disposal of waste. The Selected Contractor is also obligated to identify any potential security problems and propose a means to handle security risks.

a. The Selected Contractor must show an understanding of the overriding importance of security in all phases of design, material procurement, production, transportation, storage, validation and disposition of instant game tickets.

b. The Selected Contractor must describe its/their basic quality control and security, and shall clearly indicate how their operation meets the requirements for plant security and quality control as defined herein.

c. The Selected Contractor must describe their Disaster Recovery/Business Resumption Plan. The plan should address issues and areas critical to the continued timely, accurate, and secure production of Lottery tickets in the event of a business disruption at one or more key vendor facilities (i.e. programming facilities, printing facilities, etc.) The Selected Contractor shall be required to submit a copy of their Disaster Recovery/Business Resumption Plan to the Lottery upon the award of the Contract.

5.2 Plant Security
Each plant or facility at which Instant Tickets are produced must be equipped with a complete physical security system. The security system must be able to control and monitor access to all sensitive areas of the plant, detect and report exceptions/alarms, and visually monitor and record all production, packaging, storage and waste destruction areas. Access control and monitoring must include positive accountability for the presence of each employee and visitor in sensitive plant areas at all times through the use of “pass back” or similar devices.

The Lottery retains the right to inspect and approve or disapprove any plant or facility prior to the production of Lottery tickets at the facility. The inspection may include, among other things, a comprehensive review of the facility’s physical security systems, waste destruction, and all computer-based systems used in the generation and production of Lottery tickets.

For the purposes of establishing and maintaining plant security, the following specifications are presented. Terms and conditions for plant security shall prevail at all times during manufacturing, storage and shipment of instant game ticket stock. The Selected Contractor shall agree to implement as nearly as practicable the following. Failure to provide the agreed upon security as outlined shall be cause to cancel the contract.

a. All windows in the manufacturing area shall be taped, wire-meshed or barred.

b. Skylights, if any, shall be taped or wire-meshed.

c. Fire doors shall be equipped with break alarm systems for local alert in the event of fire.

d. Uniform locking devices shall be provided for all outside doors.

e. A log shall be maintained of all visitors entering the area where instant game tickets are printed and stored.

f. Receiving and loading platforms shall have signs posted prohibiting truck drivers and/or delivery workers from entering the production area.

g. A secure area shall be provided for the storage of rolls or sheets of the instant game ticket paper. The quality and weight of roll or sheet stacks shall be verified upon receipt, placed in the secure area and a perpetual inventory by roll or stack shall be maintained.

h. Cartons of instant game tickets shall be sealed and moved to a secure locked area provided for this purpose only. A control number shall be placed on each box in consecutive order.

i. Any and all voided instant game tickets shall be destroyed by the Selected Contractor as required by the Lottery. The Selected Contractor) shall provide the Lottery with a list of outstanding instant game tickets within thirty (30) days of the end of sales and the Lottery shall destroy said tickets.

j. A certification shall be required from the Selected Contractor giving the actual number of instant game tickets of each delivery to ensure that there are no missing tickets.

k. During hours when the plant is not in operation, a regular security guard check shall be made at least every two (2) hours, using a standard tamper proof watchman's clock and key stations located throughout the plant. Automated systems of surveillance such as invisible eye beams or closed circuit TV may be substituted, subject to the approval of the Lottery.

l. All artwork, proofs, negatives, and plates remain the property of the Lottery. Plates shall be produced under maximum security. All such materials shall be kept locked in a vault, secure fire resistant file or storage cabinet when not in use by the Contractor(s).

m. All make ready sheets and press spoilage sheets shall be immediately destroyed by the Selected Contractor during the press run. No material of this nature will be mixed with other plant waste.

n. A shipping manifest shall be prepared and all cartons shall be pulled in consecutive order and carried on pallets directly to the trucks. When the load is complete, the manifest shall be signed by the loader and driver. The truck shall then be sealed and the seal number listed on the manifest. The loading area shall be enclosed or at least free of any other shipments, deliveries, trash or bales during all operations.

o. To preserve the safety and security of instant game tickets, no other load shall be permitted on the delivery truck. Lottery property shall be physically protected.

5.3 Corporate Security

To secure compliance with the contract, all employees who have any access to instant game ticket stock may be required to complete and furnish to the Lottery a Background Investigation Form (Attachment Sixteen).

a. All employees who will be involved in the direct production of instant game tickets shall be identified and so indicated on an employee list submitted to the Lottery's Security Department.

b. Any and all employee transactions, e.g., hiring, firing, transfer, promotion, lay-off shall be reported within forty-eight (48) hours to the Lottery.

c. The Selected Contractor shall identify the procedures adopted to assure that persons involved in the production or sale of instant game tickets are precluded from ascertaining which book contains winning instant game tickets.

d. The Selected Contractor, its principals, employees, and subcontractors may be subjected to periodic background checks conducted by the Lottery pursuant to Ohio Rev. Code Sec. 3770.051.

e. The Selected Contractor shall use their best efforts to require all of its principals, agents, employees and subcontractors engaged in duties under the contract, as a condition of their employment, to refrain from purchasing or selling Ohio Lottery tickets or attempting to claim any prizes in any game conducted by the Lottery.

f. Special precautions must be taken by Selected Contractor with regard to magnetic or other forms of record files containing instant game ticket or instant game ticket generation information.

g. Transportation of instant game tickets in various stages of completion between plants shall be conducted in exclusive-use private trucks under the supervision of plant officials and uniformed guards. A guard shall lock and "seal" the truck. The guard will fax the lock combination number to the Strongsville Warehouse (or such other warehouse as designated by the Lottery). The truck driver shall keep accurate records of his/her activity on a manifest as well as the time of departure and arrival of the truck.

5.4 Gaming Security (Quality Control)

The Selected Contractor must include a Game Security Plan (Quality Control) with their proposal that minimally meet the following requirements:

a. Selected Contractors shall describe how the numbering and lettering of instant game tickets will be accomplished, either by the Selected Contractor, subcontractor or other means. Procedures must also be outlined, describing how the numbering is to be controlled to ensure error-free results. In this case, the following three (3) levels of instant game ticket numbering shall be considered and discussed:

1. The numbering, lettering or symbol printing which relates to how the instant game is to be played, referred to as Game Data Printing.

2. The numbering of books and instant game tickets for use in controlling instant game ticket distribution and accounting.

3. The numbering of the instant game tickets to be used for winning ticket(s) claim(s), validation and reconstruction of game numbers, letters or symbols which have become mutilated or unreadable.

b. If the instant games are produced in multiple production runs, a sample book of 20/25/50/100/200 instant game tickets shall be submitted to the Lottery for approval from each run as they are produced to guarantee production quality during each run.

c. The Selected Contractor shall employ quality control procedures to ensure that instant game tickets delivered meet the specifications and requirements hereof, without limiting procedures to be employed hereunder. The Selected Contractor shall:

1. Employ one hundred percent (100%) visual inspection of instant game tickets on a sheet-by-sheet basis.

2. Implement a specific procedure for visual observation of the application of the covering material, release coat and game data application.

3. Implement a specific procedure for barcode readability utilizing equipment provided by the Lottery.

d. The Selected Contractor is required to identify how they will verify that inks, raw ticket stock, and covering materials have a uniform high standard and comply with requirements of this RFP, as well as how they will support the representations of the Selected Contractor after contract award. The Selected Contractor shall be required to make those records available to the Lottery upon request.

e. The Selected Contractor, with each instant game, shall describe the inks and covering material to be used, with at least the manufacturer number and a sample printed on the instant game ticket stock. The inks shall require the approval of the Lottery.

f. The Selected Contractor shall be required to describe, in writing, how it will maintain uniformity in each printing process and in the covering application which will require the approval of the Lottery.

5.4.1 System Access Controls

The Selected Contractor must at all times employ system access controls that provide individual user accountability and authentication, protect sensitive data from unauthorized access, provide an audit trail of access and attempts to access sensitive information, and provide procedures to ensure that employees or subcontractors cannot determine the location of winning tickets.

5.4.2 Development and Maintenance Procedures

The Selected Contractor must provide system development and maintenance procedures that ensure separation of duties for testing and developing Ohio-specific games.

5.4.3 Audit Logs

The Selected Contractor must maintain audit logs of all actions and events taken by individual users during the course of development, production, and post-production of games. The audit logs must be maintained and protected from modification or unauthorized access or destruction.

5.4.4 Invasive Techniques

Tickets must be manufactured in such a way that it is not possible to ascertain whether an instant ticket is a winning or non-winning instant ticket without rendering the instant ticket un-sellable to the public or easily recognizable as having been tampered with. In particular, it must not be possible to "see through" the scratch-off material with any practically available device or technique, including among other things, high intensity light, x-rays, infrared, lasers, chemical means, electrical means, photographic means, copying machine intrusion techniques, thermal techniques, solvents, microsurgery, or microscopes.

5.4.5 Scratch-off Material Quality
The scratch-off material must be of an elastromer base or a base material comparable or superior in quality. A dusting type of covering material is not acceptable. The scratch-off material and Instant Ticket construction must be of such quality as to maintain the security of each Instant Ticket printed game data, and must resist all known optical, chemical, mechanical, thermal and copying intrusion methods.

The scratch-off material must not destroy, mutilate, distort, or otherwise interfere with the printed game data or background area when removed and must be completely removable by scraping or rubbing by various means and must fragment when removed without casing dusting. Specifically, tickets must have a scratching adhesion that will scratch easily and completely when played by the end user, but will not scratch when handled or dispensed.

The scratch-off material, when removed, must not cause harm or discomfort to humans or their clothing. The Instant Ticket symbols under the scratch-off material must be covered with a transparent protective coating so that the printed game data and background area are protected when the consumer rubs off the covering.
Quality control testing of the overprint for each individual game must be done as specified by the Lottery prior to press approval.

5.4.6 Pick-Out
Neither winning Instant Tickets nor non-winning Instant Tickets may be recognizable from any characteristic of the Instant Ticket other than by the Instant Ticket symbols concealed by the scratch-off or other exposing material.

5.4.7 Randomization
Deficiencies in randomization, including but not limited to programming of game data, ticket location in its strip, book, sub game, shipping box or pool, or the contents (whether exposed or covered with scratch-off) of any other Instant Ticket in the same or neighboring strip (page), shipping box or pool are not permitted. The odds of winning a prize on a given Instant Ticket must not vary from the odds of winning that prize as stated in the final approved prize structure in the executed Working Papers.

5.4.8 Quality Control
The Selected Contractor must employ quality control procedures to ensure that all Instant Tickets delivered meet the specifications and requirements of this Contract. The Selected Contractor must employ 100% visual inspection of Instant Tickets and must implement a specific procedure for the visual observation of the application of the covering material, release coat, and game data application.

5.4.9 Non-Conforming Tickets
The Lottery may determine that Instant Tickets are non-conforming, in whole or in part, at any time during the production, testing, delivery, or distribution (partial or complete) of the tickets. The Lottery may reject, in whole or in part, nonconforming Instant Tickets or games at any time.

5.4.10 Ticket Reconstruction
The Lottery will provide the names of personnel authorized to request ticket reconstructions. The Selected Contractor shall provide, upon request by the Lottery's Office of Security, the reconstruction of game data on any instant game ticket delivered by the Selected Contractor to the Lottery using the series, book and sequence number. Any new technology available to reconstruct tickets should be identified with a detailed explanation on how the process works and any cost associated with this new technology.

Requirements of Game Data Reconstruction.

a. Offerors are required to advise how they will ensure the reconstruction of the instant game tickets while retaining security.

b. Accuracy of the reconstruction shall be 100% for high and low-tier winning instant game tickets. No high-tier winning instant game ticket will be indicated if the ticket is not a high-tier winner according to its verification code.

c. The Lottery's Office of Security, in good faith, may at its discretion require the Selected Contractor to reconstruct, in a timely manner, any number of instant game tickets using records in the Contractor's possession and at the Contractor's expense.

d. The Selected Contractor is required to provide the format so that no instant game ticket is reconstructed in error arising out of its/their procedures.

e. * The Selected Contractor must keep a log of all reconstruction requests. This provision will remain in effect and will survive the expiration or termination of this Contract for four (4) years from the date of expiration or termination.

f. * The Selected Contractor must track and analyze reconstructions and must submit monthly reconstruction reports. These reports must include reason codes assigned to all ticket reconstructions.

Procedures for requesting reconstruction shall be established between the Contractor and the Lottery.

5.4.11 Ticket Production for Security Test Games
Upon request, the Selected Contractor must produce Security Test Tickets that appear by visual inspection to be tickets from a current production game. Such tickets, at the request of the Lottery, must include apparent high tier, mid-tier, and non-winning tickets. The tickets must not validate against the associated current production game validation file, but must indicate their apparent value when checked using a Lottery terminal, and not in any way indicate they are invalid tickets. Additional specifications of Security Test Tickets must be approved by the Lottery. The method of delivery of Security Test Tickets to the Lottery must be as directed by the Lottery.

5.4.12 Omissions Storage and Destruction
If any part of a book of tickets fails to meet the quality requirements specified in this RFP, the entire book must be omitted. Omitted books must be reflected in the validation and inventory media, and the Selected Contractor must provide an independently audited report showing the disposition of all omitted tickets. Actual books omitted must be pulled from the shipping cartons and not delivered to the Lottery. The Selected Contractor must provide a detailed overview of the system used to track omitted books, including, but not limited to, the use of automation, audit tools, and other physical and electronic controls.

The number and type of omitted books must not result in an unacceptable variation between the EOPPS and the prize structure established in the executed Working Papers. The acceptable level of variance is set forth in the Prize Guarantees section 2.2, #7.

The Lottery requires destruction of unused Ohio Instant Ticket stock and imaged or un-imaged ticket stock at the printing site by shredding, burning, or dissolving. The destruction of this ticket stock must take place within an agreed upon period of time after completion of game packaging. Ticket stock identified as omits during the editing and packaging cycles of the game (including omit materials on pallets and/or rolls) must be stored in a locked/secured area. Destruction of the omit ticket stock (fully and/or partially imaged ticket stock) may be observed at any time by Lottery staff. The described material must not leave the printer's premises until it is no longer identifiable as Lottery material.

The Selected Contractor must maintain a record system to account for the movement, storage, and destruction of all omit ticket stock. The record system is subject to audit by the Lottery.

The Lottery may authorize the Selected Contractor to remove Ohio game ticket stock from the Selected Contractor's premises for off-site destruction or temporary storage under extraordinary circumstances. Any off-site movement of ticket stock must be properly recorded in a log, a copy of which must be forwarded to the Lottery within five days of the move.

The Contractor must develop procedures for discarding Instant Tickets in the Selected Contractor’s possession upon request by the Lottery. These procedures must include a plan for ticket destruction and a description of all ticket reconciliation and destruction processes.

5.4.13 Security Quality Assurance Testing Sample Books
At the start of production, one (1) book from each channel across the web will be sent to an independent lab selected by the Lottery. The cost for testing will be incurred by the Lottery, but shipping to the lab shall be at the Selected Contractor’s expense. Approval is contingent on factors such as security, appearance, and construction of the instant game tickets. However, no instant game tickets shall be accepted for delivery by the Lottery until it provides final approval of the production samples. A letter will be sent to the ITD indicating the books sent to the independent lab at time of shipment. The Selected Contractor shall not, without consent of the Lottery, materially alter production methods for tickets produced for the Lottery after notification of the results of any lab tests.

5.4.14 Quality Assurance
The Contractor must perform industry standard quality assurance tests for each game and report the results to the Lottery.

5.5 Required Security Modifications
The Lottery may require changes to the Selected Contractor's physical security controls and computer-based systems used in the generation and production of Lottery tickets, using timelines agreed upon by both the Selected Contractor and the Lottery.

5.6 Remote Sign-Off

At its sole discretion, the Lottery may elect to conduct remote press checks and sign-offs on occasion. Upon Contract execution, the Selected Contractor must submit to the Lottery a comprehensive plan to accomplish remote press checks while maintaining the quality, integrity, and security of each game using press check technology or equipment recommended by the Selected Contractor for the remote process.

6. TICKET DELIVERY, PACKAGING, INVENTORY CONTROL & DELIVERABLES (Primary and Secondary Contractor)
BASE SERVICE SPECIFICATIONS (included in base price)

6.1 Ticket Quantity

The Contractor must deliver 100% of the agreed-upon ticket quantity specified in the EOPPS for each game. The instant game ticket books shall contain twenty (20), twenty-five (25), fifty (50), one hundred (100), or two hundred (200) instant game tickets or any number as required by working papers on a per game basis, at no additional charge. However, any instant ticket game order may require instant game tickets to be packaged in varying book size quantities at no additional charge. Instant game ticket books shall be assembled in a fashion to maintain sequence number order, such as, but not limited to, fan folding.

6.2 Shrink Wrapping

All books produced must be individually shrink wrapped in clear, strong plastic to prevent bursting while being handled or while in shipment or storage. Books must be folded and shrink wrapped in such a manner that allows the game-book-ticket number and associated bar coding of at least two (2) tickets to be visible. Books are to be side sealed. The shrink wrap must be sufficiently tight around the book of tickets to permit the bar code to be easily scanned through the shrink wrap and to prevent the shrink wrap from catching or pinching on conveyors, rollers, or pointed edges as might be encountered in the packaging, warehousing, and distribution processes. Shrink wrapping must remain intact through the shelf life of the game and books must be assembled in a uniform manner. Methods used to shrink wrap books shall not, in any way, damage or compromise the covering over any of the instant game tickets. Shrink wrap must also be able to be marked if necessary for inventory management.

Each live book, sample book and quality control book will include a 4” x 4” (or size determined by the Lottery) 10 pt. card stock, instant game book card with game graphics on the front and identifying game name, game number, ticket size and book value on the back as approved by the Lottery’s ITD . A game recognition barcode may be added to the back of the insert.

6.3 Shipping Cartons

Only cartons approved, by the Lottery, according to the Customer’s Specifications document will be used and must meet the following requirements:

a. Cartons shall be 275 lbs. (minimum) per square inch bursting test sealed cartons or a minimum as set by the Lottery.

b. The instant game book carton shall be sealed in order to maintain quality of the instant game ticket books against normal handling. Tape not to obscure markings or label. Brown tape with fabric shall be used. There will be no printing on the tape. Clear plastic tape will be accepted to seal ticket cartons. The clear tape will need to securely seal the cartons during the shipping and handling process. The Lottery reserves the right to request other tape options if the clear plastic tape is not sufficient in securing the tickets.

c. Each instant game book carton shall have a label. The carton labels are to face outward and placed on the narrow side of the cartons.

d. The weight of the instant game book carton shall not exceed twenty-five (25) pounds or a weight approved by the Lottery.

6.4 Packaging of Instant Tickets

Packaging shall meet the following criteria, and shall not, in any way, damage or compromise the covering over any of the instant game tickets.

a. Instant game books will be packaged in cartons according to the Customer’s Specifications document approved by the Lottery. Only partially filled cartons, usually at the end of a series or end of a game, may have filler added. Series may not be mixed in the same carton.

b. Packaging of instant game books in each carton should be loaded sequentially by instant game ticket number. The tickets can lay flat in the carton or standing on edge. Either option must conform to the requirements of the carton size.

6.4.1 Shipping Carton Labels

Carton labels shall be approved by the Lottery and must meet the following criteria as outlined in the Customer Specifications document:

a. Labels shall have recorded thereon each instant game ticket book packaged in the shipping carton by the inventory control, game, series and book number. The carton labels are to face outward and placed on the narrow side of the cartons.

b. Labels shall meet the game data clarity standard.

c. Labels shall be color coded for each individual instant game and securely affixed to the outside of the carton identifying the game name, game number, shipping carton number, valid book numbers sequenced from and to, total number of books in the carton and any voided books by book number. When applicable, a color-coded label will be affixed to the label identifying game color. Each carton label will have an interleaved two-of-five bar code that will identify game number, series and book numbers range, number, series and book number for the entire carton. Other additional forms of identification may be required as instructed by the Lottery.

   1) The “from” and “to” bar codes on the carton label will be stacked and will each be comprised of nine (9) digits.

   2) The bar height will be 0.30 inches. This height excludes the addition of the protection stripe, or a height dictated by the Lottery.

d. Staples may not be used to secure labels to shipping cartons. Any tape used must not obscure labels or other markings on the carton. There must be no printing on the carton or on the sealing tape other than as stated in this section.

6.5. Pallets

Pallets shall be approved by the Lottery and must meet the following criteria as outlined in the Customer Specifications document:

a. The Selected Contractor shall provide wooden pallets as required by each instant ticket game.

b. Pallets utilized shall accommodate Lottery warehouse forklift operations.

d. Instant game shipping cartons shall be stacked sequentially in ascending carton number order with carton labels facing out.

d. Instant game shipping cartons shall not be stacked greater than sixty-two (62") inches, inclusive of the height of the pallets or as required by the Customer Specifications document and approved by the Lottery.

e. To prevent crushing and damage to the Instant Tickets, a sheet of heavy paper or chipboard must be placed on top of each layer of cartons. Each pallet load of cartons, including corner boards, must be securely covered and attached to the pallet by clear, Contractor-provided plastic of sufficient strength to prevent shifting of cartons and unauthorized entry.

f. Instant game shipping carton pallets shall have a label identifying each instant game book carton by a sequential inventory control number.

g. Each pallet shall have a color-coded label that will match the color of the carton label used for that game securely affixed to the outside of the pallet shrink-wrap. The label must identify the game name, game number, pallet number, and carton numbers “from and to” contained on the pallet, book numbers “from and to” contained on the pallet and the total number of valid books contained. Each pallet’s label will have an interleaved two-of-five bar code that will identify game number, and series and book number range for the entire pallet.

   The bar height will be 0.30 inches or a height approved by the Lottery. This height excludes the addition of the protection stripe.

