

REQUEST FOR PROPOSALS

ADDENDUM # 5

ISSUED: 09/21/2016

**RFP NUMBER: CSP903117
INDEX NUMBER: LOT008**

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

**COOPERATIVE SERVICES FOR THE OHIO LOTTERY COMMISSION:
Instant Ticket Warehousing, Distribution and TelSell Services**

Attached are page(s) 15, 24, and 25 to this Request for Proposal (RFP). Remove the corresponding page(s) from the existing RFP and replace with the attached.

Reason for Addendum. This addendum is issued to revise the Mandatory Requirements on page 15, add a specific amount for Liquidated Damages in section 4.4.5 and delete the reference to the Offeror providing necessary interfaces and platforms in section 4.4.11.

**PROPOSAL DUE DATE: September 23, 2016
OPENING LOCATION: Department of Administrative Services
General Services Bid Desk
4200 Surface Road
Columbus, Ohio 43228-1395**

2.0 EVALUATION OF PROPOSALS

2.1 MANDATORY REQUIREMENTS The following table contains items that are Mandatory Requirements for this RFP.

Determining the Offeror’s ability to meet the Mandatory Requirements is the first step of the DAS evaluation process. The Offeror’s response must be clearly labeled “Mandatory Requirements” and collectively contained in Tab 2 of the Offeror’s Proposal in the “Offeror Required Information and Certification” section.

DAS will evaluate Tab 2 alone to determine whether the Proposal meets all Mandatory Requirements (accept/reject). If the information contained in Tab 2 does not clearly meet every Mandatory Requirement, the Proposal may be disqualified by DAS from further consideration.

TABLE 1 - MANDATORY PROPOSAL REQUIREMENTS

Mandatory Requirements
1) *Offeror must submit a letter of commitment from a bonding company for a performance bond of \$1,000,000
2) Offeror must confirm agreement to the audit requirements contained in this RFP, to be audited by the Auditor of State, and/or the Ohio Lottery Commission.
3) Offeror must have had a Contract for delivery systems and/or warehousing, distribution, and TelSell services within five (5) of the last six (6) years. Offeror must identify all North American Lotteries which contracted with the Offeror for a combined delivery systems and/or warehousing, distribution, and TelSell (telemarketing) including dates of the Contracts. The TelSell services provided must be specifically related to lottery retailer calls.

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

2.2 PROPOSAL EVALUATION CRITERIA If the Offeror provides sufficient information to DAS in its Proposal, demonstrating it meets the Mandatory Requirements, the Offeror’s Proposal will be included in the next step of the evaluation process which involves the scoring of the Proposal Technical Requirements (Table 3), followed by the scoring of the Cost Proposals. In the Proposal evaluation step, DAS rates the Proposals 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.

2.3 TABLE 2 - SCORING BREAKDOWN

Criteria	Maximum Allowable Points
Proposal Technical Requirements	1075 Points
Proposal Cost	630 Points
MBE Subcontracting Plan	95 Points
Total	1800 Points

*Indicates change in Mandatory Requirement from a line of credit to a performance bond.

- 4) **Untimely or Inaccurate Reports:** The Contractor must produce and deliver timely, sufficient, accurate and unaltered reports including data transmissions within the specified timeframes and descriptions as required by the Lottery. Reports shall be produced and delivered on both a scheduled and on-request basis according to the schedule mutually approved by the Contractor and the Lottery. Should the Contractor deliver a report, deemed by the Lottery as insufficient or inaccurate, the Lottery shall immediately notify the Contractor and provide the Contractor with the report name and the date and time that the report was produced. Once this information has been received by the Contractor, the Contractor shall have two (2) hours in which to deliver a corrected report to the Lottery.

For each late, insufficient or altered report that is not delivered or corrected within the two (2) hours after notification to the Contractor as described in above, the Lottery may assess liquidated damages in the amount of one thousand dollars (\$1,000.00) per day, per report until the report is provided, made sufficient or corrected.

- 5) ***TelSell Telephone System or Inventory Control System is Unavailable:** The Online Gaming provider is responsible for ensuring that the Telemarketing and Inventory Control System is available for the ordering of inventory during normal business hours. In the event that the Contractor provides the TelSell and Inventory software, the system is unavailable and the Contractor unable to process an average number of calls and shipments, the Liquidated Damages shall be fifty dollars (\$50) per incomplete scheduled call, per day until the issue(s) are successfully resolved.
- 6) **Third Party Integration:** The Contractor must be able to successfully integrate into the existing systems or equipment upon reasonable request of the Lottery.

The Contractor must recommend a liquidated damages amount in the event where the Successful Vendor does not successfully integrate into the existing system or equipment upon reasonable request of the Lottery.

- 7) **Failure to Report Incidents:** The Contractor shall be responsible to immediately report all significant incidents related to the operation of the Program. The immediate reporting shall be delivered personally or by telephone and email within one (1) hour of the discovery of the incident, followed by a letter addressed to the Lottery, within twenty-four (24) hours of the incident. Written reports and notifications must be sent by email. At a minimum, each of the following types of events shall require a written report:
- a. Security violations;
 - b. Other conditions as defined by a memorandum of understanding; and/or
 - c. Any situation which may cause the general public to become alarmed and/or which may damage the integrity or public image of the Lottery.