6.6 Delivery of Tickets to the Lottery's Ticket Distribution Warehouse

Delivery of instant game tickets by the Selected Contractor in a manner that conforms to the following requirements may result in acceptance of such tickets by the Lottery:

a. The Selected Contractor shall provide to the Lottery's ITD and ticket distribution warehouse, three (3) days prior to delivery, a Shipment Notification document. The document will contain the game number, game name, number of shipments, total number of tickets shipped, total number of skids, skid range, number of cartons containing retailer samples, ship date, number of trucks, name of the truck carrier, driver's DOT number, main seal numbers, delivery date and time.

b. The Selected Contractor shall provide to the Lottery's ITD and ticket distribution warehouse, three (3) days prior to delivery, a Skid Content report. The report will contain game number, game name, shipment number, skid range, and staging date. A table will be included detailing each skid number, starting and ending box numbers on the skid, total number of books on the skid, starting and ending book numbers on the skid and total number of tickets on the skid. At the bottom of the table shipment totals for the number of boxes and number of tickets shipped will be included.

c. The Selected Contractor agrees to deliver no less than seventy five percent (75%) of the instant game tickets in the first shipment of each game and the complete game validation files on or before the target delivery date. The Selected Contractor further agrees to deliver the remaining portion of the instant game tickets within two (2) working days of the first shipment. The Selected Contractor may be required to make delivery to Lottery Regional Offices or warehouse(s) as designated by the Lottery.

d. Delivery by the Selected Contractor of instant game tickets will not be considered complete by the Lottery until the Selected Contractor is able to provide reconstructed game data on the delivered and approved instant game tickets.

e. For purposes of this Section, "working days" includes all days except Saturdays, Sundays, and legal holidays in the State of Ohio.

f. The Selected Contractor shall pay all costs of shipment and shall bear all risks of damage to loss of instant game tickets while in transit. All deliveries will be "F.O.B. prepaid destination."

g. The Lottery agrees to inspect each delivery of instant game tickets when received. The proportion of the cost of inspection by an independent testing lab chosen by the Lottery equal to the proportion of instant game tickets which are rejected shall be paid by the Selected Contractor printing the game. If the Lottery determines that the delivery is not complete or is non-conforming in whole or in part, it shall promptly notify the Selected Contractor that printed the game either of any shortage or of its rejection of instant game tickets or books as non-conforming. If the Selected Contractor acquiesces in the rejection and so instructs the Lottery in writing, such books of instant game tickets shall be destroyed by the Lottery at the Contractor's expense. If the Selected Contractor objects in writing to any such rejection within five (5) days of written notice to Contractor by the Lottery, the rejected books of instant game tickets shall be stored by the Lottery in accordance with appropriate security procedures at the Contractor's expense. If the Selected Contractor objects in writing to any rejection of books of instant game tickets and such books of instant game tickets are finally determined by the Lottery to be conforming, then the Lottery shall be responsible for the expenses of storing same, in addition to its own obligations hereunder.

h. No action or omission by the Lottery in failing to inspect any delivery or to reject any non-conforming books of instant game tickets shall be deemed to preclude revocation of acceptance of such books of instant game tickets by the Lottery. Nor shall any such act, omission or failure in any way limit the Selected Contractor's liability, or result in a waiver of any remedy available to the Lottery.

i. Instant Tickets must be delivered via exclusive-use vehicles from production plants to the Lottery's Ticket Distribution Center(s).

6.6.1 Delivery Vehicle Loading

Pallets of Instant Tickets must be loaded with the highest-numbered pallet at the "nose," or forward end, of the cargo portion of the vehicle, with the lowest numbered pallet at the rear.

6.7 Shipping Manifest

At the time of delivery to the Lottery's ticket distribution warehouse, the Selected Contractor must provide the Lottery with a CD record of all books manufactured, listed by box. A single sheet hardcopy with book ranges, box ranges, and skid/pallet ranges must also be provided. All copies of the shipping control manifest must ship with the truck.

6.8 Post-Production Audits
Prior to delivery of an Instant Ticket game the Selected Contractor, at its expense, must engage a qualified and independent certified public accountant to conduct a post-game review of all production procedures and controls employed by the Selected Contractor for each game. The post-game review must be conducted prior to delivery of a game to the Lottery. The Selected Contractor must provide the Lottery with a post-production review letter on or before delivery of tickets.

6.9 Artwork
The Contractor must provide computer images of the final artwork as specified in section 2.3, Ticket Artwork.

6.10 Trademark
The Selected Contractor shall conduct a trademark search of each name proposed to be used by the Lottery for each game as specified in section 2.2, Game Development Schedule.

6.11 Technical Deliverables
Associated routine technical support must be provided by the elected Contractor for all games produced as specified by the Lottery. Technical support includes but is not limited to: production and delivery of the Low-Tier Validation File, High-Tier Validation File, and Book/Inventory File; Hash File; development and maintenance of all Ohio-specific algorithms; and creation of game generation data.

The Selected Contractor must obtain prior written approval from the Lottery's Information Technology Department for all changes to game software or hardware that may affect compatibility with the Lottery's gaming system. In the event that such changes result in incompatibility or non-compliance with Lottery's gaming system specifications, the Selected Contractor must provide an emergency fix and must report to the Lottery's Information Technology Department within 24 hours of completing the fix.

6.11.1 Inventory Control Numbers and Barcode Specifications
Each instant game ticket shall have a unique inventory control number and must meet the following criteria:

a. Game Number. A three (3) digit, numeric character shall be available for use in each instant game to be determined at the Lottery's discretion, and shall remain constant throughout the course of each instant game. However, future instant games must possess the capability of supporting a four (4) digit, numeric character to be determined at the Lottery's discretion, and shall remain constant through the course of each instant game.

b. Series. A two (2) digit, numeric character shall be available for use in each instant game as determined by the Lottery, and shall remain constant throughout each instant game ticket book. The numbers used will be specified by the Lottery.

c. Book Number. A four (4) digit, numeric character shall be available for use in each instant game as approved by the Lottery in the range of 0000 to 9999, and shall remain constant for each ticket within the instant game ticket book. However, book numbers for series 00 only shall be 0001-9999. For all other series, book numbers will begin with 0000-9999.

d. Sequence Number. A three (3) digit, numeric character shall be available for each instant game ticket in the numerical range of 000 to 199. The sequence number shall increase in increments of one (1), starting with the number 000 on the first instant game ticket through and including 199 on the last instant game ticket per each instant game ticket book, if there are 200 tickets in the book. The sequence number shall be set by the Lottery at its discretion.

e. Book Sequence Check Digit. This check digit, numeric character (currently, one (1) digit) shall be used to verify recording accuracy of the instant ticket game number, series, book number and sequence numbers. This Algorithm will be provided by the Lottery.

f. Verification Number. This ten (10) digit, numeric character in the range of 000000000X to 099999999X shall be unique for each ticket through the course of each instant ticket game as determined by the Lottery. This number shall be algorithmically scrambled to insure that no tickets can be visually traced to the winners dictionary or winners file, without the proprietary Algorithm.

g. Verification Number Check Digit. This number shall be used to verify recording accuracy of the instant ticket game number, series, book number, sequence number and the verification number. This Algorithm will be provided by the Lottery.

h. OCR Characters. OCR characters shall be specified by the Lottery and shall contain twenty-three (23) or more characters as specified in this section inclusively, from the OCR character set. Each instant game ticket shall have the same OCR characters. The number of characters may vary as determined by the Lottery.

i. Bar Code Characters. The Selected Contractor must be able to facilitate interleaved two (2) of five (5) bar code symbology. The instant ticket game number, series, book ticket sequence, check digit, and first five (5) digits of verification number of each ticket will be encoded in the barcode, for a total of eighteen (18) digits. However, future instant games shall require the ability to encode as many as twenty (20) or more digits in the barcode.

j. Barcode Specifications. Specifications defining requirements for ticket barcode printing are as follows. These specifications cover, but are not limited to, the bar code reader used by the Lottery.

1) The X dimension shall be 13.5 mil or any X dimension approved by the Lottery.

2) The minimum quiet zone will be .1875" with a maximum variance of .0375" or any quiet zone approved by the Lottery.

3) The barcode height will be 0.30 inches. This height excludes the addition of the protection stripe. The bar height may be any height approved by the Lottery.

4) The barcode centerline will be .35 inch ± 0.036 inch from the bottom ticket edge or perforation.

5) All variances will be in accordance with the American National Standard Institute [(ANSI) X3 Project #477-D]. Additionally, Lottery representatives will work closely with the Selected Contractor(s) to define the Lottery's optimal mix.

6) The barcode placement on the front or backside of the ticket must match the dimensional description provided due to the read area on the reader. The placement area must be the same as specified per the location indicated in the ticket layout section of the approved working papers.

k. Barcode Standards. All printed barcodes shall meet the minimum requirements defined in the following ANSI and AIM documents:

1) ANSI X3.182-1990, Guide for Barcode Print Quality.

2) ANSI MH10.8M-1983 Barcode Symbols on Unit Loads and Transport Packaging.

3) AIM USS-I 2/5, Uniform Symbology specifications for interleaved 2 of 5.

6.11.2 Inventory Control Number Security

Inventory Control Number Security shall be approved by the Lottery and shall meet the following criteria:

a. Application of the inventory control number shall be performed in a random manner to eliminate the ability to pick-out companion instant game ticket books produced from the same display printing plate or game data printing.

b. Inventory control number printing shall be performed with black non-reflective inks, with reflectance of less than twenty percent (20%), as to avoid smearing from sweat, water, commercial soaps or other normal environments unless approved by the Lottery.

6.11.3 Ohio-Specific Game Files

The Selected Contractor must provide Ohio-specific game files to the Lottery's gaming contractor before the date of game delivery, and must provide simultaneous email notification of file delivery to the ITD. All file formats must be compatible with electronic processing equipment utilized by the gaming system contractor. The Lottery requires SFTP, and the Selected Contractor is required to conform to this and any new standards put in place by the Lottery.

Ohio-Specific Game File Specifications can be found in Attachment Fourteen, Ohio Lottery System Specification handbook, Instant Game File Specification Revision 1.5.

a. Three (3) files are required from the Selected Contractor for loading instant game ticket data: an inventory file, a validation file of high and mid-tier winners, and a validation file of low-tier winners.

b. The inventory file provided from the Selected Contractor will be read to the system disk in the same format as the file. The detailed file information is reformatted into a delivery file used by subsequent inventory processes. The file contains the data record for the game number, carton number, series/book, and status code. The status code identifies the good or delivered books, Contractor void books, and quality control books.

   1. The file layout including header record, data record, and trailer records are attached as Attachment Fourteen, Ohio Lottery System Specification handbook, Instant Game File Specification Revision 1.5.

   2. The physical specifications for the file from the Selected Contractor is as follows or as otherwise required by the Lottery:

      Unlabeled
      1600/6250 BPI 9 tracks/or DAT File
      ASCII
      Block size: Variable
      Record size: Variable
      Blocking factor: Variable

      The parties may agree to detailed specifications for a different method of providing inventory such as DAT file or CD Rom.

c. Validation Files Requirements.

   1. Mid/High-Tier File. The mid and high-tier winning verification numbers will be read from the file provided by the Selected Contractor to the system disk in the same format as the file. The numbers received on the file from the Selected Contractor) must be in an encrypted format, in no way resembling the verification number printed on the physical instant game ticket. The mid/high-tier file must include all prizes valued over $20.00 unless stated otherwise by the Lottery.

   2. Low-Tier File. The low-tier winning verification numbers will be read from the file provided by the Selected Contractor to the system disk in the same format as the file. The file must contain the maximum number of low-tier tickets per book. Entry tickets are defined as $0, and free tickets are defined as $1 and are included on the low-tier file. The maximum number of tiers in a game may go as high as fifty (50). The verification numbers, which appear on the file, shall not be in the same format as on the physical ticket. Merchandise and travel prizes may be required on low or mid/high-tier files.

      The low-tier file and the mid and high-tier validations files must include only verification code numbers for the good instant game tickets delivered. The verification code numbers for voided or quality control books may not be included.

      The file layout containing the header record, tier record, data record and trailer record will be supplied by the Lottery.

The physical specifications for both verification files from the Selected Contractor are as follows or as otherwise required by the Lottery:

Unlabeled
1600/6250 BPI 9 track/or DAT File
ASCII
Block size: Variable
Record size: Variable
Blocking factor: Variable

The blocking factor and record length for each file is determined by the following calculation and is used to determine file capacity and performance factors. The maximum number of GLEPS or low-tier prizes in the book is multiplied by the number of bytes required for the ticket data record.

The parties may agree to detailed specifications for a different method of providing inventory such as DAT file or CD Rom.

6.11.4 End of Game File Requirements

The Lottery will ship a file containing series, book and ticket number information for all unsold tickets. Within five (5) working days the Selected Contractor will be required to provide the Lottery with a "Destroy" file or files containing all the verification numbers for the remaining full and partial books. Partial unsold segments are included for up to fifty (50) partial segments per book. The Selected Contractor must provide the verification numbers for uncashed tickets for each book or partial segment on such file. This file will be processed against the validation database and the identified verification numbers will be voided, thereby adjusting the game liability for the unsold tickets.

The Selected Contractor must also produce a report summarizing the number and value of prizes by tier contained on the file. The destruction information for low-tier tickets must include the series/book number as well as the validation number to be destroyed. The Lottery is providing the process, file layout and the physical specifications for the file in Attachment Fifteen, Ohio Lottery System Specification Handbook, Instant Game Vendtape/Destroy Process Specification Revision 1.6. These specifications will not be unlike those required for the inventory and validation files.

The Selected Contractor may be required to provide the Lottery with a report containing the book ticket information for all verification numbers not found in the systems validation files for audit purposes. The Lottery will provide a magnetic file identifying the unfound verification numbers and the Selected Contractor will provide a report identifying the book number for each unfound verification number, summarizing the number and value of prizes by tier contained on the file.

6.11.5 Hash Files

Currently a list of 'hashed' entry numbers (a Hash file) for each non-winning ticket in a delivered game is not required by the Lottery. In the future, if required, the Hash file will be used to verify player submissions to the Lottery's MyLotto Rewards Program or any other 2nd chance promotion. The Hash file must be in the proper format and encrypted based upon the Lottery's specifications. Each entry in the Hash file must correspond to the hashed value of the game, the VIRN, and the book number associated with a non-winning ticket for that game. The Selected Contractor may be asked to provide hash test tickets for a game per Lottery specifications.

6.12 Production Stoppage

In the event of a disruption in communications or stoppage of the imaging of game symbols on tickets, the Selected Contractor must ensure that tickets that were imaged prior to the disruption or stoppage are not re-imaged. The Selected Contractor must immediately notify the Lottery by telephone and in writing of any duplicate printing of validation information. The Selected Contractor must immediately destroy all duplicate Instant Tickets produced as a result of press disruption or stoppage.

6.13 Test Games

A test instant game including, but not limited to, an inventory file, validation files, tickets printed on blank stock, will be required prior to live ticket production, to provide for system, application, and physical testing. If at any time the Lottery changes its gaming operation in such a way that it may affect Instant Ticket production or processing, the Selected Contractor may be required to provide test games at no additional cost to the Lottery throughout the term of the contract. The size and scope of the test games will be determined at time of request.

7. ADDITIONAL OFFERS (Primary and Secondary Contractor)
SPECIAL FEATURES/SERVICES (cost per price sheet)

Offerors are encouraged, but are not required, to propose Additional Offers that provide innovative features, services, and solutions related to the security, production, marketing, distribution, or sale of Instant Tickets, which are not otherwise specified but fall within the Scope of the Contract. The Lottery is particularly interested in features, services, and solutions that will result in growth of product sales and player base, improved customer service to retailers and Instant Ticket players, improved operational efficiency, and increased diversity and quality of Instant Ticket products.

Offerors must provide a specific description of each Additional Offer. Each option should not exceed three single-sided, typed pages. Proposals exceeding the desired length may be disregarded. Each description should include (1) the offer and its features, (2) how the offer is designed to benefit the Lottery, (3) the value of derived benefits, (4) specific pricing, and (5) any limitations.

8. CREDITS (Primary and Secondary Contractor)
SPECIAL FEATURES/SERVICES (cost per price sheet)

Offerors are encouraged, but not required, to describe any Credits given for any of the services or printing options requested in the Base Pricing that are not utilized by the Lottery. Offerors should also describe any Base services or printing options that are requested by the Lottery that the Offeror will provide at no cost to the Lottery.

Offerors must provide a specific description of each Credit. Each description should include (1) the credit and its features, (2) how the credit is designed to benefit the Lottery, (3) the value of derived benefits, and (4) any limitations.

ATTACHMENT FOUR: GENERAL TERMS AND CONDITIONS
PART ONE: PERFORMANCE AND PAYMENT

STATEMENT OF WORK. The RFP and the Offeror's Proposal (collectively referred to as the "RFP") are a part of this Contract and describe the Work (the "Project") the Contractor will do and any materials the Contractor will deliver (the "Deliverables") under this Contract. The Contractor will do the Project in a professional, timely, and efficient manner and will provide the Deliverables in a proper fashion. The Contractor will also furnish its own support staff necessary for the satisfactory performance of the Project.

The Contractor will consult with the appropriate State representatives and others necessary to ensure a thorough understanding of the Project and satisfactory performance. The State may give instructions to or make requests of the Contractor relating to the Project. The Contractor will comply with those instructions and fulfill those requests in a timely and professional manner. Those instructions and requests will be for the sole purpose of ensuring satisfactory completion of the Project and will not amend or alter the scope of the Project.

TERM**.** Unless this Contract is terminated, or expires without renewal, it will remain in effect until the Project is completed to the satisfaction of the State and the Contractor is paid. The current General Assembly cannot commit a future General Assembly to an expenditure. Therefore, this Contract will automatically expire at the end of each biennium. The State however, may renew this Contract in the next biennium by issuing written notice to the Contractor of the decision to do so. This expiration and renewal procedure will also apply to the end of any subsequent biennium during which the Project continues. Termination or expiration of this Contract will not limit the Contractor's continuing obligations with respect to Deliverables that the State paid for before termination or limit the State's rights in such.

It is understood that the State's funds are contingent upon the availability of lawful appropriations by the Ohio General Assembly. If the General Assembly fails at any time to continue funding for the payments and other obligations due as part of this Contract, the State's obligations under this Contract are terminated as of the date that the funding expires without further obligation of the State.

The Project has a completion date that is identified in the RFP. The RFP may also have several dates for delivery of Deliverables or reaching certain milestones in the Project. The Contractor must make those deliveries, meet those milestones, and complete the Project within the times the RFP and the mutually agreed to Work Plan requires. If the Contractor does not meet those dates, the Contractor will be in default, and the State may terminate this Contract under the termination provision contained below. The State may also have certain obligations to meet. Those obligations, if any, are also listed in the RFP. If the State agrees that the Contractor's failure to meet the delivery, milestone, or completion dates in the RFP is due to the State's failure to meet its own obligations in a timely fashion, then the Contractor will not be in default, and the delivery, milestone, and completion dates affected by the State's failure to perform will be extended by the same amount of time as the State's delay. The Contractor may not rely on this provision unless the Contractor has in good faith exerted all professional management skill to avoid an extension and has given the State meaningful written notice of the State's failure to meet its obligations within five (5) business days of the Contractor's realization that the State's delay will impact the Project. The notice to the State must be directed at making the State aware of its delay and the impact of its delay. It must be sent to the Agency Project Representative and the State Procurement Representative. Remedies resulting from the State's delay will be at the State's discretion.

The State seeks a complete Project. Any incidental items omitted in the RFP will be provided as part of the Contractor's not-to-exceed fixed price. The Contractor must fully identify, describe, and document all systems that are delivered as a part of the Project. All hardware, software, supplies, and other required components (such as documentation, conversion, training, and maintenance) for the Project to be complete and useful to the State are included in the Project and the not-to-exceed fixed price.

ECONOMIC PRICE ADJUSTMENT. The Contract prices(s) will remain firm throughout the initial term of the Contract. Thereafter, prior to Contract renewal, the Contractor may submit a request to adjust their price(s) to be effective on the effective date of the Contract's renewal. No price adjustment will be permitted prior to the effective date; on purchase orders that are already being processed; or on purchase orders that have been filled.

Price increases must be supported by a general price increase in the cost of the materials/services rendered due to documented increases in the cost of related materials/services. Detailed documentation, to include a comparison list of the Contract items and proposed price adjustments must be submitted to support the requested adjustment. Supportive documentation should include, but is not limited to: copies of the old and the current price lists or similar documents which indicate the original base cost of the product to the Contractor and the corresponding adjustment, and/or copies of correspondence sent by the Contractor's supplier on the supplier's letterhead, which contain the above price information and explains the source of the adjusted costs in such areas as raw materials, freight, fuel or labor, etc.

Should there be a decrease in the cost of the finished product due to a general decline in the market or some other factor, the Contractor is responsible to notify DAS immediately. The price decrease adjustment will be incorporated into the Contract and will be effective on all purchase orders issued after the effective date of the decrease. If the price decrease is a temporary decrease, such should be noted on the invoice. In the event that the temporary decrease is revoked, the Contract pricing will be returned to the pricing in effect prior to the temporary decrease. Failure to comply with this provision will be considered as a default and will be subject to the Suspension and Termination section contained herein.

COMPENSATION. In consideration of the Contractor's promises and satisfactory performance, the State will pay the Contractor the amount(s) identified in the RFP (the "Fee"), plus any other expenses identified as reimbursable in the RFP. In no event will payments under this Contract exceed the “not-to-exceed” amount in the RFP without the prior, written approval of the State and, when required, the Ohio Controlling Board and any other source of funding. The Contractor's right to the Fee is contingent on the complete and satisfactory performance of the Project or, in the case of milestone payments or periodic payments of an hourly, daily, weekly, monthly, or annual rate, all relevant parts of the Project tied to the applicable milestone or period. Payment of the Fee is also contingent on the Contractor delivering a proper invoice and any other documents required by the RFP.

An invoice must comply with the State's then-current policies regarding invoices and their submission. The State will notify the Contractor in writing within fifteen (15) business days after it receives a defective invoice of any defect and provide the information necessary to correct the defect.

The Contractor will send all invoices under this Contract to the “bill to” address in the RFP or in the applicable purchase order.

The State will pay the Contractor interest on any late payment as provided in Section 126.30 of the Ohio Revised Code (the "Revised Code"). If the State disputes a payment for anything covered by an invoice, within 15 business days after receipt of that invoice, the State will notify the Contractor, in writing, stating the grounds for the dispute. The State may then deduct the disputed amount from its payment as a non-exclusive remedy. If, in the opinion of the State, a material breach has occurred by the Contractor, the State retains the right to withhold payment from the Contractor. Both parties agree that an attempt at resolution of any claims or material breach or disputes will first be made jointly by the Contractor Project Manager, the Contractor Project Principal, the Agency Project Representative and the State Procurement Administrator. If, within 30 calendar days following the above notification, the claim or dispute has not been resolved, only then will it be submitted to non-binding mediation (pursuant to the rules as stipulated by the American Arbitration Association). A claim or dispute must be submitted to non-binding mediation prior to the initiation of any formal legal process. The State will consult with the Contractor as early as reasonably possible about the nature of the claim or dispute and the amount of payment affected. When the Contractor has resolved the matter to the State's satisfaction, the State will pay the disputed amount within 30 business days after the matter is resolved. No payments are required to be made by the State until the matter is resolved.

If the State has already paid the Contractor on an invoice but later disputes the amount covered by the invoice, and if the Contractor fails to correct the problem within 30 calendar days after written notice, the Contractor will reimburse the State for that amount at the end of the 30 calendar days as a non-exclusive remedy for the State. On written request from the Contractor, the State will provide reasonable assistance in determining the nature of the problem by giving the Contractor reasonable access to the State’s facilities and any information the State has regarding the problem.

REIMBURSABLE EXPENSES. The State will pay all reimbursable expenses identified in the RFP, if any, in accordance with the terms in the RFP and, where applicable, Section 126.31 of the Revised Code. The Contractor will assume all expenses that it incurs in the performance of this Contract that are not identified as reimbursable in the RFP.

In making any reimbursable expenditure, the Contractor will always comply with the more restrictive of its own, then-current internal policies for making such expenditures or with the State's then-current policies. All reimbursable travel will require the advance written approval of the State's Agency Project Representative. All reimbursable expenses will be billed monthly and paid by the State within 30 business days of receiving the Contractor's invoice.

CERTIFICATION OF FUNDS. None of the rights, duties, or obligations in this Contract will be binding on the State, and the Contractor will not begin its performance, until all the following conditions have been met:

1. All statutory provisions under ORC Section 126.07, have been met.
2. All necessary funds are made available by the appropriate state agencies.
3. If required, approval of this Contract is given by the Controlling Board of Ohio.

If the State is relying on Federal or third-party funds for this Contract, the State gives the Contractor written notice that such funds have been made available.

EMPLOYMENT TAXES. Each party will be solely responsible for reporting, withholding, and paying all employment related taxes, payments, and withholdings for its own personnel, including, but not limited to, Federal, state and local income taxes, social security, unemployment or disability deductions, withholdings, and payments (together with any interest and penalties not disputed with the appropriate taxing authority). All people the Contractor provides to the State under this Contract will be deemed employees of the Contractor for purposes of withholdings, taxes, and other deductions or contributions required under the law.

SALES, USE, EXCISE, AND PROPERTY TAXES. The State is exempt from any sales, use, excise, and property tax. To the extent sales, use, excise, or any similar tax is imposed on the Contractor in connection with the Project, such will be the sole and exclusive responsibility of the Contractor. The Contractor will pay such taxes, together with any interest and penalties not disputed with the appropriate taxing authority, whether they are imposed at the time the services are rendered or at a later time.

NOTICE ON THE USE OF SOCIAL SECURITY NUMBERS AS FEDERAL TAX IDENTIFICATION NUMBERS. DAS requires vendors and contractors wishing to do business with the State to provide their Federal Taxpayer Identification Number to the Department. The Department does this so that it can perform statutorily required “responsibility” analyses on those vendors and contractors doing business with the State and, under limited circumstances, for tax reporting purposes. If you are a vendor or contractor using your Social Security Number as your Federal Taxpayer Identification Number, please be aware that the information you submit is a public record, and the Department may be compelled by Ohio law to release Federal Taxpayer Identification Numbers as a public record. If you do not want to have your Social Security Number potentially disclosed as a Federal Taxpayer Identification Number, the Department encourages you to use a separate Employer Identification Number (EIN) obtained from the United States Internal Revenue Service’s to serve as your Federal Taxpayer Identification Number.

ELECTRONIC COMMERCE PROGRAM. The State of Ohio is an active participant in E-Commerce to include Electronic Data Interchange (EDI). This program will benefit both the State and the Contractor by reducing time delays in receiving invoices and making payments that are associated with the existing manual processes. The contractor is encouraged to move toward compliance with electronic commerce technologies as this will be the preferred method of doing business with the State of Ohio. Information regarding E-Commerce is available on the Office of Budget and Management’s website at http://obm.ohio.gov/sectionpages/electroniccommerce/ for additional information regarding E-Commerce.

ATTACHMENT FOUR: GENERAL TERMS AND CONDITIONS
PART TWO: WORK & CONTRACT ADMINISTRATION

RELATED CONTRACTS. The Contractor warrants that the Contractor has not and will not enter into any contracts without written approval of the State to perform substantially identical services for the State such that the Project duplicates the work done or to be done under the other contracts.

BANNING THE EXPENDITURE OF PUBLIC FUNDS ON OFFSHORE SERVICES.

1. Executive Order Requirements. The Contractor affirms to have read and understands Executive Order 2011-12K and shall abide by those requirements in the performance of this Contract. Notwithstanding any other terms of this Contract, the State reserves the right to recover any funds paid for services the Contractor performs outside of the United States for which it did not receive a waiver. The State does not waive any other rights and remedies provided the State in this Contract.

   The Offeror must complete the attached Contractor/Subcontractor Affirmation and Disclosure form attachment to abide with Executive Order 2011-12K, affirming no services of the Contractor or its subcontractors under this Contract will be performed outside the United States. During the performance of this Contract, the Contractor must not change the location(s) of the country where the services are performed, change the location(s) of the country where the data are maintained, or made available unless a duly signed waiver from the State has been attained to perform the services outside the United States.

2. Termination, Sanction, Damages. If Contractor or any of its subcontractors perform services under this Contract outside of the United States, the performance of such services shall be treated as a material breach of the Contract. The State is not obligated to pay and shall not pay for such services. If Contractor or any of its subcontractors perform any such services, Contractor shall immediately return to the State all funds paid for those services. The State may also recover from the Contractor all costs associated with any corrective action the State may undertake, including but not limited to an audit or a risk analysis, as a result of the Contractor performing services outside the United States.

   The State may, at any time after the breach, terminate the Contract, upon written notice to the Contractor. The State may recover all accounting, administrative, legal and other expenses reasonably necessary for the preparation of the termination of the Contract and costs associated with the acquisition of substitute services from a third party.

   If the State determines that actual and direct damages are uncertain or difficult to ascertain, the State in its sole discretion may recover a payment of liquidated damages in the amount of one percent (1.0 %) of the value of the Contract.

   The State, in its sole discretion, may provide written notice to Contractor of a breach and permit the Contractor to cure the breach. Such cure period shall be no longer than 21 calendar days. During the cure period, the State may buy substitute services from a third party and recover from the Contractor any costs associated with acquiring those substitute services.

   Notwithstanding the State permitting a period of time to cure the breach or the Contractor's cure of the breach, the State does not waive any of its rights and remedies provided the State in this Contract, including but not limited to recovery of funds paid for services the Contractor performed outside of the United States, costs associated with corrective action, or liquidated damages.

3. Assignment / Delegation. The Contractor will not assign any of its rights, nor delegate any of its duties and responsibilities under this Contract, without prior written consent of the State. Any assignment or delegation not consented to may be deemed void by the State.

SUBCONTRACTING. The Contractor may not enter into subcontracts for the Work after award without written approval from the State. The Contractor will not need the State's written approval to subcontract for the purchase of commercial goods that are required for satisfactory completion of the Work. All subcontracts will be at the sole expense of the Contractor unless expressly stated otherwise in the RFP.

The State's approval of the use of subcontractors does not mean that the State will pay for them. The Contractor will be solely responsible for payment of its subcontractor and any claims of subcontractors for any failure of the Contractor or any of its other subcontractors to meet the performance schedule or performance specifications for the Project in a timely and professional manner. The Contractor will hold the State harmless for and will indemnify the State against any such claims.

The Contractor will assume responsibility for all Deliverables whether it, a subcontractor, or third-party manufacturer produces them in whole or in part. Further, the State will consider the Contractor to be the sole point of contact with regard to contractual matters, including payment of all charges resulting from the Contract. The Contractor will be fully responsible for any default by a subcontractor, just as if the Contractor itself had defaulted.

If the Contractor uses any subcontractors, each subcontractor must have a written agreement with the Contractor. That written agreement must incorporate this Contract by reference. The agreement must also pass through to the subcontractor all provisions of this Contract that would be fully effective only if they bind both the subcontractor and the Contractor. Among such provisions are the limitations on the Contractor's remedies, the insurance requirements, record keeping obligations, and audit rights. Some sections of this Contract may limit the need to pass through their requirements to subcontracts to avoid placing cumbersome obligations on minor subcontractors. This exception is applicable only to sections that expressly provide exclusions for small-dollar subcontracts. Should the Contractor fail to pass through any provisions of this Contract to one of its subcontractors and the failure damages the State in any way, the Contractor will indemnify the State for the damage.

RECORD KEEPING. The Contractor will keep all financial records in accordance with generally accepted accounting procedures consistently applied. The Contractor will file documentation to support each action under this Contract in a manner allowing it to be readily located. The Contractor will keep all Project-related records and documents at its principal place of business or at its office where the work was performed.

The Contractor will keep a separate account for the Project (the "Project Account"). All payments made from the Project Account will be only for obligations incurred in the performance of this Contract and will be supported by contracts, invoices, vouchers, and any other data needed to audit and verify the payments. All payments from the Project Account will be for obligations incurred only after the effective date of this Contract unless the State has given specific written authorization for making prior payments from the Project Account.

AUDITS. During the term of this Contract and for three (3) years after the payment of the Contractor's Fee, on reasonable notice and during customary business hours, the State may audit the Contractor's records and other materials that relate to the Project. This audit right will also apply to the State's duly authorized representatives and any person or organization providing financial support for the Project.

Unless it is impracticable to do so, all records related to this Contract must be kept in a single location, either at the Contractor's principle place of business or its place of business where the work was done. If this is not practical, the Contractor will assume the cost of collecting, organizing, and relocating the records and any technology needed to access the records to the Contractor's office nearest Columbus whenever the State or anyone else with audit rights requests access to the Contractor's Project records. The Contractor will do so with all due speed, not to exceed five (5) business days.

If any audit reveals any material deviation from the Project's specifications, any misrepresentation, or any overcharge to the State, the State will be entitled to recover damages, as well as the cost of the audit.

For each subcontract in excess of $25,000, the Contractor will require its subcontractors to agree to the requirements of this section and of the record-keeping section. Subcontracts with smaller amounts involved need not meet this requirement. The Contractor may not artificially break up contracts with its subcontractors to take advantage of this exclusion.

INSURANCE. The Contractor shall provide the following insurance coverage at its own expense throughout the term of this Contract:

1. Workers' compensation insurance, as required by Ohio law, and, if some of the Project will be done outside Ohio, the laws of the appropriate state(s) where work on the Project will be done. The Contractor shall also maintain employer's liability insurance with at least a $1,000,000 limit.

   Certificates for Worker's Compensation and proof of insurance must be provided. The certificate(s) must be in a form that is reasonably satisfactory to the State as to the contents of the policies and the quality of the insurance carriers. All carriers must have at least an "A-" rating by A.M. Best

2. Commercial General Liability insurance coverage for bodily injury, personal injury, wrongful death, property damage. The defense cost shall be outside of the policy limits. Such policy shall designate the state of Ohio as an additional insured, as its interest may appear. The policy shall also be endorsed to include a blanket waiver of subrogation.

   At a minimum, the Primary Contractor limits of the insurance shall be:

   $5,000,000 General Aggregate
   $5,000,000 Products/Completed Operations Aggregate
   $5,000,000 Per Occurrence Limit
   $5,000,000 Personal and Advertising Injury Limit
   $100,000 Fire Legal Liability
   $10,000 Medical Payments

* At a minimum, the Secondary Contractor limits of the insurance shall be:

$2,500,000 General Aggregate
$2,500,000 Products/Completed Operations Aggregate
$2,500,000 Per Occurrence Limit
$2.500,000 Personal and Advertising Injury Limit
$100,000 Fire Legal Liability
$10,000 Medical Payments $2,000,000 General Aggregate

Except for non-payment cancellation, the policy shall also be endorsed to provide the State with 30-day prior written notice of cancellation or material change to the policy. It is agreed upon that the Contractor's Commercial General Liability shall be primary over any other insurance coverage.

3. Professional Liability Insurance: Professional Liability Insurance covering all staff with a minimum limit of $1,000,000 per incident and $3,000,000 aggregate. If the Contractor's policy is written on a "claims made" basis, the Contractor shall provide the State with proof of continuous coverage at the time the policy is renewed. If for any reason the policy expires, or coverage is terminated, the Contractor must purchase and maintain "tail" coverage through the applicable statute of limitations.

4. Insurance, Bonding and Line of Credit: Each Offeror must demonstrate the ability to comply with <u>all</u> of the following insurance, bonding and letter of credit requirements by way of submission of documentation from appropriate insurers or bonding companies. All carriers must have at least an "A-," size 6 or better rating by A.M. Best Company, and duly licensed, admitted and authorized to do business in the State of Ohio.

5. Errors and Omissions. Errors and omissions insurance with limits of not less than five million dollars ($5,000,000.00) per occurrence/ $5,000,000.00 in annual aggregate for the Primary Contract, and two million five hundred thousand dollars ($2,500,000.00) per occurrence/ $2,500,000.00 in annual aggregate for the Secondary Contract, to be paid by the insurer on behalf of the Selected Contractor(s) to the Lottery, insuring against the losses, damages or expenses that are incurred as a result of the wrongful acts and/or errors or omissions of the Selected Contractor(s), or any subcontractor or any officers, employees or agents thereof shall be maintained by the Contractor(s) throughout the term of the contract(s) and any applicable renewals or extensions thereof. The Lottery shall be protected against the over redemption of winning tickets that may result from errors, omissions, printing or production problems of any type. Claims against the insurance may be invoked when the over redemption exceeds five percent (5%) of any instant game's prize structure as based on the number of tickets actually sold. The insurance for over redemption shall be in force throughout the duration of the contract(s) and any and all applicable extension periods. Coverage shall indemnify DAS and the Ohio Lottery Commission for the retail price of unsold tickets if a game is terminated because retailer(s) can pick out winners or because ticket manufacturing is unacceptable to the Lottery.

6. * Commercial Automobile Insurance. Since automotive equipment will be used by Contractor(s) or its/their subcontractors in performing its obligations under both the Primary and Secondary Contracts (namely, the shipment of printed instant game tickets), automobile bodily injury liability insurance with a limit of not less than five million dollars ($5,000,000.00) for each person and five million dollars ($5,000,000.00) for each accident, and property damage liability insurance with a limit of not less than five million dollars ($5,000,000.00) for each accident shall be maintained by the Contractor (or its delivery subcontractors) throughout the term of the contract(s) and any renewals or extensions thereof. Lottery will accept evidence of five million dollars ($5,000,000.00) Combined Single Limit for Bodily Injury and Property Damage to satisfy the requirement for Commercial Automobile Insurance

7. Property Insurance. The Contractor(s) shall maintain insurance on its/their facilities and equipment as well as all instant game tickets newly produced and not yet delivered, for extended coverage against fire, theft and other such risks as are customary in the Contractor's business. Such insurance shall be in the amount of the actual replacement cost for such items and shall be maintained by the Selected Contractor(s) until such time as the Lottery takes possession of such instant game tickets.

   Coverage must include All Risk Property Floater to insure personal property against all risks or loss.

8. Self Retention/Letter of Credit: The Offerors, with their proposals, may provide a self-insured retention of up to the first two hundred fifty thousand dollars ($250,000.00) for losses insured against under the policy(ies) of insurance as long as the following shall apply:

   1. The Offerors shall provide the Director of DAS documentation of an irrevocable letter of credit from a financial institution that is federally insured and which is satisfactory to the State, under which said institution agrees to pay the State's losses, damages and expenses arising from risks insured against up to the amount of such self-retention.

   2. Nothing in this Subsection shall be construed to negate the aggregate insurance amounts required of the Selected Contractor(s) under this Section.

Denotes change 4/2/2015

9. * Crime Insurance. The State requires a Blanket Employee Dishonesty with a per occurrence limit of one million dollars ($1,000,000.00) for the Primary Contract and five hundred thousand dollars ($500,000.00) for the Secondary Contract covering any loss to the State due to any fraudulent or dishonest act(s) on the part of the Contractor(s) to be submitted prior to the awarding of the contract(s) resulting from this RFP. This policy must be from an insurance company authorized to conduct business within the State of Ohio that is rated "A-/VI" or better and written on a scheduled client basis, referencing the State of Ohio, Ohio Lottery Commission and the RFP number. The policy must provide third party coverage and must include a loss payable endorsement naming the State of Ohio, Ohio Lottery Commission as loss payee. The policy shall be in effect for the duration of the Contract and/or any approved extension periods as listed in this Contract.

10. * Performance/Payment Bond. Prior to the execution of the Contract(s) and during the terms of the Contract(s) or any extensions or renewals thereof, the Selected Contractor(s) shall furnish to the Lottery a "Performance/Payment Bond" in an amount equal to the full amount estimated by the Lottery to be paid annually to the Selected Contractor(s) pursuant to the Contract. The Performance/Payment Bond may be in the form of an unconditional, irrevocable letter of credit or a surety bond issued by an issuer and, in form and substance, satisfactory to the Lottery. The Performance/Payment Bond shall expressly provide that the bankruptcy, insolvency or any other matter relating to the Selected Contractor(s) or the default of the Selected Contractor(s) under any agreement with the issuer of the Performance/Payment Bond shall not delay, limit or otherwise impair the Lottery's rights or remedies or the issuer's obligations under the Performance Bond. A standard bond form from any company authorized to conduct business within the State of Ohio is acceptable. The bond shall be made payable to the Ohio Lottery Commission, and shall reference the RFP number listed hereon. The bond shall indemnify DAS and the Ohio Lottery Commission against all direct and consequential damages suffered by failure of the Selected Contractor(s) to perform according to the provisions of the Contract (including payments to any third party subcontractors for services rendered under the Contract. The bond shall be forfeited to the Lottery, at its sole discretion, if the Selected Contractor(s) materially defaults in the performance of the Contract. In the event that any of the work performed on the Contract was subcontracted by the Contractor(s), the bond shall protect and be payable to said subcontractor(s) in the event of default by the Selected Contractor(s) and/or its assignees. In the event the Lottery asserts or sets off a claim against the Performance/Payment Bond, the Contractor(s) shall within thirty (30) days thereafter increase the amount of the performance bond to its original amount or post an additional Performance/Payment Bond so that the total of the Performance/Payment Bond provided equals the total amount required under this Section. The bond shall be in effect for the duration of the contract(s) and/or any approved extension periods as listed in the RFP or ensuing contract(s). The State shall request this performance/payment bond upon award of either contract.

    FAILURE TO PROVIDE THE BOND AS REQUESTED WITHIN TEN (10) WORKING DAYS OF SUCH REQUEST, WILL RESULT IN THE PROPOSAL BEING DEEMED NOT-RESPONSIVE. The cost of this performance bond shall be submitted as part of the proposal package and shall be a cost borne by the Contractor(s).

11. Litigation Bond. Each Offeror must submit with their proposal, a litigation bond in the amount of one hundred thousand dollars ($100,000.00). A claim upon the bond may be made by the State, DAS, and/or the Lottery if: (a) the responding Contractor sues the State, DAS, and/or the Lottery or any of their officers, employees, other Offerors, or licensed retailers with regard to any matter relating to the award of a contract pursuant to this RFP; and (b) the State, DAS, and/or the Lottery or any other defendant are the prevailing part(ies) in such suit; and (c) the court determines that such suit or any portion thereof was frivolous, was commenced in bad faith, or was not based upon reasonable grounds.

    The purpose of the bond is to discourage unwarranted litigation by permitting the State, DAS, the Lottery or other defendants to recover damages, including reasonable attorneys' fees, resulting from such litigation. The litigation bond shall remain in effect for a period of one (1) year from the date of submission of a responding Contractor's proposal. The litigation bond may be cancelled if the responding Contractor submits an acceptable written statement to the Director of DAS guaranteeing that it will not file any litigation, claims, demands, protests or causes of action seeking a contract award, damages or judgment of any kind whatsoever against the State, the Lottery or any of their officers or employees, other Offerors or licensed retailers with regard to any matter relating to the award of a contract pursuant to this RFP.

12. Bid Bond. Each Offeror must include with their proposal a bid bond to guarantee the availability of the goods and services offered for twelve (12) months following their submission. The bid bond shall be issued in the amount of five hundred thousand dollars ($500,000.00), and shall be of such a form and substance acceptable to DAS and the Lottery. FAILURE TO SUBMIT THE REQUIRED BID BOND WITH THE PROPOSAL MAY BE CAUSE FOR REJECTION OF THE RESPONDING CONTRACTOR'S PROPOSAL. FAILURE OF SELECTED CONTRACTOR(S) TO ACCEPT THESE OBLIGATIONS MAY RESULT IN CANCELLATION OF ITS/THEIR CONTRACT AWARD.

13. Line of Credit. Each responding Offeror, with its proposal, must demonstrate its ability to secure and maintain to the satisfaction of the State, the line of credit required under this RFP. A line of credit of at least three hundred thousand dollars ($300,000.00) must be established at a reputable financial institution. The purpose of the line of credit shall be to insure that the Selected Contractor(s) is/are sufficiently capitalized to produce and deliver the instant game tickets contemplated under this RFP. If the responding Contractor has sufficient capital on hand so as not to require the extension of any credit for the production and delivery of the minimum amounts of instant game tickets set forth herein, then financial statements must be provided to the State demonstrating such financial status.