In the event that the Contractor fails to report incidents, the Lottery may assess liquidated damages of one thousand dollars (\$1,000) per calendar day until an incident is correctly reported.

- 8) **Failure to Comply with Required Standards or to Remedy Audit Recommendations:**
- a. If the Contractor fails to address recommendations made as a result of an audit or to comply with required Lottery standards, liquidated damages may be assessed.
 - b. In the event that audit recommendations addressing any of the Contractor's activities are not corrected by the date agreed upon by the Lottery and Contractor, the Contractor may be charged liquidated damages of five thousand dollars (\$5,000). An additional five thousand dollars (\$5,000) for each subsequent thirty (30) calendar day period, or any portion thereof, may be assessed for which the audit recommendation corrections have not been completed.
 - c. In the event the Contractor fails to comply with any required Lottery standard, the Lottery may assess liquidated damages of five thousand dollars (\$5,000) for each instance. If the Contractor fails to comply within the date specified, liquidated damages may apply in the amount of an additional five thousand dollars (\$5,000) for each subsequent seven (7) calendar day period, or any portion thereof, for which compliance has not been achieved.
- 9) **Other Breaches of Contract:** The Lottery may assess liquidated damages if the Contractor fails to comply with any material provision of the Contract for which liquidated damages are not specifically provided for herein, after the Lottery provided notice as may be required under the Contract. The occurrence will be assessed and appropriate liquidated damages may be applied.

6. Trademarks of Names and Logos

The Contractor agrees not to use the Lottery names, logos, images, as a part of any Contract not associated with the OLC without prior approval by the Lottery.

*Indicates addition of specific dollar amount for liquidated damages.

7. Code of Conduct for Vendor(s)

The Lottery is an extremely sensitive enterprise because of the nature of the business and because it is government operated. Therefore, it is essential that its operation, and the operation of other enterprises that would be linked to the Lottery in the public mind, avoid not only impropriety but also the appearance of impropriety. Because of these concerns, Vendors associated with the Lottery are expected to:

- A. Offer goods and services only of the highest standards.
- B. Use their best efforts to uphold the integrity of the lottery industry and prevent the lottery industry from becoming embroiled in unfavorable publicity.
- C. Make sales presentations in a responsible manner and, when it is necessary, point out the superiority of their goods or services over those of their competitors in a manner as to avoid unfavorable publicity to the lottery industry.
- D. Avoid promotional activities that could be interpreted as improper and produce embarrassment to the lottery industry.

8. Lottery Approval of Staffing, Background Checks

The Lottery shall require each Contractor to provide no less than the minimum levels of staffing or service necessary to meet the requirements as set forth in any Contract. Further, each Contractor shall provide a senior staff member as account representative dedicated to the Ohio Lottery account. The Lottery reserves the right to reject any staff assigned to any Contract by each Contractor.

The Lottery reserves the right to review and, if perceived necessary, disapprove of any employee of any Contractor who is assigned to any Lottery Contract, either at Contract inception or during the term. Each Contractor shall supply résumés for all individuals it intends to utilize in providing Contract services for the Lottery. The Lottery may interview and may require that any Contractor's officers, directors, members, principals, investors, owners, subcontractors, employees, or any other individuals or entities associated with the Contractor, as it deems appropriate, be held in compliance with the provisions of Ohio Rev. Code Sec. 3770.051 as they apply to Lottery vendors, and specifically as they relate to initiating background checks, and provisions against playing the Lottery.

Background investigations may be conducted with the assistance of the Ohio State Highway Patrol and The Ohio Attorney General's Bureau of Criminal Investigation or any other agency successful by the Lottery. With its signing of a Contract, each Contractor consents to such investigations, and to cooperate with such investigations. The Lottery may terminate any Contractor's Contract based upon the results of these background checks.

9. Prohibition Against Playing the Lottery

Each Contractor understands that its principals, officers and/or employees working on any Ohio Lottery Contract are prohibited from purchasing any Ohio Lottery tickets or claiming Ohio Lottery prizes during the term of that Contract or any extension hereto. Under ORC 3770.99, (A) Whoever is prohibited from claiming a lottery prize award under division (E) of section 3770.07 of the Revised Code and attempts to claim or is paid a lottery prize award is guilty of a minor misdemeanor, and shall provide restitution to the state lottery commission of any moneys erroneously paid as a lottery prize award to that person.

10. Media and Advertising

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

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

11. *Cooperation of the Parties

The Contractor and the Lottery agree to cooperate fully, to work in good faith, and to mutually assist each other in the performance of the Contract. In this regard, the parties will meet to resolve problems associated with the Contract. Neither party will unreasonably withhold its approval of any act or request of the other to which its approval is necessary or desirable. Should the Lottery obtain systems, equipment, materials, or processes from a source other than the Contractor, that would require the Contractor to cooperate or make changes in order to permit compatibility, and then the Contractor must cooperate with the other source under the Lottery's direction.

*Indicates deletion of reference to Offeror providing necessary interfaces and platforms.