STATE PERSONNEL. During the term of this Contract and for one (1) year after completion of the Project, the Contractor will not hire or otherwise contract for the services of any state employee involved with the Project.

REPLACEMENT PERSONNEL. If the Offeror's Proposal contains the names of specific people who will work on the Project, then the quality and professional credentials of those people were material factors in the State's decision to enter into this Contract. Therefore, the Contractor will use all commercially reasonable efforts to ensure the continued availability of those people. Also, the Contractor will not remove those people from the Project without the prior, written consent of the State except as provided below.

The Contractor may remove a person listed in its Proposal from the Project if doing so is necessary for legal or disciplinary reasons. The Contractor must make a reasonable effort to give the State 30 calendar days' prior, written notice of the removal.

The Contractor must have qualified replacement people available to replace any people listed by name in its Proposal. When the removal of a listed person is permitted under this Section, or if a person becomes unavailable, the Contractor will submit the resumes for two (2) replacement people for each person removed or who otherwise becomes unavailable. The Contractor will submit the two (2) resumes, along with such other information as the State may reasonably request, within five (5) business days after the decision to remove a person is made or the unavailability of a listed person becomes known to the Contractor.

The State will select one of the two proposed replacements or will reject both of them within ten business days after the Contractor has submitted the proposed replacements to the State. The State may reject the proposed replacements for any legal reason(s). Should the State reject both replacement candidates due to their failure to meet the minimum qualifications identified in the RFP, or should the Contractor fail to provide the notice required under this Section or fail to provide two (2) qualified replacement candidates for each removed or unavailable person, the Contractor will be in default and the cure period for default specified elsewhere in this Contract will not apply. In the event of such a default, the State will have the right to terminate this Contract and to have the damages specified elsewhere in this Contract for termination due to default.

The State may determine that proposed replacement candidates meet the minimum qualifications of this Contract and still substantially reduce the value the State perceived it would receive through the work of the original individual(s) the Contractor proposed and on whose credentials the State decided to enter into this Contract. Therefore, the State will have the right to reject any candidate that the State determines will provide it with diminished value.

Should the State reject both proposed candidates for any legal reason other than their failure to meet the minimum qualifications identified in the RFP, then such rejection may be deemed a termination for convenience.

The State has an interest in providing a healthy and safe environment for its employees and guests at its facilities. The State also has an interest in ensuring, and right to ensure, that its operations are carried out in an efficient, professional, legal, and secure manner. The State, therefore, will have the right to require the Contractor to remove any individual working on the Project if the State determines that any such individual has or may interfere with the State's interests identified above. In such a case, the request for removal will be treated as a case in which an individual providing services under this Contract has become unavailable, and the Contractor will follow the procedures identified above for replacing unavailable people. This provision applies to people engaged by the Contractor's subcontractors if they are listed as key people in the Proposal.

CONTRACT NON-COMPLIANCE. A primary goal of the Agency is to assure that the program receives high quality services from the Contractor. To this end, the Agency will work in partnership with the Contractor(s) to meet this goal. The partnership is defined by the Contract and it is important that communication between the Contractor and state agencies be open and supportive. Should contract non-compliance be an issue, the Agency shall make every effort to resolve the problem.

1. Non-Compliance Issues. Contractor non-compliance with the specifications and terms and conditions outlined in the Contract may result in the imposition of remedies as explained below in paragraph 2.

    a. The Contractor shall be required to process all Lottery purchase orders within the time period specified herein. The Lottery will monitor compliance.

    b. The Agency must be promptly notified of any procedural changes outside the technical requirements listed herein.

2. Resolution for Contract Non-Compliance. The Agency will be responsible for monitoring the Contractor's performance and compliance with the terms, conditions, and specifications of the contract.

   a. For any infractions not immediately remedied by the Contractor, the Agency will notify DAS through a Complaint to Vendor (CTV) to help resolve the infraction.
   b. DAS will impose upon the Contractor remedies for non-compliance regarding contract specifications and terms and conditions. Remedies imposed will be in proportion with the severity of the non-compliance and may be progressive in nature.

SUSPENSION OR TERMINATION UPON THE OCCURRENCE OF CERTAIN EVENTS. The contract(s) may be suspended or terminated in whole or in part by the State upon written notice to the Selected Contractor(s), in the event of one or more of the following occurrences:

a. It shall appear to the Lottery that either of the Contractor(s): (1) has failed to perform satisfactorily any material requirement of its/their applicable contract; (2) is in violation of a specific provision of that contract; (3) full and satisfactory performance of that contract by the Contractor is determined by the Lottery to be substantially endangered; or (4) tests show the instant game tickets provided by that Contractor to be un-merchantable or unfit for the purposes of the State-run Lottery. Should such an event occur, the Director of DAS shall give the Selected Contractor(s) written notice of his/her intent to terminate pursuant to this Subsection, and the affected Contractor shall have thirty (30) days in which to cure the condition, failure or violation giving rise to the State's right to so terminate or suspend the applicable contract.

b. Any Statement, representation, warranty or certification made or furnished by the Contractor(s) to the State in connection with its/their proposal(s), documents in support thereof or the contract, shall be determined by the State to be materially false, incorrect, or incomplete.

c. The Contractor has made an assignment for the benefit of creditors.

d. Proceedings have commenced in bankruptcy or reorganization of the Contractor, its parent corporation, if any, or any subsidiary, or for the readjustment of any of their respective debts, under the Bankruptcy Act, as amended, or any part thereof, or under any other act or law, whether state or federal, for the relief of debtors, now or hereafter existing, shall be commenced by or against any of them and have not been discharged within thirty (30) days after commencement.

e. A receiver or trustee is appointed for the Contractor, its parent corporation, if any, or any subsidiary or for any substantive part of any of their respective assets, or any proceedings are instituted for dissolution or full or partial liquidation of the Contractor, and such receiver or trustee has not been discharged within thirty (30) days of their commencement; or a Contractor, its parent corporation, if any, or any subsidiary shall discontinue business or materially change the nature of its business.

f. Any person, agency or instrumentality which has agreed to provide financial assistance to the work contemplated hereunder, or any portion thereof, should suspend or terminate such assistance in accordance with the terms of any Agreement provided for such assistance.

g. A principal or an employee of the Contractor or a subcontractor commits a crime of moral turpitude, misrepresentation, fraud or a gambling offense as enumerated more fully under Ohio Rev. Code Sec. 3770.051.

h. The Ohio General Assembly fails to appropriate funds for any part of the goods and/or services contemplated hereunder.

VOLUNTARY TERMINATION. In addition to the foregoing reasons, the State, at its discretion, may unilaterally terminate the contract upon thirty (30) days written notice to either of the Selected Contractor(s). The affected Selected Contractor(s) shall submit a final invoice to the Lottery for instant game tickets and services rendered up through the date of termination.

CERTAIN REMEDIES/DEFAULT. The State declares, and the Selected Contractor(s) acknowledge(s) that the State and the Lottery may suffer damages due to failure of the Contractor(s) to act in accordance with the specifications, terms and conditions of the contract(s). The Selected Contractor(s) agree(s) that if the State does not give prompt notice of such failure, the State has not waived any of its rights or remedies concerning the failure of performance by the Selected Contractor(s). Unless otherwise expressly stated elsewhere in the contract(s), the Selected Contractor(s) agree(s) that it/they shall correct performance or propose a cure acceptable to the Lottery within ten (10) working days of written, oral or actual notice thereof. If a Selected Contractor does not correct the failure or failures within the ten (10) days, unless the failures are a result of a force majeure, the failure and its lack of correction shall constitute an event of default on the part of that Contractor.

* Damages for Non-Conforming Instant Game Tickets. If the aggregate number of such non-conforming or defective instant game tickets exceeds 500,000 tickets for any of the instant games, then the Selected Contractor that printed the instant game tickets agrees to replace all such instant game tickets without charge, or pay an amount equal to the retail price of the tickets, solely at the Lottery's option. The Selected Contractor(s) shall also reimburse the Lottery the amount of any advertising and out-of-pocket costs incurred by the Lottery in connection with such game. The Errors and Omissions Liability Insurance for non-conforming instant game tickets shall be in force up through 180 days following the official announced closing of each instant game printed under the contract(s).

Damages for Defective Books. Any instant game book containing one or more instant game tickets which are defective or non-conforming shall be deemed to be a defective and non-conforming book, and all instant game tickets then remaining in such book shall be deemed to be non-conforming and defective. Any books determined to be defective prior to distribution by the Lottery shall be returned or replaced in accordance with Damages for Non-Conforming Game Tickets and the Selected Contractor that printed the instant game tickets shall reimburse the Lottery's costs of inspection as to such books. The Selected Contractor(s) shall also reimburse the Lottery the amount of any advertising and out-of-pocket costs incurred by the Lottery in connection with such game. As to any defective books distributed by the Lottery and/or its instant ticket warehouse and distribution services vendor and returned in whole or in part to it by any of its Regional Offices, instant ticket warehouse and distribution services vendor, field representatives, licensed retailers or banks providing services to it, the Selected Contractor(s) acknowledge(s) that the Lottery incurs administrative costs in the return, field replacement and handling of such defective books, and that the Lottery may suffer consequential damages as a direct result of such distribution, including lost sales revenue and expenses in processing invalid claims. The Lottery agrees that it shall not assert any claim for its lost profit with respect to instant game tickets remaining in defective books returned to it after distribution unless the number of such books exceeds one-tenth of one percent (.1%) of the books delivered hereunder with respect to each instant game.

Damages for Misprinted Tickets. The Selected Contractor(s) agree(s) to pay the apparent face value plus any additional costs as claimed, for misprinted instant game tickets that do not validate as winners. Altered instant game tickets are not misprinted tickets. An instant game ticket may be deemed misprinted if any game play symbol and/or redundant caption is not complete or fully covered with masking material and in accordance with the artwork as specified and approved by the Lottery. (See Responsibility for Final Prize Structure).

Liquidated Damages. It is understood and agreed by the Selected Contractor(s) that:

- If the Selected Contractor(s) violates the terms of the awarded Contract(s), damage to the Lottery will result;
- The amount of such damages will be costly, difficult, if not impossible to ascertain, and time consuming;
- The liquidated damages listed below represent a good faith effort to quantify the range of damage in the event of certain actions or omissions by the Selected Contractor (s) which could reasonably be anticipated at the time of the making of the Contract(s) and do not constitute a penalty; and
- The Lottery may, at its discretion, set off against or withhold from payments to the Selected Contractor(s), any liquidated damages assessed by the Lottery under the Contract(s).
- When the Lottery has determined that liquidated damages will be assessed, the Lottery Director shall notify the Selected Contractor (s) of such assessment in writing. At the Lottery Director's discretion, the Lottery may require the Selected Contractor(s) to pay the assessment in full within thirty (30) days after receipt of the assessment notice, or the Lottery may withhold the amount of the assessment from any payment or payments due the Selected Contractor(s) after the date of assessment.

- Upon failure of the Selected Contractor (s) to pay any assessed liquidated damages within thirty (30) days of receipt of the assessment notice, and if the payments currently due the Selected Contractor (s) are insufficient to cover the liquidated damages owed, then the Lottery Director may assert or setoff a claim for the liquidated damages against the Performance Bond.
- Any payment of assessed liquidated damages does not relieve the Selected Contractor (s)' obligation to fulfill perform under the awarded Contract(s).

Liquidated Damages for Late Delivery. For deliveries of instant game tickets by the Selected Contractor (s) not made in accordance with the schedules established (Target Delivery Date), or for any other failure or delay in performance by the Contractor(s), the Contractor(s) agree(s) to pay to the Lottery liquidated damages in the amount of one dollar ($1.00) for each day that each one thousand (1,000) instant game tickets are delivered later than prescribed in the schedule (Supply of Instant Game Tickets/Delivery). Notwithstanding the foregoing, the Selected Contractor (s) shall not be responsible for the payment of liquidated damages herein provided for due to delays that are beyond the Contractor(s) reasonable control, as enumerated in the force majeure provisions, or if start of or continuation of sales are not affected.

Encryption/Algorithm Liquidated Damages.

a. The Contractor(s) shall be held liable for the accuracy and timely delivery of all computer related media defined as necessary by the Lottery for the purpose of inventory, validation and encryption routines.

b. The Contractor(s) shall be held liable for the timely and accurate installation of all computer software that may be required by the Lottery in conjunction with Lottery instant scratch-off product(s).

***Denotes change 4/2/2015**

c. The Contractor(s) shall be held liable for the accuracy of adherence to the encryption Algorithm within the general intent of the design of all Lottery instant scratch-off games. If the accuracy of the Algorithm is not maintained within the general intent of any game by the Selected Contractor(s), the Lottery may refuse acceptance of said instant game, return any unused portions of tickets created for said instant game, and the responsible Selected Contractor will not charge the Lottery for said instant game.

d. If there are any deliveries or installations of electronic/digital media and Algorithms as specified in Paragraphs (a) and (b) in accordance with the schedules in (Target Delivery Date) by the Contractor(s) or any other failure or delay in performance by the Contractor(s), the responsible Contractor agrees to pay the Lottery liquidated damages in the amount of twenty thousand dollars ($20,000) per day for each late electronic/digital media. These damages will apply for each electronic/digital media that is created in error and if this error is not discovered until after the load process takes place. The Contractor(s) shall be liable for late electronic/digital media from the date of discovery until corrected electronic/digital media may be received and fully loaded. Notwithstanding the foregoing, the Contractor(s) shall not be responsible for the payment of liquidated damages herein provided for due to delays that are beyond the Contractor(s) reasonable control, as enumerated in the force majeure provisions. If however, the Contractor(s) can make corrections and still meet scheduled sale date, no liquidated damages will be assessed.

Bar Code Liquidated Damages. Bar Code liquidated damages will be assessed in addition to any other liquidated damages. The Lottery shall perform random sampling on each series produced to test the bar code printing. These instant game tickets shall be evaluated using the American National Standard Institute [(ANSI) Appendix A] for printing and a conventional statistical sampling method to determine the acceptability of the series. If any series fails to meet the acceptable standard of error(s) in any of the printing constraints, the entire series will be considered unacceptable and the Contractor that printed the instant game tickets shall pay a liquidated damage of $2.50 per 1,000 tickets for the entire series. If, however, the responsible Contractor can make corrections and still meet the delivery schedule, no liquidated damages will be assessed.

Liquidated Damages for Breach of Confidentiality. In the even the Contractor(s) or its/their personnel, whether while in the Contractor(s)' employ or thereafter, breach the confidentiality requirements as specified in the Contract, the Lottery Director may assess liquidated damages against the Contractor(s) in the amount of fifty thousand dollars ($50,000) per occurrence.

Liquidated Damages for Missing/Incomplete Trademark Search. Prior to the execution of game working papers, the Contractor(s) shall cause a competent trademark attorney, acceptable to the Lottery, to conduct a trademark search and communicate, via letter format, the results thereof to the Lottery's Office of Legal Counsel. If this search is not performed, or performed incompletely or incorrectly, substantial damages may be sustained by the Lottery. It is therefore agreed that if the trademark search is incomplete, or incorrect, and a game currently on sale must be cancelled, the Contractor(s) shall pay to the Lottery liquidated damages in the amount of $60,000 per day for each day a replacement game is not delivered. In addition, the Contractor(s) shall provide a replacement game specified by the Lottery within fourteen (14) days at no charge to the Lottery. In the event that a trademark problem manifests itself prior to the first sales date of the game and the Contractor(s) cannot cure the problem at its/their expense prior to the game start, the Contractor(s) shall provide a replacement game specified by the Lottery in time to meet the scheduled algorithm testing date for the game. If this date cannot be met, liquidated damages in the amount of $10,000 per day shall accrue until such time as an acceptable replacement game is delivered.

Limitations on Liability.

a. There shall be no limitations on the Contractor(s)' liability for damages specified in (Limits to Liability of the Contractor(s)) resulting from over redemption of instant game tickets printed in error, as that term is defined in (Guaranteed Low-Tier Prize Structure) and from prizes paid to purchasers pursuant to (Damages for Misprinted Tickets).

b. The Contractor(s) shall be liable for a refund of the purchase price paid by the Lottery for defective or non-conforming instant game tickets or instant game tickets deemed to be defective or non-conforming under (Damages for Misprinted Tickets).

Waiver of Liquidated Damages. The Lottery Director, at his/her sole discretion, reserves the right to enforce or waive any or all liquidated damages, for any reason whatsoever, without explanation. Liquidated damages not assessed during a one (1) year period following the infraction may not be assessed by the Lottery.

Instant Game Tickets Design Deficiencies. Any deficiencies or defects in the design of any instant game tickets and any aspects thereof that do not conform to the designs, requirements or specifications herein or which have not been agreed to by the Lottery in accordance herewith including, but not limited to, errors or failures of computer programs to meet specifications or requirements, shall be corrected by the Selected Contractor(s) within ten (10) days from whatever time they occur or are discovered as required by (Certain Remedies/Default).

Termination of Game. The Selected Contractor(s) shall promptly pay to the Lottery, as liquidated damages, an amount equal to the retail price of unsold Lottery tickets, minus prizes and sales commissions and cashing bonuses, relating to an instant ticket game if a game is terminated due to a default by the Selected Contractor(s) under the Contract or under a working paper executed by the parties in connection with such instant ticket game together with the amount of any and all advertising, ticket printing and other out-of-pocket costs incurred by the Lottery in connection with such game.

Remedies Cumulative. Remedies of the State specified in this Subsection or elsewhere in the contract(s) for breach or failure of performance by Selected Contractor(s) shall in no way limit any other remedies available to the State under the contract(s), under any statute or regulation, or at law or in equity including, without limitation, all remedies of a buyer under the Ohio Uniform Commercial Code (Ohio Rev. Code, Title 13). All rights, powers and remedies of the State shall be cumulative and concurrent. Any failure by the State to exercise a remedy shall not be a waiver of any breach or non-performance by the Selected Contractor(s), nor shall it prevent the State from later exercising that or any other remedy. Moreover, failure of the Selected Contractor(s) to fulfill the requirements of this RFP and the subsequent(s) contract may result in the immediate termination of the contract(s) pursuant to (Suspension Or Termination Upon The Occurrence Of Certain Events) and subject to all remedies as specified by the RFP and the Contract(s).

SUSPENSION AND TERMINATION. The State may terminate this Contract if the Contractor defaults in meeting its obligations under this Contract and fails to cure its default within the time allowed by this Contract, or if a petition in bankruptcy (or similar proceeding) has been filed by or against the Contractor. The State may also terminate this Contract if the Contractor violates any law or regulation in doing the Project, or if it appears to the State that the Contractor's performance is substantially endangered through no fault of the State. In any such case, the termination will be for cause, and the State's rights and remedies will be those identified below for termination for cause.

On written notice, the Contractor will have 30 calendar days to cure any breach of its obligations under this Contract, provided the breach is curable. If the Contractor fails to cure the breach within 30 calendar days after written notice or if the breach is not one that is curable, the State will have the right to terminate this Contract. The State may also terminate this Contract in the case of breaches that are cured within 30 calendar days but are persistent. "Persistent" in this context means that the State has notified the Contractor in writing of the Contractor's failure to meet any of its obligations three (3) times. After the third notice, the State may terminate this Contract without a cure period if the Contractor again fails to meet any obligation. The three (3) notices do not have to relate to the same obligation or type of failure. Some provisions of this Contract may provide for a shorter cure period than 30 calendar days or for no cure period at all. Those provisions will prevail over this one. If a particular section does not state what the cure period will be, this provision will govern.

The State may also terminate this Contract for its convenience and without cause or if the Ohio General Assembly fails to appropriate funds for any part of the Project. If a third party is providing funding for the Project, the State may also terminate this Contract should that third party fail to release any Project funds. The RFP identifies any third party source of funds for the Project.

The notice of termination, whether for cause or without cause, will be effective as soon as the Contractor receives it. Upon receipt of the notice of termination, the Contractor will immediately cease all work on the Project and take all steps necessary to minimize any costs the Contractor will incur related to this Contract. The Contractor will also immediately prepare a report and deliver it to the State. The report must be all-inclusive; no additional information will be accepted following the initial submission. The report must detail the work completed at the date of termination, the percentage of the Project's completion, any costs incurred in doing the Project to that date and any Deliverables completed or partially completed but not delivered to the State at the time of termination. The Contractor will also deliver all the completed and partially completed Deliverables to the State with its report. If delivery in that manner would not be in the State's interest, then the Contractor will propose a suitable alternative form of delivery.

If the State terminates this Contract for cause, it will be entitled to cover for the Project by using another Contractor on such commercially reasonable terms as it and the covering contractor may agree. The Contractor will be liable to the State for all costs related to covering for the Project to the extent that such costs, when combined with payments already made to the Contractor for the Project before termination, exceed the costs that the State would have incurred under this Contract. The Contractor will also be liable for any other direct damages resulting from its breach of this Contract or other action leading to termination for cause.

If the termination is for the convenience of the State, the Contractor will be entitled to compensation for any work on the Project that the Contractor has performed before the termination. Such compensation will be the Contractor's exclusive remedy in the case of termination for convenience and will be available to the Contractor only once the Contractor has submitted a proper invoice for such, with the invoice reflecting the amount determined to be owing to the Contractor by the State. The State will make that determination based on the lesser of the percentage of the Project completed or the hours of work performed in relation to the estimated total hours required to perform the entire applicable unit(s) of Work.

The State will have the option of suspending rather than terminating the Project where the State believes that doing so would better serve its interests. In the event of a suspension for the convenience of the State, the Contractor will be entitled to receive payment for the work performed before the suspension. In the case of suspension of the Project rather than termination for cause, the Contractor will not be entitled to any compensation for any work performed. If the State reinstates the Project after suspension for cause, rather than terminating this Contract after the suspension, the Contractor may be entitled to compensation for work performed before the suspension, less any damage to the State resulting from the Contractor's breach of this Contract or other fault. Any amount due for work before or after the suspension for cause will be offset by any damage to the State from the default or other event giving rise to the suspension.

In the case of a suspension for the State's convenience, the amount of compensation due to the Contractor for work performed before the suspension will be determined in the same manner as provided in this section for termination for the State's convenience. The Contractor will not be entitled to compensation for any other costs associated with a suspension for the State's convenience. No payment under this provision will be made to the Contractor until the Contractor submits a proper invoice.

Any notice of suspension, whether with or without cause, will be effective immediately on the Contractor's receipt of the notice. The Contractor will prepare a report concerning the Project just as is required by this Section in the case of termination. After suspension of the Project, the Contractor will perform no work without the consent of the State and will resume work only on written notice from the State to do so. In any case of suspension, the State retains its right to terminate this Contract rather than to continue the suspension or resume the Project. If the suspension is for the convenience of the State, then termination of the Contract will be a termination for convenience. If the suspension is with cause, the termination will also be for cause.

The State will not suspend the Project for its convenience more than once during the term of this Contract, and any suspension for the State's convenience will not continue for more than 30 calendar days. If the Contractor does not receive notice to resume or terminate the Project within the 30-day period, then this Contract will terminate automatically for the State's convenience at the end of the 30 calendar day period.

Any default by the Contractor or one of its subcontractors will be treated as a default by the Contractor and all of its subcontractors. The Contractor will be solely responsible for satisfying any claims of its subcontractors for any suspension or termination and will indemnify the State for any liability to them. Each subcontractor will hold the State harmless for any damage caused to them from a suspension or termination. They will look solely to the Contractor for any compensation to which they may be entitled.

The Contractor may, at its discretion, request termination with a minimum 60 day notice in writing. The State will review the request and respond in writing to the Contractor with its findings.

CONTRACT REMEDIES.

1. Actual Damages. Contractor is liable to the state of Ohio for all actual and direct damages caused by Contractor's default. The State may buy substitute supplies or services, from a third party, for those that were to be provided by Contractor. The State may recover the costs associated with acquiring substitute supplies or services, less any expenses or costs saved by Contractor's default, from Contractor.

2. Liquidated Damages. If actual and direct damages are uncertain or difficult to determine unless otherwise specified herein, the State may recover liquidated damages in the amount of 1% of the value of the order, deliverable or milestone that is the subject of the default, for every day the default is not cured by Contractor.

3. Deduction of Damages from Contract Price. The State may deduct all or any part of the damages resulting from Contractor's default from any part of the price still due on the contract, upon prior written notice being issued to the Contractor by the State.

REPRESENTATIVES. The State's representative under this Contract will be the person identified in the RFP or a subsequent notice to the Contractor as the "Agency Project Representative". The Agency Project Representative will review all reports made in the performance of the Project by the Contractor, will conduct all liaison with the Contractor, and will accept or reject the Deliverables and the complete Project. The Agency Project Representative may assign to a manager, responsibilities for individual aspects of the Project to act as the Agency Project Representative for those individual portions of the Project.

The Contractor's Project Manager under this Contract will be the person identified in the Proposal as the "Project Manager." The Project Manager will conduct all liaisons with the State under this Contract. Either party, upon written notice to the other party, may designate another representative. The Project Manager may not be replaced without the approval of the State if that individual is identified in the Proposal as a key individual on the Project.

WORK RESPONSIBILITIES. The State will be responsible for providing only those things expressly identified, if any, in the RFP. If the State has agreed to provide facilities or equipment, the Contractor, by signing this Contract, warrants that the Contractor has either inspected the facilities and/or equipment or has voluntarily waived an inspection and will work with the equipment and/or facilities on an “as is” basis.

The Contractor will assume the lead in the areas of management, design, and development of the Project. The Contractor will coordinate the successful execution of the Project and direct all Project activities on a day-to-day basis, with the advice and consent of the Agency Project Representative. The Contractor will be responsible for all communications regarding the progress of the Project and will discuss with the Agency Project Representative any issues, recommendations, and decisions related to the Project.

If the Project, or parts of it, requires installation on the State's property, the State will provide the Contractor with reasonable access to the installation site for the installation and any site preparation that is needed. After the installation is complete, the Contractor will complete an installation letter and secure the signature of Agency Project Representative certifying that installation is complete and the Project, or applicable portion of it, is operational. The letter will describe the nature, date, and location of the installation, as well as the date it was certified as installed and operational by the Agency Project Representative.

Unless otherwise provided in the RFP, the Contractor will be responsible for obtaining all official permits, approvals, licenses, certifications, and similar authorizations required by any local, state, or Federal agency for the Project and maintaining them throughout the duration of this Contract.

CHANGES. The State may make reasonable changes, within the general scope of the Project. The State will do so by issuing a written order under this Contract describing the nature of the change (“Change Order”). Additionally, if the State provides directions or makes requests of the Contractor without a change order, and the Contractor reasonably believes the directions or requests are outside the specifications for the Project, the Contractor will have the right to request a Change Order from the State. Scope of Work changes will be managed as follows: pricing will be provided from the Contractor to the State. The State will execute a Change Order once it and the Contractor have agreed on the description of and specifications for the change as well as any equitable adjustments that need to be made in the Contractor's Fee or the performance schedule for the Work. Within five (5) business days after receiving the Change Order, the Contractor will sign it to signify agreement.

If a change causes an increase in the cost of, or the time required for, the performance of the Project, the Contractor will notify the State in writing and request an equitable adjustment in the Contractor’s Fee, the delivery schedule, or both before the Contractor signs the Change Order. If the Contractor claims an adjustment under this section in connection with a change to the Project not described in a written Change Order, the Contractor must notify the State of the claim within five (5) business days after the Contractor is notified of the change and before work on the change begins. Otherwise, the Contractor will have waived the claim. In no event will the State be responsible for any increase in the Fee or revision in any delivery schedule unless the relevant change was specifically ordered in writing by the State and the Contractor has complied with the requirements of this section. Provided the State has complied with the procedure for Change Orders in this section, nothing in this clause will excuse the Contractor from proceeding with performance of the Project, as changed.

Where an equitable adjustment to the Contractor’s Fee is appropriate, the State and the Contractor may agree upon such an adjustment. If the State and the Contractor are unable to agree, and the Contractor seeks an equitable adjustment in its Fee, either party may submit the dispute to the senior management of the Contractor and the State for resolution. If, within 30 calendar days following referral to senior management, the claim or dispute has not been resolved, only then will it be submitted to non-binding mediation (pursuant to the rules as stipulated by the American Arbitration Association). A claim or dispute must be submitted to non-binding mediation prior to the initiation of any formal legal process. Costs of mediation will be shared equally. Both parties further agree to use best efforts to resolve any claims or disputes arising during the performance of this Contract within 30 calendar days following the initiation of the dispute process. The resolved amount will be the not-to-exceed amount of the Change Order. If the change involves removing a requirement from the Project or replacing one part of the Project with the change, the State will get a credit for the work no longer required under the original scope of the Project. The credit will be calculated in the same manner as the Contractor’s Fee for the change, and the not-to-exceed amount will be reduced by this credit.

The Contractor will be responsible for coordinating changes with its subcontractors and adjusting their compensation and performance schedule. The State will not pay any subcontractor for the Change Order. If a subcontractor will perform any work under a Change Order, that work must be included in the Contractor's not-to-exceed amount and calculated in the same manner as the Contractor's equitable adjustment for the portion of the work the Contractor will perform. The Contractor will not receive an overhead percentage for work a subcontractor will do under a Change Order.

EXCUSABLE DELAY. Neither party will be liable for any delay in its performance that arises from causes beyond its control and without its negligence or fault. The delayed party will notify the other promptly of any material delay in performance and will specify in writing the proposed revised performance date as soon as practicable after notice of delay. In the event of any such excusable delay, the date of performance or of delivery will be extended for a period equal to the time lost by reason of the excusable delay. The delayed party must also describe the cause of the delay and what steps it is taking to remove the cause. The delayed party may not rely on a claim of excusable delay to avoid liability for a delay if the delayed party has not taken commercially reasonable steps to mitigate or avoid the delay. Things that are controllable by the Contractor's subcontractors will be considered controllable by the Contractor, except for third-party manufacturers supplying commercial items and over whom Contractor has no legal control.

INDEPENDENT STATUS OF THE CONTRACTOR. It is fully understood and agreed that Contractor is an independent contractor and is not an agent, servant, or employee of the State of Ohio or the Ohio Department of Administrative Services. Contractor declares that it is engaged as an independent business and has complied with all applicable federal, state, and local laws regarding business permits and licenses of any kind, including but not limited to any insurance coverage, workers' compensation, or unemployment compensation that is required in the normal course of business and will assume all responsibility for any federal, state, municipal or other tax liabilities. Additionally, Contractor understands that as an independent contractor, it is not a public employee and is not entitled to contributions from the State to any public employee retirement system.

Contractor acknowledges and agrees any individual providing personal services under this agreement is not a public employee for purposes of Chapter 145 of the Ohio Revised Code. Unless Contractor is a "business entity" as that term is defined in O.R.C. 145.037 ("an entity with five or more employees that is a corporation, association, firm, limited liability company, partnership, sole proprietorship, or other entity engaged in business") Contractor shall have any individual performing services under the agreement complete and submit to the ordering agency the Independent Contractor/Worker Acknowledgement found at the following link: https://www.opers.org/forms-archive/PEDACKN.pdf#zoom=80).

Contractor's failure to complete and submit the Independent Contractor/Worker Acknowledgement prior to commencement of the work, service or deliverable, provided under this contract, shall serve as Contractor's certification that Contractor is a "Business entity" as the term is defined in O.R.C. 145.037.

The partners, employees, officers, and agents ("Personnel") of one party, in the performance of this Contract, will act only in the capacity of representatives of that party and not as Personnel of the other party and will not be deemed for any purpose to be Personnel of the other. Neither party will commit, nor be authorized to commit, the other party in any manner. The Contractor's subcontractors will be considered the agents of the Contractor for purposes of this Contract.

ATTACHMENT FOUR: GENERAL TERMS AND CONDITIONS

PART THREE: OWNERSHIP & HANDLING OF INTELLECTUAL PROPERTY & CONFIDENTIAL INFORMATION

CONFIDENTIALITY. The State may disclose to the Contractor written material or oral or other information that the State treats as confidential ("Confidential Information"). Title to the Confidential Information and all related materials and documentation the State delivers to the Contractor will remain with the State. The Contractor must treat such Confidential Information as secret if it is so marked, otherwise identified as such, or when, by its very nature, it deals with matters that, if generally known, would be damaging to the best interests of the public, other contractors or potential contractors with the State, or individuals or organizations about whom the State keeps information. By way of example, information should be treated as confidential if it includes any proprietary documentation, materials, flow charts, codes, software, computer instructions, techniques, models, information, diagrams, know-how, trade secrets, data, business records, or marketing information. By way of further example, the Contractor also must treat as confidential materials such as police and investigative records, files containing personal information about individuals or employees of the State, such as personnel records, tax records, and so on, court and administrative records related to pending actions, any material to which an attorney-client, physician-patient, or similar privilege may apply, and any documents or records expressly excluded by Ohio law from public records disclosure requirements.

The Contractor agrees not to disclose any Confidential Information to third parties and to use it solely to do the Project. The Contractor will restrict circulation of Confidential Information within its organization and then only to people in the Contractor's organization that have a need to know the Confidential Information to do the Project. The Contractor will be liable for the disclosure of such information whether the disclosure is intentional, negligent, or accidental, unless otherwise provided below.

The Contractor will not be liable for any unintentional disclosure of Confidential Information that results despite the Contractor's exercise of at least the same degree of care as it normally takes to safeguard its own secrets, except when the Contractor's procedures are not reasonable given the nature of the Confidential Information or when the disclosure nevertheless results in liability to the State.

The Contractor will not incorporate any portion of any Confidential Information into any work or product, other than a Deliverable, and will have no proprietary interest in any of the Confidential Information. Furthermore, the Contractor will cause all of its employees who have access to any Confidential Information to execute a confidentiality agreement incorporating the obligations in this section.

The Contractor's obligation to maintain the confidentiality of the Confidential Information will not apply where such: (1) Was already in the Contractor's possession before disclosure by the State, and such was received by the Contractor without obligation of confidence; (2) Is independently developed by the Contractor; (3) Is or becomes publicly available without breach of this Contract; (4) Is rightfully received by the Contractor from a third party without an obligation of confidence; (5) Is disclosed by the Contractor with the written consent of the State; or (6) Is released in accordance with a valid order of a court or governmental agency, provided that the Contractor (a) Notifies the State of such order immediately upon receipt of the order and (b) Makes a reasonable effort to obtain a protective order from the issuing court or agency limiting disclosure and use of the Confidential Information solely for the purposes intended to be served by the original order of production. The Contractor will return all originals of any Confidential Information and destroy any copies it has made on termination or expiration of this Contract.

The Contractor may disclose Confidential Information to its subcontractors on a need-to-know basis, but they will be obligated to the requirements of this section.

Non-Disclosure Of the Lottery and/or Contractor(s)' Information. The Contractor(s) agree(s) not to disclose any confidential information obtained by the Contractor(s) pertaining to the Lottery's methods, systems, programs, procedures, or operations without written consent of the Lottery.

As used herein, "confidential information" may include all information received by a party under or in connection with any negotiations, execution and/or performance of the contract(s); or while the contract(s) is/are in effect, information that relates to the other party's business, technology, proprietary software, patents, copyrights, trademarks, service marks, trade secrets, products, services, markets, plans or strategies, including without limitation, engineering, programming and other technical and commercial information and know-how, and including the certain terms of the contract(s) and all Exhibits. Confidential information shall not include information that is widely known to the public or within the Lottery and gaming industries, or information that is produced by the Selected Contractor(s) in connection with the contract(s) which is considered to be "public record" pursuant to Ohio Rev. Code Chapter 149.

Neither the Lottery nor the Contractor(s) shall ever use, duplicate or disclose any confidential information of the other party, without the specific and previous written consent of the other party, except where use of such confidential information, or disclosure of such confidential information to either the Lottery's or the Contractor(s)' agents, employees, or subcontractors, is necessary for the performance of duties under the contract(s), and then only if all persons to whom such confidential information is disclosed are advised of their obligation to maintain the confidentiality of such confidential information.

Both the Lottery and the Contractor(s) acknowledge(s) and agree(s) that all confidential information of the other party is and shall remain the exclusive and valuable property of such other party. Immediately upon expiration of the contract(s) or on either party's earlier request, each party shall return to the other party any and all records containing or embodying confidential information within its possession or control.

In exercising any right to inspect documents maintained by the Contractor(s) as required by the contract(s) at (Right To Inspection, Audits And Records Retention), the Lottery will comply with the Nondisclosure requirements of this Section.

HANDLING OF THE STATE'S DATA. The Contractor must use due diligence to ensure computer and telecommunications systems and services involved in storing, using, or transmitting State data are secure and to protect that data from unauthorized disclosure, modification, or destruction. To accomplish this, the Contractor must:

1. Apply appropriate risk management techniques to ensure security for all sensitive data, including but not limited to any data identified as Confidential Information elsewhere in this Contract.
2. Ensure that its internal security policies, plans, and procedures address the basic security elements of confidentiality, integrity, and availability.
3. Maintain plans and policies that include methods to protect against security and integrity threats and vulnerabilities, as well as and detect and respond to those threats and vulnerabilities.
4. Maintain appropriate identification and authentication process for information systems and services associated with State data.
5. Maintain appropriate access control and authorization policies, plans, and procedures to protect system assets and other information resources associated with State data.
6. Implement and manage security audit logging on information systems, including computers and network devices.

The Contractor must maintain a robust boundary security capacity that incorporates generally recognized system hardening techniques. This includes determining which ports and services are required to support access to systems that hold State data, limiting access to only these points, and disable all others. To do this, the Contractor must use assets and techniques such as properly configured firewalls, a demilitarized zone for handling public traffic, host-to-host management, Internet protocol specification for source and destination, strong authentication, encryption, packet filtering, activity logging, and implementation of system security fixes and patches as they become available. The Contractor must use two-factor authentication to limit access to systems that contain particularly sensitive State data, such as personally identifiable data.

Unless the State instructs the Contractor otherwise in writing, the Contractor must assume all State data is both confidential and critical for State operations, and the Contractor's security policies, plans, and procedure for the handling, storage, backup, access, and, if appropriate, destruction of that data must be commensurate to this level of sensitivity. As part of the Contractor's protection and control of access to and use of data, the Contractor must employ appropriate intrusion and attack prevention and detection capabilities. Those capabilities must track unauthorized access and attempts to access the State's data, as well as attacks on the Contractor's infrastructure associated with the State's data. Further, the Contractor must monitor and appropriately address information from its system tools used to prevent and detect unauthorized access to and attacks on the infrastructure associated with the State's data.

The Contractor must use appropriate measures to ensure that State's data is secure before transferring control of any systems or media on which State data is stored. The method of securing the data must be appropriate to the situation and may include erasure, destruction, or encryption of the data before transfer of control. The transfer of any such system or media must be reasonably necessary for the performance of the Contractor's obligations under this Contract.

The Contractor must have a business continuity plan in place. The Contractor must test and update the IT disaster recovery portion of its business continuity plan at least annually. The plan must address procedures for response to emergencies and other business interruptions. Part of the plan must address backing up and storing data at a location sufficiently remote from the facilities at which the Contractor maintains the State's data in case of loss of that data at the primary site. The plan also must address the rapid restoration, relocation, or replacement of resources associated with the State's data in the case of a disaster or other business interruption. The Contractor's business continuity plan must address short- and long-term restoration, relocation, or replacement of resources that will ensure the smooth continuation of operations related to the State's data. Such resources may include, among others, communications, supplies, transportation, space, power and environmental controls, documentation, people, data, software, and hardware. The Contractor also must provide for reviewing, testing, and adjusting the plan on an annual basis.

The Contractor may not allow the State's data to be loaded onto portable computing devices or portable storage components or media unless necessary to perform its obligations under this Contract properly. Even then, the Contractor may permit such only if adequate security measures are in place to ensure the integrity and security of the data. Those measures must include a policy on physical security for such devices to minimize the risks of theft and unauthorized access that includes a prohibition against viewing sensitive or confidential data in public or common areas. At a minimum, portable computing devices must have anti-virus software, personal firewalls, and system password protection. In addition, the State's data must be encrypted when stored on any portable computing or storage device or media or when transmitted from them across any data network. The Contractor also must maintain an accurate inventory of all such devices and the individuals to whom they are assigned.

Any encryption requirement identified in this provision must meet the Ohio standard as defined in Ohio IT standard ITS-SEC-01, "Data Encryption and Cryptography".

The Contractor must have reporting requirements for lost or stolen portable computing devices authorized for use with State data and must report any loss or theft of such to the State in writing as quickly as reasonably possible. The Contractor also must maintain an incident response capability for all security breaches involving State data whether involving mobile devices or media or not. The Contractor must detail this capability in a written policy that defines procedures for how the Contractor will detect, evaluate, and respond to adverse events that may indicate a breach or attempt to attack or access State data or the infrastructure associated with State data.

In case of an actual security breach that may have compromised State data, including but not loss or theft of devices or media, the Contractor must notify the State in writing of the breach within 24 hours of the Contractor becoming aware of the breach, and fully cooperate with the State to mitigate the consequences of such a breach. This includes any use or disclosure of the State data that is inconsistent with the terms of this Contract and of which the Contractor becomes aware, including but not limited to, any discovery of a use or disclosure that is not consistent with this Contract by an employee, agent, or subcontractor of the Contractor.

The Contractor must give the State full access to the details of the breach and assist the State in making any notifications to potentially affected people and organizations that the State deems are necessary or appropriate. The Contractor must document all such incidents, including its response to them, and make that documentation available to the State on request. In addition to any other liability under this Contract related to the Contractor's improper disclosure of State data, and regardless of any limitation on liability of any kind in this Contract, the Contractor will be responsible for acquiring one year's identity theft protection service on behalf of any individual or entity whose personally identifiable information is compromised while it is in the Contractor's possession.

OWNERSHIP OF DELIVERABLES. All deliverables produced by the Contractor and covered by this Contract, including any software modifications, and documentation, shall be owned by the State, with all rights, title, and interest in all intellectual property that come into existence through the Contractor's custom work being assigned to the State. Additionally, the Contractor waives any author rights and similar retained interests in custom-developed material. The Contractor will provide the State with all assistance reasonably needed to vest such rights of ownership in the State. The Contractor will retain ownership of all tools, methods, techniques, standards, and other development procedures, as well as generic and preexisting shells, subroutines, and similar material incorporated in any custom Deliverable ("Pre-existing Materials") if the Contractor provides the non-exclusive license described in the next paragraph.

The Contractor may grant the State a worldwide, non-exclusive, royalty free, perpetual license to use, modify, sell, and otherwise distribute all Pre-existing Materials that are incorporated in any custom-developed Deliverable rather than grant the State ownership of the Pre-existing Materials provided however, that the State may distribute such Pre-existing materials to the extent required by governmental funding mandates. The Contractor will not include in any custom Deliverable any intellectual property unless such has been created under this Contract or qualifies as Pre-existing Material. If the Contractor wants to incorporate any Pre-existing Materials in a custom Deliverable, the Contractor must first disclose this and seek the State's approval for doing so in advance. On the request of the Contractor, the State will incorporate any proprietary notice the Contractor may reasonably want for any Pre-existing Materials included in a custom Deliverable in all copies the State makes of that Deliverable.

Subject to the limitations and obligations of the State with respect to Pre-existing Materials, the State may make all custom Deliverables available to the general public without any proprietary notices of any kind.

LICENSE IN COMMERCIAL MATERIAL. As used in this section, "Commercial Material" means anything that has been developed at private expense by the Contractor or a third party, commercially available in the marketplace, subject to intellectual property rights, and readily copied through duplication on magnetic media, paper, or other media. Examples include written reports, books, pictures, videos, movies, computer programs, and computer source code and documentation.

Any Commercial Material that the Contractor intends to deliver as a Deliverable must have the scope of the license granted in such material disclosed in the RFP or as an attachment referenced in the RFP, if that scope of license is different from the scope of license contained in this section for Commercial Materials.

Except for Commercial Material that is software ("Commercial Software"), if the Commercial Material is copyrighted and published material, then the State will have the rights permitted under the Federal copyright laws for each copy of the Commercial Material delivered to it by the Contractor.

Except for Commercial Software, if the Commercial Material is patented, then the State will have the rights permitted under the Federal patent laws for each copy of the Commercial Material delivered to it by the Contractor.

Except for Commercial Software, if the Commercial Material consists of trade secrets, then the State will treat the material as confidential. In this regard, the State will assume all obligations with respect to the Commercial Material that the Contractor assumes under the Confidentiality section of this Contract with respect to State secrets. Otherwise, the State will have the same rights and duties permitted under the Federal copyright laws for each copy of the Commercial Material delivered to it by the Contractor, whether or not the material is copyrighted when delivered to the State.

For Commercial Software, the State will have the rights in items (1) through (8) of this section with respect to the software. The State will not use any Commercial Software except as provided in items (1) through (8) of this section or as expressly stated otherwise in this Contract. The Commercial Software may be:

1. Used or copied for use in or with the computer or computers for which it was acquired, including use at any State installation to which such computer or computers may be transferred.
2. Used or copied for use in or with a backup computer for disaster recovery and disaster recovery testing purposes or if any computer for which it was acquired is inoperative.
3. Reproduced for safekeeping (archives) or backup purposes.
4. Modified, adapted, or combined with other computer software, but the modified, combined, or adapted portions of the derivative software incorporating any of the Commercial Software will be subject to same restrictions set forth in this Contract.
5. Disclosed to and reproduced for use on behalf of the State by support service contractors or their subcontractors, subject to the same restrictions set forth in this Contract.
6. Used or copied for use in or transferred to a replacement computer.

However:

7. If the Commercial Software delivered under this Contract is published and copyrighted, it is licensed to the State without disclosure prohibitions.
8. If any Commercial Software is delivered under this Contract with the copyright notice in 17 U.S.C. 401, it will be presumed to be published, copyrighted, and licensed to the State without disclosure restrictions, unless a statement substantially as follows accompanies such copyright notice: "Unpublished -- rights reserved under the copyright laws of the United States." The State will treat such Commercial Software as Confidential Information to the extent that such is actually the case.

Ownership of The Materials Submitted.

Property of the Lottery. All data, materials, reports and submissions originated and prepared hereunder for the Lottery shall be the exclusive property of the Lottery. Except as may be otherwise specifically provided in the contract(s), all instant game tickets purchased under the contract(s) shall become the property of the Lottery.

Any game name or design created by the Lottery shall remain the property of the Lottery and shall not be used by the Selected Contractor(s) unless written permission for such use is obtained from the Lottery. In addition, custom games produced for the Lottery are proprietary and shall not be furnished to any organization or person other than the Lottery or a specific organization or person designated in writing by the Lottery to receive such materials.

Property of the Contractor. The equipment, and the computer programs and software used to program the equipment, that ultimately shall print instant game tickets for the Lottery hereunder shall be the exclusive property of the Contractor(s). The Selected Contractor(s) agree(s) that the Lottery shall have the right to examine the documentation relating to such programs, and the source code instructions thereof, at any reasonable time. The Contractor(s) also agree(s) that changes to such programs will only be made with the written consent of the Lottery.

ATTACHMENT FOUR: GENERAL TERMS AND CONDITIONS
PART FOUR: REPRESENTATIONS, WARRANTIES, AND LIABILITIES

GENERAL WARRANTIES. The Contractor warrants that the recommendations, guidance, and performance of the Contractor under this Contract will: (1) Be in accordance with sound professional standards and the requirements of this Contract and without any material defects; (2) Unless otherwise provided in the RFP, be the work solely of the Contractor; and (3) No Deliverable will infringe on the intellectual property rights of any third party.

Additionally, with respect to the Contractor's activities under this Contract, the Contractor warrants that: (1) The Contractor has the right to enter into this Contract; (2) The Contractor has not entered into any other contracts or employment relationships that restrict the Contractor's ability to perform the contemplated services; (3) The Contractor will observe and abide by all applicable laws and regulations, including those of the State regarding conduct on any premises under the State's control; (4) The Contractor has good and marketable title to any goods delivered under this Contract and in which title passes to the State; (5) All hardware, software, firmware, and similar devices and materials provided under this Contract will be designed to operate without regard to the turning of a century and process dates in a manner that takes into account dates occurring before and after the turning of a century; and (6) The Contractor has the right and ability to grant the license granted in any Deliverable in which title does not pass to the State.

The warranty regarding material defects is a 1-year warranty. All other warranties will be continuing warranties. If any portion of the Project fails to comply with these warranties, and the Contractor is so notified in writing, the Contractor will correct such failure with all due speed or will refund the amount of the compensation paid for such portion of the Project. The Contractor will also indemnify the State for any direct damages and claims by third parties based on a breach of these warranties. This obligation of indemnification will not apply where the State has modified or misused the Deliverable and the claim is based on the modification or misuse. The State agrees to give the Contractor notice of any such claim as soon as reasonably practicable. If a successful claim of infringement is made, or if the Contractor reasonably believes that an infringement claim that is pending may actually succeed, the Contractor will do one (1) of the following four (4) things: (1) Modify the Deliverable so that it is no longer infringing; (2) Replace the Deliverable with an equivalent or better item; (3) Acquire the right for the State to use the infringing Deliverable as it was intended for the State to use under this Contract; or (4) Remove the Deliverable and refund the amount the State paid for the Deliverable and the amount of any other Deliverable or item that requires the availability of the infringing Deliverable for it to be useful to the State.

SOFTWARE WARRANTY. If this Contract involves software as a Deliverable, then, on acceptance and for 12 months after the date of acceptance of any Deliverable that includes software, the Contractor warrants as to all software developed under this Contract that: (a) the software will operate on the computer(s) for which the software is intended in the manner described in the relevant software documentation, the Contractor's Proposal, and the RFP; (b) the software will be free of any material defects; (c) the Contractor will deliver and maintain relevant and complete software documentation, commentary, and source code; and (d) the source code language used to code the software is readily available in the commercial market, widely used and accepted for the type of programming involved, and support programming in the language is reasonably available in the open market; and (e) the software and all maintenance will be provided in a professional, timely, and efficient manner.

For Commercial Software licensed from a third party that is incorporated in a Deliverable, the Contractor represents and warrants that it has done 1 of the following 3 things: (a) obtained the right from the third-party licensor to commit to the warranties and maintenance obligations in this Section; (b) obtained a binding commitment from the licensor to make those warranties and maintenance obligations directly to the State; or (c) fully disclosed in the RFP any discrepancies between the requirements of this section and the commitment the third-party licensor has made.

In addition, for Commercial Software that is incorporated in a Deliverable, the Contractor will: (a) maintain or cause the third-party licensor to maintain the Commercial Software so that it operates in the manner described in the RFP (or any attachment referenced in the RFP) and relevant Commercial Software documentation; (b) supply technical bulletins and updated user guides; (c) supply the State with updates, improvements, enhancements, and modifications to the Commercial Software and documentation and, if available, the commentary and the source code; (d) correct or replace the Commercial Software and/or remedy any material programming error that is attributable to the Contractor or the third-party licensee; (e) maintain or cause the third-party licensor to maintain the Commercial Software and documentation to reflect changes in the subject matter the Commercial Software deals with; (f) maintain or obtained a commitment from the third-party licensor to maintain the Commercial Software so that it will properly operate in conjunction with changes in the operating environment in which it is designed to operate.

For purposes of the warranties and the delivery requirements in this Contract, software documentation means well written, readily understood, clear, and concise instructions for the software's users as well as a system administrator. The software documentation will provide the users of the software with meaningful instructions on how to take full advantage of all of the capabilities designed for end users. It also means installation and system administration documentation for a system administrator to allow proper control, configuration, and management of the software. Source code means the uncompiled operating instructions for the entire System. The Contractor will not be obligated to provide source code for Commercial Software unless it is readily available from the licensor. The source code will be provided in the language in which it was written and will include commentary that will allow a competent programmer proficient in the source language to readily interpret the source code and understand the purpose of all routines and subroutines contained within the source code.

EQUIPMENT WARRANTY. If any electrical equipment, mechanical device, computer hardware, telecommunications hardware, or other type of physical machinery ("Equipment") will be a part of any Deliverable, the following warranties apply. The Contractor warrants that the Equipment fully complies with all government environmental and safety standards applicable to the Equipment. The Contractor also warrants for 1 year from the acceptance date of the Equipment that the Equipment will perform substantially in accordance with specifications described in the RFP, the user manuals, technical materials, and related writings published by the manufacturer for the Equipment. The foregoing warranties will not apply to Equipment that is modified or damaged after title passes to the State.

The Contractor will notify the State in writing immediately upon the discovery of any breach of the warranties given above.

The Contractor's will do the following if any Equipment does not meet the above warranties:

1. Cause the Equipment to perform as required, or, if that is not commercially practicable, then;
2. Grant the State a refund equal to the amount the State paid for the Equipment or, if such has not been individually priced, the manufacturer's suggested retail price for the Equipment.

Except where the Contractor's breach of a warranty makes it not possible for the State to do so, the State will return the affected Equipment to the Contractor in the case of a refund under the previous paragraph.

GENERAL EXCLUSION OF WARRANTIES. The State makes no warranties, express or implied, other than those express warranties contained in this contract. The contractor also makes no warranties of merchantability or fitness for a particular purpose except as follows: If the Contractor has been engaged under the scope of work in the RFP to design something to meet a particular need for the State, then the Contractor does warrant that the contractor’s work will meet the stated purpose for that work.

INDEMNITY. The Contractor will indemnify the State for any and all claims, damages, law suits, costs, judgments, expenses, and any other liabilities resulting from bodily injury to any person (including injury resulting in death) or damage to property that may arise out of or are related to Contractor's performance under this Contract, providing such bodily injury or property damage is due to the negligence of the Contractor, its employees, agents, or subcontractors.

The Contractor will also indemnify the State against any claim of infringement of a copyright, patent, trade secret, or similar intellectual property rights based on the State's proper use of any Deliverable under this Contract. This obligation of indemnification will not apply where the State has modified or misused the Deliverable and the claim of infringement, is based on the modification or misuse. The State agrees to give the Contractor notice of any such claim as soon as reasonably practicable and to give the Contractor the authority to settle or otherwise defend any such claim upon consultation with and approval by the Office of the State Attorney General. If a successful claim of infringement is made, or if the Contractor reasonably believes that an infringement claim that is pending may actually succeed, the Contractor will take one (1) of the following four (4) actions:

1. Modify the Deliverable so that is no longer infringing.
2. Replace the Deliverable with an equivalent or better item.
3. Acquire the right for the State to use the infringing Deliverable as it was intended for the State to use under this Contract.
4. Remove the Deliverable and refund the fee the State paid for the Deliverable and the fee for any other Deliverable that required the availability of the infringing Deliverable for it to be useful to the State.

LIMITATION OF LIABILITY. Notwithstanding any limitation provisions contained in the documents and materials incorporated by reference into this contract, the parties agree as follows:

1. Neither party will be liable for any indirect, incidental or consequential loss or damage of any kind including but not limited to lost profits, even if the parties have been advised, knew, or should have known of the possibility of damages.

3. The contractor further agrees that the contractor shall be liable for all direct damages due to the fault or negligence of the contractor.

Representations and Warranties.

General Warranty of Fitness for a Particular Purpose. The Contractor(s) acknowledge(s) that its/their services are required for the particular purpose of producing and delivering instant game tickets and related services, and that the Lottery relies on the Contractor(s)' skill and judgment to furnish instant game tickets suitable in all respects for that purpose. The Contractor(s) represent(s) and warrant(s) that instant game tickets will be suitable and fit for such purpose in accordance with the provisions of Title 13 of the Ohio Revised Code.

General Warranty of Merchantability. The Contractor(s) agree(s) that it/they shall apply its/their best efforts to produce and deliver instant game tickets for distribution and sale by the Lottery throughout the State and provide other related services, and that their services shall be provided in a workmanlike manner consistent with the standards of the industry. The Selected Contractor(s) acknowledge(s) that it/they is/are capable of producing Lottery instant game tickets and related services and represent(s) that it/they has/have the knowledge or skill specific and peculiar to the production and delivery of instant game tickets, and, therefore, that it/they is/are "merchant(s)" as that term is defined in Ohio Rev. Code Sec. 1302.01. The Selected Contractor(s) represent(s) and warrant(s) that the instant game tickets provided hereunder shall be merchantable as that term is defined in Ohio Rev. Code Sec. 1302.27.

Instant Game Tickets. The Contractor(s) hereby represent(s) and warrant(s) that the instant game tickets shall in all respects meet the requirements and specifications of this RFP, and all subsequent plans, program requirements, procedures, designs and specifications authorized hereby, and shall be suitable, as described in Part 3 of this RFP for purposes of the sale of State-run instant Lottery games. The Contractor(s) specifically represent(s) and warrant(s) that prize payments indicated on instant game tickets which are printed as winning instant game tickets on their face shall be in accordance with the approved prize structure.

Programs and Procedures. The Contractor(s) hereby represent(s) and warrant(s) that all systems analysis, system design programming and procedures prepared or done or to be prepared or done by the Contractor(s), its/their subcontractors, officers, employees or agents pursuant thereto or for use in the Contractor's performance hereunder has been and shall be prepared or done in a workmanlike manner consistent with the highest standards of the industry and the written Lottery specifications as of the contract date. The Selected Contractor(s) further represent(s) and warrant(s) that all programs implemented in its/their performance hereunder shall meet the performance standards required hereunder, and shall correctly and accurately perform its/their intended functions.

Services. The Contractor(s) hereby represent(s) and warrant(s) that all services provided hereunder, including without limitation, game design, game procedures, systems analysis, computer programming and maintenance of programs, shall be performed in a prompt, competent and workmanlike manner by properly trained individuals in accordance with the highest standards of the printing and the Lottery industry.

Patents, Copyrights, Trademarks and Trade Secrets. The Contractor(s) represent(s) and warrant(s) that no program, process, composition, writing, equipment, appliance or device, or any trademark, service mark, logo, idea, combination of ideas, or any other work or invention of any nature, or any other tangible, intangible or intellectual or conceptual property whatsoever developed, provided or used by it in connection with its performance under the contract infringes or will infringe any patent, copyright, trademark or service mark of any other person, or is or will be a trade secret of any other person.

Risk of Loss or Damage. All risk of loss or damage to any instant game tickets produced by the Contractor(s) in its/their performance under the contract(s), while such instant game tickets are still located on the Contractor(s)' premises or are being shipped to the Lottery, shall be borne by the Contractor(s) and neither the State nor the Lottery shall have any responsibility or liability therefore. The Lottery shall assume responsibility for risk of loss to any instant game tickets once the Lottery takes physical possession of such goods.

ATTACHMENT FOUR: GENERAL TERMS AND CONDITIONS
PART FIVE: ACCEPTANCE AND MAINTENANCE

STANDARDS OF PERFORMANCE AND ACCEPTANCE. If the RFP does not provide otherwise, the acceptance procedure will be an informal review by the Agency Project Representative to ensure that each Deliverable and the Project as a whole comply with the requirements of this Contract. The Agency Project Representative will have up to 30 calendar days to do this. No formal letter of acceptance will be issued, and passage of the 30 calendar days will imply acceptance, though the State will issue a notice of noncompliance if a Deliverable or the Project as a whole does not meet the requirements of this Contract. If the Agency Project Representative issues a letter of noncompliance, then the Contractor will have 30 calendar days to correct the problems listed in the noncompliance letter. If the Contractor fails to do so, the Contractor will be in default without a cure period. If the Agency Project Representative has issued a noncompliance letter, the Deliverables or the Project as a whole will not be accepted until the Agency Project Representative issues a letter of acceptance indicating that each problem noted in the noncompliance letter has been cured. If the problems have been fixed during the 30 day period, the Agency Project Representative will issue the acceptance letter within 15 calendar days.

If the Project fails to meet the standard of performance after 90 calendar days from the start of the performance period, the Contractor will be in default and will not have a cure period. In addition to all other remedies the State may have under this Contract, the State will have the right to request correction or replacement of the relevant portion of the Project.

Passage of Title. Title to any Deliverable will pass to the State only on acceptance of the Deliverable. All risk of loss, regardless of the cause, will remain with the Contractor.

ATTACHMENT FOUR: GENERAL TERMS AND CONDITIONS
PART SIX: CONSTRUCTION

ENTIRE DOCUMENT. This Contract is the entire agreement between the parties with respect to the subject matter and supersedes any previous statements or agreements, whether oral or written.

BINDING EFFECT. This Contract will be binding upon and inure to the benefit of the respective successors and assigns of the State and the Contractor.

AMENDMENTS – WAIVER. No change to any provision of this Contract will be effective unless it is in writing and signed by both parties. The failure of either party at any time to demand strict performance by the other party of any of the terms of this Contract will not be a waiver of those terms. Waivers must be in writing to be effective. Either party may at any later time demand strict performance.

SEVERABILITY. If any provision of this Contract is held by a court of competent jurisdiction to be contrary to law, the remaining provisions of this Contract will remain in full force and effect to the extent that such does not create an absurdity.

CONSTRUCTION. This Contract will be construed in accordance with the plain meaning of its language and neither for nor against the drafting party.

HEADINGS. The headings used herein are for the sole sake of convenience and will not be used to interpret any section.

NOTICES. For any notice under this Contract to be effective it must be made in writing and sent to the address of the appropriate contact provided elsewhere in the Contract, unless such party has notified the other party, in accordance with the provisions of this section, of a new mailing address. This notice requirement will not apply to any notices that this Contract expressly authorized to be made orally.

CONTINUING OBLIGATIONS. The terms of this Contract will survive the termination or expiration of the time for completion of Project and the time for meeting any final payment of compensation, except where such creates an absurdity.

ATTACHMENT FOUR: GENERAL TERMS AND CONDITIONS
PART SEVEN: LAW & COURTS

COMPLIANCE WITH LAW. The Contractor agrees to comply with all applicable federal, state, and local laws in the conduct of the Work.

DRUG-FREE WORKPLACE. The Contractor will comply with all applicable state and Federal laws regarding keeping a drug-free workplace. The Contractor will make a good faith effort to ensure that all the Contractor employees, while working on state property, will not have or be under the influence of illegal drugs or alcohol or abuse prescription drugs in any way.

CONFLICTS OF INTEREST. No Personnel of the Contractor may voluntarily acquire any personal interest that conflicts with their responsibilities under this Contract. Additionally, the Contractor will not knowingly permit any public official or public employee who has any responsibilities related to this Contract or the Project to acquire an interest in anything or any entity under the Contractor's control if such an interest would conflict with that official's or employee's duties. The Contractor will disclose to the State knowledge of any such person who acquires an incompatible or conflicting personal interest related to this Contract. The Contractor will take steps to ensure that such a person does not participate in any action affecting the work under this Contract. This will not apply when the State has determined, in light of the personal interest disclosed, that person's participation in any such action would not be contrary to the public interest.

OHIO ETHICS AND ELECTIONS LAW.

1. Ethics Law

   All Contractors who are actively doing business with the state of Ohio or who are seeking to do business with the state of Ohio are responsible to review and comply with all relevant provisions of O.R.C. Sections 102.01 to 102.09. Contractor certifies that it is currently in compliance and will continue to adhere to the requirements of Ohio ethics laws.

2. Political Contributions

   The Contractor affirms in its cover letter that, as applicable to the Contractor, all personal and business associates are in compliance with Chapter 3517 of the Revised Code regarding limitations on political contributions and will remain in compliance for the duration of the Contract and with all applicable provisions that extend beyond the expiration of the Contract.

EQUAL EMPLOYMENT OPPORTUNITY. The Contractor will comply with all state and federal laws regarding equal employment opportunity, including O.R.C. Section 125.111 and all related Executive Orders.

Before a contract can be awarded or renewed, an Affirmative Action Program Verification Form must be completed using the Ohio Business Gateway Electronic Filing website http://business.ohio.gov/efiling/. Contractor must verify compliance on an annual basis for the duration of any contract. Approved Affirmative Action Plans can be found by going to the Equal Opportunity Division's web site: http://eodreporting.oit.ohio.gov/searchAffirmativeAction.aspx

During the Project, the Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, disability, age, or Vietnam-era veteran status ("Protected Status"). The Contractor will ensure that applicants for employment and employees are treated without regard to their Protected Status.

The Contractor agrees to post notices with the provisions of this section in conspicuous places that are available to employees and applicants and to state in all solicitations and advertisements for employees that it is an equal opportunity employer.

INJUNCTIVE RELIEF. Nothing in this Contract is intended to limit the State's right to injunctive relief if such is necessary to protect its interests or to keep it whole.

ASSIGNMENT. The Contractor may not assign this Contract or any of its rights or obligations under this Contract without the prior, written consent of the State.

GOVERNING LAW. This Contract will be governed by the laws of Ohio, and venue for any disputes will lie exclusively with the appropriate court in Franklin County, Ohio.

ATTACHMENT FIVE
CONTRACT

This Contract, which results from RFP CSPSP1500, entitled – Instant Lottery Ticket Product and Services -- is between the state of Ohio, through the Department of Administrative Services, Office of Procurement Services, on behalf of the – Ohio Lottery Commission -- (the "State") and

_____
(the "Contractor").

If this RFP results in a contract award, the Contract will consist of this RFP including all attachments, written addenda to this RFP, the Contractor's proposal, and written, authorized addenda to the Contractor's proposal. It will also include any materials incorporated by reference in the above documents and any purchase orders and change orders issued under the Contract. The form of the Contract is this one (1) page attachment to the RFP, which incorporates by reference all the documents identified above. The general terms and conditions for the Contract are contained in another attachment to the RFP. If there are conflicting provisions between the documents that make up the Contract, the order of precedence for the documents is as follows:

1. This RFP, as amended;
2. The documents and materials incorporated by reference in the RFP;
3. The Contractor's Proposal, as amended, clarified, and accepted by the State; and
4. The documents and materials incorporated by reference in the Contractor's Proposal.

Notwithstanding the order listed above, change orders and amendments issued after the Contract is executed may expressly change the provisions of the Contract. If they do so expressly, then the most recent of them will take precedence over anything else that is part of the Contract.

This Contract has an effective date of the later of July 01, 2015 or the occurrence of all conditions precedent specified in the General Terms and Conditions.

IN WITNESS WHEREOF, the parties have executed this Contract as of the dates below.

_____	Department of Administrative Services
(Contractor)	(State of Ohio Agency)
_____	_____
(Signature)	(Signature)
_____	Robert Blair
(Printed Name)	(Printed Name)
_____	Director, Department of Administrative Services
(Title)	(Title)
_____	_____
(Date)	(Date)

ATTACHMENT SIX A
OFFEROR PROFILE FORM

Offeror's Legal Name:	Address:	
Phone Number:	Fax Number:	E-mail Address:
Home Office Location:	Date Established:	Ownership:
Firm Leadership:	Number of Employees:	Number of Employees Directly involved in Tasks Directly Related to the Work:

If the Offeror's home office is located in a state other than Ohio, please indicate the number of employees located in an Ohio branch (if one exists). If none are in Ohio, then so state.

Additional Background Information:

ATTACHMENT SIX B
OFFEROR PRIOR PROJECT / CONTRACT FORM

Customer Company Name:	Contact:	
Address:	Phone Number: E-mail:	
Project Name:	Beginning Date of Project / Contract (Month/Year):	Ending Date of Project / Contract (Month/Year):

The Offeror must document previous experience and expertise in providing projects / contracts for the production of instant tickets with at least four different lottery jurisdictions, at least three of which are members of either the North American Association of State and Provincial Lotteries or the World Lottery Association, within the last eight years. These projects must be of similar size, scope and nature. Details of the similarities must be included. Attachment six B, C, D and E must be filled out completely for each of the four (4) contracts provided.

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ATTACHMENT SIX C
OFFEROR PRIOR PROJECT / CONTRACT FORM

Customer Company Name:	Contact:	
Address:	Phone Number: E-mail:	
Project Name:	Beginning Date of Project / Contract (Month/Year):	Ending Date of Project / Contract (Month/Year):

The Offeror must document previous experience and expertise in providing projects / contracts for the production of instant tickets with at least four different lottery jurisdictions, at least three of which are members of either the North American Association of State and Provincial Lotteries or the World Lottery Association, within the last eight years. These projects must be of similar size, scope and nature. Details of the similarities must be included. Attachment six B, C, D and E must be filled out completely for each of the four (4) contracts provided.

ATTACHMENT SIX D
OFFEROR PRIOR PROJECT / CONTRACT FORM

Customer Company Name:	Contact:	
Address:	Phone Number: E-mail:	
Project Name:	Beginning Date of Project / Contract (Month/Year):	Ending Date of Project / Contract (Month/Year):

The Offeror must document previous experience and expertise in providing projects / contracts for the production of instant tickets with at least four different lottery jurisdictions, at least three of which are members of either the North American Association of State and Provincial Lotteries or the World Lottery Association, within the last eight years. These projects must be of similar size, scope and nature. Details of the similarities must be included. Attachment six B, C, D and E must be filled out completely for each of the four (4) contracts provided.

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ATTACHMENT SIX E
OFFEROR PRIOR PROJECT / CONTRACT FORM

Customer Company Name:	Contact:	
Address:	Phone Number: E-mail:	
Project Name:	Beginning Date of Project / Contract (Month/Year):	Ending Date of Project / Contract (Month/Year):

The Offeror must document previous experience and expertise in providing projects / contracts for the production of instant tickets with at least four different lottery jurisdictions, at least three of which are members of either the North American Association of State and Provincial Lotteries or the World Lottery Association, within the last eight years. These projects must be of similar size, scope and nature. Details of the similarities must be included. Attachment six B, C, D and E must be filled out completely for each of the four (4) contracts provided.

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ATTACHMENT SEVEN
OFFEROR REFERENCES

Three (3) professional references who have received services from the Offeror in the past five (5) years

Company Name:	Contact Name:	
Address:	Phone Number: E-Mail Address:	
Project Name:	Beginning Date of Project: (Month/Year)	Ending Date of Project: (Month/Year)
Description of project size, complexity and the Offeror's role in this project.		

Company Name:	Contact Name:	
Address:	Phone Number: E-Mail Address:	
Project Name:	Beginning Date of Project: (Month/Year)	Ending Date of Project: (Month/Year)
Description of project size, complexity and the Offeror's role in this project.		

Company Name:	Contact Name:	
Address:	Phone Number: E-Mail Address:	
Project Name:	Beginning Date of Project: (Month/Year)	Ending Date of Project: (Month/Year)
Description of project size, complexity and the Offeror's role in this project.		

ATTACHMENT EIGHT A
OFFEROR'S CANDIDATE REFERENCES

Candidate's Name: _____

Candidate's Proposed Position: _____

Three (3) professional references who have received services from the candidate in the past three (3) years

Company Name:	Contact Name:	
Address:	Phone Number: E-mail:	
Project Name:	Beginning Date of Project: Month/Year	Ending Date of Project: Month/Year
Description of project size, complexity, and the candidate's role in this project.		
Company Name:	Contact Name:	
Address:	Phone Number: E-mail:	
Project Name:	Beginning Date of Project: Month/Year	Ending Date of Project: Month/Year
Description of project size, complexity, and the candidate's role in this project.		
Company Name:	Contact Name:	
Address:	Phone Number: E-mail:	
Project Name:	Beginning Date of Project: Month/Year	Ending Date of Project: Month/Year
Description of project size, complexity, and the candidate's role in this project.		

ATTACHMENT EIGHT B
OFFEROR'S CANDIDATE INFORMATION
EDUCATION AND TRAINING

Candidate's Name: _____

Education and Training: This section must be completed to list the education and training of the proposed candidate.

Name and Address	Months/Years	Degree/Major
College		
Technical School		
Licenses		
Certifications		

ATTACHMENT EIGHT C
OFFEROR'S CANDIDATE EXPERIENCE REQUIREMENT

Candidate's Name: _____

Candidate's Proposed Position: _____

Client Company Name:	Client's Project Supervisor Contact Name:	
Address:	Phone Number: E-Mail:	
Project Name:	Beginning Date of Project: Month/Year	Ending Date of Project: Month/Year
Description of the related services provided:		
Client Company Name:	Client's Project Supervisor Contact Name:	
Address:	Phone Number: E-Mail:	
Project Name:	Beginning Date of Project: Month/Year	Ending Date of Project: Month/Year
Description of the related services provided:		
Client Company Name:	Client's Project Supervisor Contact Name:	
Address:	Phone Number: E-Mail:	
Project Name:	Beginning Date of Project: Month/Year	Ending Date of Project: Month/Year
Description of the related services provided:		

ATTACHMENT NINE
OFFEROR PERFORMANCE FORM

The Offeror must provide the following information for this section for the past seven (7) years. Please indicate yes or no in each column.

Yes/No	Description
	The Offeror has had a contract terminated for default or cause. If so, the Offeror must submit full details, including the other party's name, address, and telephone number.
	The Offeror has been assessed any penalties in excess of twenty thousand dollars ($20,000), including liquidated damages, under any of its existing or past contracts with any organization (including any governmental entity). If so, the Offeror must provide complete details, including the name of the other organization, the reason for the penalty, and the penalty amount for each incident.
	The Offeror was the subject of any governmental action limiting the right of the Offeror to do business with that entity or any other governmental entity.
	Has trading in the stock of the company ever been suspended? If so provide the date(s) and explanation(s).
	The Offeror, any officer of the Offeror, or any owner of a twenty percent (20%) interest or greater in the Offeror has filed for bankruptcy, reorganization, a debt arrangement, moratorium, or any proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding.
	The Offeror, any officer of the Offeror, or any owner with a twenty percent (20%) interest or greater in the Offeror has been convicted of a felony or is currently under indictment on any felony charge.

If the answer to any item above is affirmative, the Offeror must provide complete details about the matter. While an affirmative answer to any of these items will not automatically disqualify an Offeror from consideration, at the sole discretion of the State, such an answer and a review of the background details may result in a rejection of the Offeror's proposal. The State will make this decision based on its determination of the seriousness of the matter, the matter's possible impact on the Offeror's performance on the project, and the best interests of the State.

ATTACHMENT TEN
COST SUMMARY FORM

RFP Instant Lottery Ticket Product and Services
CSPSP1500

UNSPSC CATEGORY CODE: 81121500 & 73151900

BUDGET: Primary contract: $16,000,000.00 per fiscal year / Secondary contract: $4,000,000.00 per fiscal year

Note: ***Cost must be reflected in U. S. Dollars.***

COST DATA INSTRUCTIONS: Each submittal must have a completed cost proposal based on a percent of sales (**% of sales = gross sales – returns**) for ticket sizes as listed. Offerors must respond to all other specified cost quotations. The quoted price must include all design, production, delivery and related services as specified in this RFP.

Failure to provide all pricing as requested may cause offer to be rejected.

Offerors shall not insert a unit cost more than two (2) digits after the decimal point. Digit(s) beyond two (2), after the decimal point, shall be dropped by State Printing and not used in the evaluation and subsequent award.

COST EVALUATION:

Primary Contract: Cost evaluation will be made using data from 12 (twelve) randomly selected games from FY 2013 and FY 2014 as the evaluation quantity. For evaluation purposes, the number of tickets printed and sold will be considered the same. Selected games will represent a variety of sizes, price points and optional printing requirements. Pricing on both 10 pt. card stock, foil stock and holographic stock will be evaluated. Base pricing should include meeting all requirements of Attachment Three of the RFP, including varying book sizes and sample and oversized ticket requirements. In addition, ten (10) randomly selected Optional Products and Services (numbered from 1 to 30) will used in evaluation. The evaluation quantity for all ten selected options will be the average number of tickets printed/sold of the 12 (twelve) random games used in ticket price evaluation.

Secondary Contract: Cost evaluation will be made using data from 6 (six) randomly selected games as the evaluation quantity. For evaluation purposes, the number of tickets printed and sold will be considered to be the same. Selected games will represent a variety of sizes, price points and optional printing requirements. Pricing on both 10 pt. card stock, foil stock and holographic stock will be evaluated. Base pricing should include meeting all requirements of Attachment Three of the RFP, including varying book sizes and sample and oversized ticket requirements. In addition, ten (10) randomly selected Optional Products and Services (numbered from 1 to 28) will used in evaluation. The evaluation quantity for all ten selected options will be the average number of tickets printed/sold of the (six) 6 random games used in ticket price evaluation.

The Base Price Proposal for percent of sales pricing, for the various paper stocks, includes all mandatory ticket printing requirements and specifications set forth in Attachment Three, Scope of Services and Service Specifications for the Primary and Secondary Contractors, including but not limited to the following:

1. Seven display colors
2. Five overprint colors
3. Four color process, display and overprint
4. In addition to black, at least one color on the ticket back
5. Alternating scenes or Color Pulses within a book
6. Different scenes or Color Pulses within a game
7. Multi or Continuous scenes
8. Extended Imaging
9. Specialty inks: metallic, fluorescent, aromatic and any others available
10. Multiple color imaging of play symbols
11. Marking system (e.g. Bingo, Crossword)
12. Full varnish gloss coating
13. Spot varnish gloss coating
14. U.V. spot coverage
15. U.V. full coverage
16. Security Tints
17. Benday and Proprietary Background Patterns
18. Validation Barcode Fees or Licensing Costs (PDF 417, Data Matrix, etc.)
19. Screens of color on display and scratch-off areas of tickets
20. Multiple color full-bleed washes on ticket

21. * 21 removed from RFP
22. Graphic design techniques such as use of photography, integrated scratch-off, or unusually shaped scratch-off areas
23. At least seven separate game play areas
24. Reverse Ticket Numbering
25. Custom fonts/characters
26. Up to 250 Books of Void samples per game
27. Oversized Retailer Tickets
28. Marketing support funds in the amount of $25,000 per month, or the amount specified in the Primary Contractor's Proposal in Response to RFP #CSPSP1500 whichever is greater
29. 8 1/2" x 11" Posters (Primary Contractor)
30. 4" x 4" Insert Cards
31. Hash Files for non-winning ticket codes, if required.
32. Unusual or Additional Programming
33. Two (2) Coupon Programs per contract year (Primary Contractor)
34. Two (2) Holographic Stock and two (2) Foil Stock games per contract year (Primary Contractor)
35. One (1) Holographic Stock and one (1) Foil Stock game per contract year (Secondary Contractor)
36. Marketing Research (Primary Contractor)
37. Top Prize Guarantee
38. Top Prize Insurance

***Denotes change 4/2/2015**

A. PRIMARY CONTRACT BASE PRICING, PRICE AS PERCENT OF SALES*

***Percent of sales = gross sales – net returns**

10 PT. Recycled/Recyclable Card Stock
Price quoted as Percent of Sales

			Quantity Order in Millions								
Price Point	**Ticket Size**	**Book Size**	**2**	**4**	**6**	**8**	**10**	**15**	**20**	**25**	**30+**
$1	2.5" x 4"	200									
		100									
	3" x 4"	200									
		100									
$2	4" x 4"	100									
	6" x 4"	100									
$3	6" x 4"	100									
		50									
$5	6" x 4"	50									
	8" x 4"	50									
$10	8" x 4"	50									
		25									
$20	10" x 4"	25									
		20									
$30	10" x 4"	25									
		20									
$30+	11" x 4"	25									
		20									
		10									
	12" x 4"	25									
		20									
		10									

Or

Fixed base price for all price points, ticket sizes and quantities order as a % of sales _____ %

10 PT. Foil Stock
Price quoted as Percent of Sales

			Quantity Order in Millions								
Price Point	**Ticket Size**	**Book Size**	**2**	**4**	**6**	**8**	**10**	**15**	**20**	**25**	**30+**
$1	**2.5" x 4"**	**200**									
		100									
	3" x 4"	**200**									
		100									
$2	**4" x 4"**	**100**									
	6" x 4"	**100**									
$3	**6" x 4"**	**100**									
		50									
$5	**6" x 4"**	**50**									
	8" x 4"	**50**									
$10	**8" x 4"**	**50**									
		25									
$20	**10" x 4"**	**25**									
		20									
$30	**10" x 4"**	**25**									
		20									
$30+	**11" x 4"**	**25**									
		20									
		10									
	12" x 4"	**25**									
		20									
		10									

Or

Fixed base price for all price points, ticket sizes and quantities order as a % of sales _____ %

Holographic Stock
Price quoted as Percent of Sales (including base paper price)

			Quantity Order in Millions								
Price Point	**Ticket Size**	**Book Size**	**2**	**4**	**6**	**8**	**10**	**15**	**20**	**25**	**30+**
$1	2.5" x 4"	200									
		100									
	3" x 4"	200									
		100									
$2	4" x 4"	100									
	6" x 4"	100									
$3	6" x 4"	100									
		50									
$5	6" x 4"	50									
	8" x 4"	50									
$10	8" x 4"	50									
		25									
$20	10" x 4"	25									
		20									
$30	10" x 4"	25									
		20									
$30+	11" x 4"	25									
		20									
		10									
	12" x 4"	25									
		20									
		10									

Or

Fixed base price for all price points, ticket sizes and quantities order as a % of sales _____ %

MARKETING SUPPORT FUNDS:
Minimum of $25,000 per month or the amount listed herein, whichever is higher. $ _____/month

DISCOUNT FOR REPRINTS UNDER PRIMARY CONTRACT: List discount, if any, which would be applicable (regardless of ticket size) for reprints ordered under Primary contract. Pricing for reorders may be lower than, but may not exceed, the cost of the original order, regardless of whether the game includes special features or services. (Reorder is defined as an order for a game that the Lottery has previously sold, which is reprinted with the same graphics and prize structure; the game number may or may not be the same.)

0 – 4.9 million tickets reprinted	Discount _____
5 – 9.9 million tickets reprinted	Discount _____
10 – or higher- million tickets reprinted	Discount _____

If a responding Contractor desires to quote such a discount in dollars, then it must be quoted for each size of instant game tickets. Use a blank sheet if quoting dollars.

VOLUME DISCOUNTS OR REBATES UNDER PRIMARY CONTRACT: Should the Lottery purchase more than three hundred sixty million (360,000,000) tickets in any one contract year, please state what type, if any, discount or rebate will apply, either as a percentage discount off of orders over that amount, or as a dollar rebate.

Discount _____ % Rebate $_____

PRIMARY CONTRACT PRICING FOR OPTIONAL PRODUCTS AND SERVICES

For the **Primary Contract**, the State requests pricing for the following optional related products/services in addition to the required products. The State reserves the right to accept or reject any or all of the price quotes hereinafter.

PRINTING OPTIONS

1)	Additional Oversized Retailer Tickets (in quantities of 1,000)	$ _____
2)	Additional 8 1/2 " x 11" Posters (in quantities of 1,000)	$ _____
3)	Additional Void (Sample) Books (in quantities of 25)	$ _____
4)	Additional Book Insert Cards (4" x 4") (in quantities of 1,000)	$ _____

		Price as Percent of Sales
5)	Book Insert Cards (size other than 4" x 4")	_____
6)	Producing and inserting a bar coded item into a book	_____
7)	Additional display color(s) (Beyond seven (7) colors)	_____
8)	Additional overprint color(s) (Beyond five (5) colors)	_____
9)	Additional ticket back color(s) (Beyond two (2) colors)	_____
10)	Printing on Shrink Wrap	_____
11)	Stub Game with perforations, with covering	_____
12)	Stub Game with perforations, without covering	_____
13)	Die Cut Tickets	_____

14) Omit Free Games _____

15) Four Color Process (imaging) _____

16) Four Color Process (ticket back) _____

17) Deleted Overprint Color(s) (per color) _____

18) Deleted Display Color(s) (per color) _____

19) Cost savings for Integrated Printing (per color) _____

20) Two sided display printing on two-sided coated stock _____

21) Ticket stock thickness from 10 point to12 point on C2S _____

22) 12 point C1S ticket stock _____

23) 10 point C1S ticket stock _____

24) Any other suggested ticket stocks _____

25) Deleted UV coating _____

26) Scoring _____

27) Insert per Book (supplied by vendor) _____

28) Insert per Book (supplied by Lottery) _____

29) Tinted Varnish (play area) _____

30) Extended Marketing Support _____

PRODUCTS AND SERVICES

QUARTERLY DIRECT MAIL PROGRAM: The Lottery may wish to deliver quarterly coupons to players via direct mail. The contract provides for two (2) direct mail coupon offers at the expense of the Primary Contractor. The responding Contractor should describe experience and capabilities in this area, including the ability to track redemptions, analyzing the program and pricing. The Contractor should also state where these coupons will be printed. Offerors should list printing prices for varying sizes, barcode and/or UPC per thousand coupons, including postage for any direct mail coupon offers beyond the two (2) required at the expense of the Primary Contractor.

$ _____ cost per print

PROMOTIONAL GAMES: The Lottery may wish to conduct sales agent/retailer and/or player promotional instant games. Examples would be book card promotional games for sales agents to play, or with which sales agents can encourage customer participation. Offerors shall state capability, submit examples and pricing per promotional game type.

$_____

OTHER COUPONING PROGRAMS: The responding Contractor should list and provide pricing for any player coupon programs, other than the Direct Mail program listed above.

$_____

LICENSED PROPERTY AND MERCHANDISE GAMES

It is the intent of the Lottery to release Licensed Property games and Merchandise/Travel games as part of the instant ticket game product mix. The responding vendor is to list all current Licensed Properties and Merchandise/Travel games that are part of the vendor's portfolio. The responding vendor is to list pricing associated with each of the properties (i.e. royalty fees, licensing fees, merchandise costs, etc), second chance website link development capabilities and costs, prize fulfillment (second chance drawing or instant) and costs, Marketing Support provided with the properties, licensing rights agreement term dates and extensions for each property, any payment options and any other additional items.

The responding Contractor should provide information to the Lottery pertaining to multiple game agreement possibilities and associated costs. The responding Contractor should also list any properties that can be used by the Lottery at no cost.

Where the costs for such licensed property games are based on percent of sales of the specified instant tickets, the State expects that the royalty/licensing fees be charged to the State at cost.

ADDITIONAL PRODUCTS AND PRICING

ADDITIONAL OFFERS (Attachment 3, Scope of Services and Service Specifications, Section 7)

CREDITS (Attachment 3, Scope of Services and Service Specifications, Section 8)

Note: The above pricing list is not intended to be all encompassing. Offerors are requested to provide any other available pricing and option information as attachments in a similar format.

B. SECONDARY CONTRACT BASE PRICING, PRICE AS PERCENT OF SALES*
***Percent of sales = gross sales (net settlements) – net returns**

10 PT. recycled/recyclable card stock
Price quoted as Percent of Sales

			Quantity Order in Millions								
Price Point	**Ticket Size**	**Book Size**	2	4	6	8	10	15	20	25	30+
$1	2.5" x 4"	200									
		100									
	3" x 4"	200									
		100									
$2	4" x 4"	100									
	6" x 4"	100									
$3	6" x 4"	100									
		50									
$5	6" x 4"	50									
	8" x 4"	50									
$10	8" x 4"	50									
		25									
$20	10" x 4"	25									
		20									
$30	10" x 4"	25									
		20									
$30+	11" x 4"	25									
		20									
		10									
	12" x 4"	25									
		20									
		10									

Or

Fixed base price for all price points, ticket sizes and quantities order as a % of sales _____ %

10 PT. Foil Stock
Price quoted as Percent of Sales

			Quantity Order in Millions								
Price Point	**Ticket Size**	**Book Size**	**2**	**4**	**6**	**8**	**10**	**15**	**20**	**25**	**30+**
$1	**2.5" x 4"**	**200**									
		100									
	3" x 4"	**200**									
		100									
$2	**4" x 4"**	**100**									
	6" x 4"	**100**									
$3	**6" x 4"**	**100**									
		50									
$5	**6" x 4"**	**50**									
	8" x 4"	**50**									
$10	**8" x 4"**	**50**									
		25									
$20	**10" x 4"**	**25**									
		20									
$30	**10" x 4"**	**25**									
		20									
$30+	**11" x 4"**	**25**									
		20									
		10									
	12" x 4"	**25**									
		20									
		10									

Or

Fixed base price for all price points, ticket sizes and quantities order as a % of sales _____ %

Holographic Stock
Price quoted as Percent of Sales (including base paper price)

			Quantity Order in Millions								
Price Point	**Ticket Size**	**Book Size**	**2**	**4**	**6**	**8**	**10**	**15**	**20**	**25**	**30+**
$1	2.5" x 4"	200									
		100									
	3" x 4"	200									
		100									
$2	4" x 4"	100									
	6" x 4"	100									
$3	6" x 4"	100									
		50									
$5	6" x 4"	50									
	8" x 4"	50									
$10	8" x 4"	50									
		25									
$20	10" x 4"	25									
		20									
$30	10" x 4"	25									
		20									
$30+	11" x 4"	25									
		20									
		10									
	12" x 4"	25									
		20									
		10									

Or

Fixed base price for all price points, ticket sizes and quantities order as a % of sales _____ %

DISCOUNT FOR REPRINTS UNDER SECONDARY CONTRACT: List discount, if any, which would be applicable (regardless of ticket size) for reprints ordered under primary contract. Pricing for reorders may be lower than, but may not exceed, the cost of the original order, regardless of whether the game includes special features or services. (Reorder is defined as an order for a game that the Lottery has previously sold, which is reprinted with the same graphics and prize structure; the game number may or may not be the same.)

0 – 4.9 million tickets reprinted	Discount _____
5 – 9.9 million tickets reprinted	Discount _____
10 – or higher- million tickets reprinted	Discount _____

If a responding Contractor desires to quote such a discount in dollars, then it must be quoted for each size of instant game tickets. Use a blank sheet if quoting dollars.

VOLUME DISCOUNTS OR REBATES UNDER SECONDARY CONTRACT: Should the Lottery purchase more than forty million (40,000,000) tickets in any one contract year, please state what type, if any, discount or rebate will apply, either as a percentage discount off of orders over that amount, or as a dollar rebate.

Discount _____ % Rebate $_____

SECONDARY CONTRACT PRICING FOR OPTIONAL PRODUCTS AND SERVICES

For the **Secondary Contract**, the State requests pricing for the following optional related products/services in addition to the required products. The State reserves the right to accept or reject any or all of the price quotes hereinafter.

PRINTING OPTIONS

1) Additional Oversized Retailer Tickets (in quantities of 1,000) $ _____

2) Additional Void (Sample) Books (in quantities of 1,000) $ _____

3) Additional Book Insert Cards (4" x 4") (in quantities of 1,000) $ _____

		Price as Percent of Sales
4)	Insert Cards (size other than 4" x 4")	_____
5)	Producing and inserting a bar coded item into a book	_____
6)	Additional display color(s) (Beyond seven (7) colors)	_____
7)	Additional overprint color(s) (Beyond five (5) colors)	_____
8)	Additional ticket back color(s) (Beyond two (2) colors)	_____
9)	Printing on Shrink Wrap	_____
10)	Stub Game with perforations, with covering	_____
11)	Stub Game with perforations, without covering	_____
12)	Die Cut Tickets	_____
13)	Omit Free Games	_____
14)	Four Color Process (imaging)	_____
15)	Four Color Process (ticket back)	_____

16) Deleted Overprint Color(s) (per color) _____

17) Deleted Display Color(s) (per color) _____

18) Cost savings for Integrated Printing (per color) _____

19) Two sided display printing on two-sided coated stock _____

20) Ticket stock thickness from 10 point to12 point on C2S _____

21) 12 point C1S ticket stock _____

22) 10 point C1S ticket stock _____

23) Any other suggested ticket stocks _____

24) Deleted UV coating _____

25) Scoring _____

26) Insert per Book (supplied by vendor) _____

27) Insert per Book (supplied by Lottery) _____

28) Tinted Varnish (play area) _____

PRODUCTS AND SERVICES

LICENSED PROPERTY AND MERCHANDISE GAMES

It is the intent of the Lottery to release Licensed Property games and Merchandise/Travel games as part of the instant ticket game product mix. The responding vendor is to list all current Licensed Properties and Merchandise/Travel games that are part of the vendor's portfolio. The responding vendor is to list pricing associated with each of the properties (i.e. royalty fees, licensing fees, merchandise costs, etc), second chance website link development capabilities and costs, prize fulfillment (second chance drawing or instant) and costs, Marketing Support provided with the properties, licensing rights agreement term dates and extensions for each property, any payment options and any other additional items.

The responding Contractor should provide information to the Lottery pertaining to multiple game agreement possibilities and associated costs. The responding Contractor should also list any properties that can be used by the Lottery at no cost.

Where the costs for such licensed property games are based on percent of sales of the specified instant tickets, the State expects that the royalty/licensing fees be charged to the State at cost.

ADDITIONAL PRODUCTS AND PRICING

ADDITIONAL OFFERS (Attachment 3, Scope of Services and Service Specifications, Section 7)

CREDITS (Attachment 3, Scope of Services and Service Specifications, Section 8)

Note: The above pricing list is not intended to be all encompassing. Offerors are requested to provide any other available pricing and option information as attachments in a similar format.

All costs must be in U.S. Dollars.
The State will not be responsible for any costs not identified.
There will be no additional reimbursement for travel or other related expenses.

ATTACHMENT ELEVEN
GAMES ORDERED FISCAL YEARS 2013 AND 2014

FY '13

			Quarter 1		
Game#		**Game Name**	**Ticket Size**	**Pricing Options**	**Quantity Del.**
#879	$1	Precious Gems	2.2 x 4	Base/Paper less two display 2 additional scenes	5,631,800
#880	$2	10X the Money	4 x 4	Base/Paper less two display	6,175,600
#882	$1	Ghostly Green	2.2 x 4	Base/Paper less three display less one OP	6,171,600
#883	$2	$20,000 Payout	4 x 4	Base/Paper less three display less one OP	6,177,400
#884	$2	Mayan Mayhem	4 x 4	Base/Paper less three display less one OP	4,115,200
#885	$5	Color of Money	6 x 4	Base/Paper less two display less one OP	6,170,800
#886	$5	Special Edition Cashword	8 x 4	Base/Paper less one display less two OP Clearmark	4,036,700
#888	$1	Oktoberfest	2.2 x 4	Base/Paper less two display less one OP	4,028,800
#889	$2	Double Play	4 x 4	Base/Paper less two display	6,176,100

#890	$5	Press Your Luck	6 x 4	Base/Paper less one display less one OP Additional back color	5,868,550
#893	$1	Holiday Cash	2.2 x 4	Base/Paper less two display	18,533,400
#894	$2	Holiday Surprise	4 x 4	Base/Paper less two display	7,186,700
#895	$5	Holiday Lucky Times 10	6 x 4	Base/Paper less two display less two OP	6,151,950
#896	$10	Stocking Stuffer	8 x 4	Base/Paper less two display	3,694,950
#005	$5	Blackout Bingo	8 x 4	Base/Paper Less 1 OP Translucent 3 Color Pulses	6,294,200
#887	$20	Lucky 7's Playbook ®	8 x 3.9	Base/Paper Books of 25	3,006,125
1st Quarter Totals					**99,419,875**

Quarter 2

#897	$20	$5,000,000 Cash Blowout	10 x 4	Base/Paper less one display less one OP	6,108,025
#102	$1	Reindeer Games	2.2 x 4	Base/Paper less two display 3 additional scenes	8,232,600
#103	$2	Holiday 100's	4 x 4	Base/Paper less one display less one OP	4,968,600
#104	$5	Merry Money	6 x 4	Base/Paper less two display 3 additional scenes	4,112,400
#106	$1	Valentine's Day Doubler	2.2 x 4	Base/Paper less three display less one OP	6,173,400
#107	$2	2013 Tripler	4 x 4	Base/Paper less two display	4,115,100
#108	$2	Great Golden 8's	4 x 4	Base/Paper less two display	6,100,300
#109	$5	Lucky Times 10	6 x 4	Base/Paper less one display	6,170,800
#110	$1	Luck of the Irish Tripler	2.2 x 4	Base/Paper less two display	6,157,200
#111	$2	Sterling Silver	4 x 4	Base/Paper less four display less two OP	6,087,300
#112	$3	Thrilling 3's	6 x 4	Base/Paper less two display	6,171,900

#113	$5	The King's Gold	6 x 4	Base/Paper less two display	6,172,250
#114	$1	Triple 7's	4 x 4	Base/Paper Plus 1 OP colors Less one display color	6,177,000
#115	$2	Pick 3, 4, 5	6 x 4	Base/Paper less two display	6,174,000
#123	$5	Special Edition Cashword	8 x 4	Base/Paper Clearmark Less one display color	8,232,300
#117	$10	Millionaire Spectacular	8 x 4	Base/Paper less four display less one OP 2 Fluorescent inks	7,191,650
#898	$5	$100,000 Cashword	8 x 4	Base/Paper Less 2 OP Translucent	4,114,250
#105	$10	Platinum Payout	8 x 4	Base/Foil Less one OP	5,033,650
2nd Quarter Totals					**107,492,725**

			Quarter 3		
#119	$1	Dynamite Doubler	2.2 x 4	Base/Paper Plus one display	6,168,000
#120	$2	Liquid Gold	4 x 4	Base/Paper Less 1 OP colors Less three display color	4,112,200
#121	$2	Hot Cash Cool Diamonds	4 x 4	Base/Paper less one display	6,176,100
#122	$5	Wizard of Oz	6 x 4	Scratch Back 4 additional scenes Less two display color	4,110,300
#125	$1	Some Like it Hot	2.2 x 4	Base/Paper less two display	6,174,400
#126	$2	Fast Cash	4 x 4	Base/Paper Less 1 OP colors Less two display color	6,177,000
#127	$5	Supercash	6 x 4	Base/Paper less one display	6,174,200
#129	$1	Cash Explosion	3 x 4	Base/Paper Ticket Back Color Less two display color	15,345,000
#116	$5	Money Mania Double Play®	6 x 4	Base/Paper 50 tickets per lot	6,031,350
3rd Quarter Totals					**60,468,550**

Quarter 4

#130	$1	$1,000 Bankroll	2.2 x 4	Base/Paper less two display	6,178,800
#131	$2	Quick 100's	4 x 4	Base/Paper less two display	6,176,400
#132	$5	Hot $100,000	6 x 4	Base/Paper Less 1 OP colors Less two display color	6,170,600
#134	$1	Lot's of 50's	2.2 x 4	Base/Paper Less 1 OP colors Less three display color	6,178,600
#135	$2	Magic Money	4 x 4	Base/Paper less two display	5,147,300
#136	$5	Pro Football Hall of Fame	6 x 4	Base/Paper less two display	4,048,550
#143	$1	A Gift for You	2.2 x 4	Base/Paper 3 scenes Less twodisplay color	8,236,000
#144	$1	Cash Explosion	3 x 4	Base/Paper Ticket Back Color less 2 display colors	15,041,400
#145	$1	Double Doubler	2.2 x 4	Base/Paper Three Pulses	20,589,800
#139	$2	Wild 2's	4 x 4	Base/Paper less one display	6,100,900
#140	$3	Lucky Lines	6 x 4	Base/Paper Marking System less one display	6,169,700

#141	$5	Tons of Funds	6 x 4	Base/Paper less 2 display colors	6,171,550
#142	$10	Instant Millions	8 x 4	Base/Paper less 2 display colors	7,188,700
#154	$1	Triple Tripler	2.2 x 4	Base/Paper Plus one pulse Plus one OP	8,228,400
#155	$5	Special Edition Cashword	8 x 4	Base/Paper Clearmark Less one Op Less two display	8,232,800
#128	$20	Mega $$$ Multiplier Playbook ®	8 x 3.9	Base/Paper Books of 25	3,020,000
#137	$2	Doubling Star Cashword ($2)	6 x 4	Base/Paper 4 color OP Plus one OP Translucent Marking 2 Pulses	10,295,500
#138	$3	Bonus Cashword ($3)	6 x 4	Base/Paper 2 OP colors Translucent Marking 2 additional pulses	10,028,400

4th Quarter Totals	**143,203,400**
FY '13 Totals	**410,584,550**

FY '14

			Quarter 1		
Game#		**Game Name**	**Ticket Size**	**Pricing Options**	**Quantity Del.**
#147	$1	Lucky Dog Doubler	2.2 x 4	Base/Paper less two display Plus one OP	8,234,000
#148	$2	Ghostbusters	4 x 4	Base/Paper less two display 4 additional scenes	6,175,300
#149	$5	Sparkling 5's	6 x 4	Base/Paper less four display less 2 OP colors	6,170,500
#151	$2	Love to Win	4 x 4	Base/Paper less two display	6,172,800
#152	$5	Money Multiplier	6 x 4	Base/Paper less two display	6,169,750
#156	$1	Holiday Cash	2.2 x 4	Base/Paper less two display	22,646,400
#157	$2	Holiday Gift	4 x 4	Base/Paper less two display 3 additional scenes	11,275,800
#158	$3	Happy Holidays	6 x 4	Base/Paper less one display 1 additional scenes less one OP	5,094,400
#159	$5	Holiday Lucky Times 10	6 x 4	Base/Foil less two display 4 additional scenes	10,253,300
#146	$5	Bingo Times 10	8 x 4	Base/Paper Less one OP Marking System	6,276,100
#153	$20	Lucky 7s Playbook	8 x 4	Base/Paper book of 25	3,002,875
1st Quarter Totals					**91,471,225**

Quarter 2

#161	$2	Black Cherry Tripler	4 x 4	Base/Paper less two display	6,176,800
#162	$5	Monopoly Jackpot	6 x 4	Base/Paper less one display less one OP	6,159,450
#163	$1	5X the Money	2.2 x 4	Base/Paper less two display	10,295,800
#164	$2	10X the Money	4 x 4	Base/Paper less two display	6,155,800
#165	$5	20X the Money	6 x 4	Base/Paper less two display	6,093,950
#166	$10	50X the Money	8 x 4	Base/Paper less two display	7,192,800
#168	$1	Luck of the Irish Tripler	2.2 x 4	Base/Paper	6,173,600
#169	$2	I Love Cash	4 x 4	Base/Paper less four display less two OP	6,131,900
#171	$3	Twisted	6 x 4	Base/Paper less two display Clearmark	6,170,300
#172	$1	Cash Explosion	2.2 x 4	Base/Paper less two display less one OP Plus one ticket back	15,442,200
#173	$1	Lots of 50's	2.2 x 4	Base/Paper less one display less one OP	6,176,600
#174	$30	40th Anniversary Millions	10 x 4	Base/Paper holographic less one OP	24,061,500
#176	$2	$10,000 Grant	4 x 4	Base/Paper less two display less one OP	6,164,100

#178	$20	$100,000,000 Mega Fortune	10 x 4	Base/Foil less two display	7,105,750
#179	$1	Triple Tripler	2.2 x4	Base/Paper less two display Plus one OP Plus one pulse	8,139,200
#160	$10	Holiday Spectacular	8 x 4	Base/Paper Holographic FX 2 additional scenes	5,164,100
#170	$5	Cadillac and Cash	6 x 4	Base/Paper minus 3 OP colors Holographic FX	4,018,450
2nd Quarter Totals					**136,822,300**

			Quarter 3		
#175	$1	Win Pigs Fly	2.2. x 4	Base/Paper less two display	8,237,200
#177	$5	Joker's Wild	6 x 4	Scratch Back less two display	5,938,500
#181	$1	Tic Tac OH!	2.2 x 4	Base/Paper less three display less one OP	10,293,600
#182	$2	BlackWhite	4 x 4	Base/Paper less five display less three OP colors I additional scene 3 hrs additional programming	6,174,900
#185	$2	Lucky Devil	4 x 4	Base/Paper plus ine OP	6,147,500
#186	$3	Liberty Bells	6 x 4	Base/Paper less two display colors 2 color imaging	4,113,700
#189	$5	Special Edition Cashword	8 x 4	Base/Paper less one display plus one OP clearmark	8,080,200
#183	$5	Extreme Cash Double Play	6 x 4	Base/Paper 50 Tickets per lot	6,167,050
#190	$2	Doubling Star Cashword	6 x 4	Base/Paper 4 color op plus one OP Translucent Marking two pulses	10,253,700
3rd Quarter Totals					**65,406,350**

Quarter 4

#187	$5	Easy Money	6 x 4	Base/Paper plus ine OP	6,171,100
#188	$10	Ohio Millions	8 x 4	Base/Paper less three display colors	7,192,100
#191	$1	Lucky 7	2.2 x 4	Base/Paper less two display colors 2 additional scenes	10,293,000
#192	$2	Red Hot and Blue 7s	4 x 4	Base/Paper less one display Multi Ink (2) 2 back colors	6,091,000
#193	$5	Triple Black 777	6 x 4	Foil Stock less four display colors less two OP colors	6,171,150
#197	$2	Magic 8 Ball	4 x 4	Base/Paper less two display colors	4,004,400
#198	$5	Fun 5s	6 x 4	Base/Paper less two display colors	6,167,100
#199	$20	100X the Money	10 x 4	Base/Paper less one display color less one OP One fluorescent color One ticket back color Dual Color Imaging	3,049,575
#200	$2	Cash Explosion	4 x 4	Base/Paper less two display colors one ticket back color	8,012,000
#201	$1	Lots of 50s	2.2 x 4	Base/Paper less three display colors	6,173,800
#202	$2	Wild Pixies	4 x 4	Base/Paper less two display 3 additional scenes	6,104,500
#203	$3	15X the Win	6 x 4	Base/Paper less two display Clearmark	4,106,900

#204	$5	Bring On the Bens	6 x 4	Scratch Back less two display colors		6,179,950
#194	$2	Bingo and Diamonds	6 x 4	Base/Paper less one OP Translucent Marking System	6,161,500	
#205	$5	Bingo Times 10	8 x 4	Base/Paper Less one OP Translucent Marking One Color Pulse		6,166,100
4th Quarter Totals						**92,044,175**
FY '14 Totals						**385,744,050**

ATTACHMENT TWELVE
OHIO LOTTERY
2-D TICKET BARCODE SPECIFICATION

This document is proprietary and confidential. It can be shared with an Offeror once a Nondisclosure Agreement is signed with Intralot. Please contact Tyler Johnson, Intralot Technical Project Manager, at tyler.johnson@intralot.us or (440) 334-0879 to set up access to this document.

* Please note: Intralot will only release the game files to the awarded vendor.

***Denotes change 4/2/2015**

ATTACHMENT THIRTEEN
OHIO LOTTERY
DATA MATRIX TICKET BARCODE SPECIFICATION

This document is proprietary and confidential. It can be shared with an Offeror once a Nondisclosure Agreement is signed with Intralot. Please contact Tyler Johnson, Intralot Technical Project Manager, at tyler.johnson@intralot.us or (440) 334-0879 to set up access to this document.

* Please note: Intralot will only release the game files to the awarded vendor.

***Denotes change 4/2/2015**

ATTACHMENT FOURTEEN
OHIO LOTTERY
INSTANT GAME FILE SPECIFICATION

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***Denotes change 4/2/2015**

ATTACHMENT FIFTEEN
OHIO LOTTERY
INSTANT GAME VENDTAPE/DESTROY PROCESS SPECIFICATION

This document is proprietary and confidential. It can be shared with an Offeror once a Nondisclosure Agreement is signed with Intralot. Please contact Tyler Johnson, Intralot Technical Project Manager, at tyler.johnson@intralot.us or (440) 334-0879 to set up access to this document.

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***Denotes change 4/2/2015**

BACKGROUND INVESTIGATION FORM

BACKGROUND INFORMATION FORM
FOR THE OHIO LOTTERY COMMISSION

Per Ohio Revised Code §3770.051, the Lottery Director is authorized to require vendors and their employees to be subject to criminal background investigations. Therefore, you are required to complete this form, in full, which will be submitted to the State Highway Patrol, and any other state, local or federal agencies to supply the Director with criminal records.

If you need more space to answer any questions or explain any of your answers, please use additional sheets.

FULL NAME:

_____

PRESENT ADDRESS:

_____

CITY: _____STATE: _____ZIP CODE:_____

PHONE NUMBER:_____ DRIVER'S LICENSE NUMBER:_____

DATE OF BIRTH (Month) _____ (Day) _____

SOCIAL SECURITY NUMBER: _____

ALIASES OR MAIDEN NAME: _____

HOMETOWN: _____

PREVIOUS ADDRESSES IN PAST TEN YEARS (Include Years of Residence, City & State):

_____

_____

LIST ANY FELONY OR MISDEMEANOR CONVICTIONS IN THE PAST TEN YEARS AND THE DATE OF CONVICTION:

_____

_____

LIST ANY TRAFFIC CITATIONS OR ACCIDENTS IN THE PAST FIVE YEARS, EXCLUDING PARKING INFRACTIONS:

_____

_____

LIST ANY DISCIPLINES OR ACTIONS TAKEN AGAINST YOU FOR A BREACH OF ETHICS OR UNPROFESSIONAL CONDUCT:

_____

_____

PLEASE READ THE FOLLOWING CAREFULLY BEFORE SIGNING THIS STATEMENT

I SPECIFICALLY AUTHORIZE ANY LAW ENFORCEMENT AGENCY TO RELEASE MY RECORDS OR INFORMATION TO THE DIRECTOR OF THE OHIO LOTTERY COMMISSION OR HIS DESIGNEE.

SIGNATURE_____DATE _____

I, _____, CERTIFY THAT ALL OF THE ANSWERS AND STATEMENTS ON THIS FORM ARE TRUE, COMPLETE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND ARE MADE IN GOOD FAITH.