



Department of Buildings and General Services
Office of Purchasing & Contracting
133 State Street, 5th Floor | Montpelier VT 05633-8000
802-828-2211 phone | 802-828-2222 fax
<http://bgs.vermont.gov/purchasing>

SEALED BID

REQUEST FOR PROPOSAL

Instant Ticket Printing Services

ISSUE DATE	January 22, 2024
QUESTIONS DUE	February 8, 2024 – 4:30 PM (EST)
RFP RESPONSES DUE BY	February 28, 2024 – 3:00 PM (EST)
INSTANT TICKET SAMPLES DUE BY	March 6, 2024 – 3:00 PM (EST)

PLEASE BE ADVISED THAT ALL NOTIFICATIONS, RELEASES, AND ADDENDUMS ASSOCIATED WITH THIS RFP WILL BE POSTED AT:

<http://www.bgs.state.vt.us/pca/bids/bids.php>

THE STATE WILL MAKE NO ATTEMPT TO CONTACT INTERESTED PARTIES WITH UPDATED INFORMATION. IT IS THE RESPONSIBILITY OF EACH BIDDER TO PERIODICALLY CHECK THE ABOVE WEBPAGE FOR ANY AND ALL NOTIFICATIONS, RELEASES AND ADDENDUMS ASSOCIATED WITH THIS RFP.

STATE CONTACT: Kyle Emerson
E-MAIL: Kyle.Emerson@Vermont.gov

USE EMAIL SUBJECT : INSTANT TICKET PRINTING SERVICES

OVERVIEW:

- 1.1. **SCOPE AND BACKGROUND:** Through this Request for Proposal (RFP) the Vermont Department of Liquor and Lottery (DLL) (hereinafter the "State") is seeking to establish contracts with one or more companies that can provide Lottery Instant Ticket printing services.
- 1.2. **CONTRACT PERIOD:** Contracts arising from this RFP will be for a period of three years with an option to renew for up to two additional twelve-month periods. The State anticipates the start date for such contract(s) will be July 2024.
- 1.3. **SINGLE POINT OF CONTACT:** All communications concerning this RFP are to be addressed in writing to the State Contact listed on the front page of this RFP. Actual or attempted contact with any other individual from the State concerning this RFP is strictly prohibited and may result in disqualification.
- 1.4. **QUESTION AND ANSWER PERIOD:** Any bidder requiring clarification of any section of this RFP or wishing to comment on any requirement of the RFP must submit specific questions in writing no later than the deadline for question indicated on the first page of this RFP. Questions may be e-mailed to the point of contact on the front page of this RFP. Questions or comments not raised in writing on or before the last day of the question period are thereafter waived. At the close of the question period a copy of all questions or comments and the State's responses will be posted on the State's web site <http://www.bgs.state.vt.us/pca/bids/bids.php> . Every effort will be made to post this information as soon as possible after the question period ends, contingent on the number and complexity of the questions.
- 1.5. **CHANGES TO THIS RFP:** Any modifications to this RFP will be made in writing by the State through the issuance of an Addendum to this RFP and posted online at <http://www.bgs.state.vt.us/pca/bids/bids.php> . Modifications from any other source are not to be considered.

2. DETAILED REQUIREMENTS/DESIRED OUTCOMES:

- 2.1. The State of Vermont is interested in obtaining bids to meet the following business need(s): To obtain Instant Ticket Games and related services that are operationally sound, incorporate the highest level of integrity and security, and minimize risk for DLL.
- 2.2. To maximize the net revenue from lottery instant ticket games for the benefit of the State of Vermont Education Fund.
- 2.3. To obtain Instant Ticket Games that lead to high agent and player satisfaction for quality, performance and security.
- 2.4. To engage with a Contractor who will, over the term of the contract, maintain creativity thereby assisting the Lottery to maintain a competitive position with other providers of entertainment.
- 2.5. To obtain Instant Ticket Games and related Services that will meet the needs of the Lottery for the term of the Contract and that is sufficiently flexible to meet the Lottery's evolving requirements.
- 2.6. To ensure that all proposed services are available to the Lottery and fully operational by July 24, 2024.

3. GENERAL REQUIREMENTS:

- 3.1. **PRICING:** Bidders must price the terms of this solicitation at their best pricing. Any and all costs that Bidder wishes the State to consider must be submitted for consideration. If applicable, all equipment pricing is to include F.O.B. delivery to the ordering facility. No request for extra delivery cost will be honored. All equipment shall be delivered assembled, serviced, and ready for immediate use, unless otherwise requested by the State.
 - 3.1.1. Prices and/or rates shall remain firm for the initial term of the contract. The pricing policy submitted by Bidder must (i) be clearly structured, accountable, and auditable and (ii) cover the full spectrum of materials and/or services required.
 - 3.1.2. **Cooperative Agreements.** Bidders that have been awarded similar contracts through a competitive bidding process with another state and/or cooperative are welcome to submit the pricing in response to this solicitation.

- 3.1.3.Retainage.** In the discretion of the State, a contract resulting from this RFP may provide that the State withhold a percentage of the total amount payable for some or all deliverables, such retainage to be payable upon satisfactory completion and State acceptance in accordance with the terms and conditions of the contract.
- 3.2. **STATEMENT OF RIGHTS:** The State shall have the authority to evaluate Responses and select the Bidder(s) as may be determined to be in the best interest of the State and consistent with the goals and performance requirements outlined in this RFP. The State of Vermont reserves the right to obtain clarification or additional information necessary to properly evaluate a proposal. Failure of bidder to respond to a request for additional information or clarification could result in rejection of that bidder's proposal. To secure a project that is deemed to be in the best interest of the State, the State reserves the right to accept or reject any and all bids, in whole or in part, with or without cause, and to waive technicalities in submissions. The State also reserves the right to make purchases outside of the awarded contracts where it is deemed in the best interest of the State.
- 3.2.1.**Best and Final Offer (BAFO).** At any time after submission of Responses and prior to the final selection of Bidder(s) for Contract negotiation or execution, the State may invite Bidder(s) to provide a BAFO. The state reserves the right to request BAFOs from only those Bidders that meet the minimum qualification requirements and/or have not been eliminated from consideration during the evaluation process.
- 3.2.2.**Presentation.** An in-person or webinar presentation by the Bidder may be required by the State if it will help the State's evaluation process. The State will factor information presented during presentations into the evaluation. Bidders will be responsible for all costs associated with providing the presentation.
- 3.3. **WORKER CLASSIFICATION COMPLIANCE REQUIREMENTS:** In accordance with Section 32 of The Vermont Recovery and Reinvestment Act of 2009 (Act No. 54), Bidders must comply with the following provisions and requirements.
- 3.3.1.Self-Reporting: For bid amounts exceeding \$250,000.00, Bidder shall complete the appropriate section in the attached Certificate of Compliance for purposes of self-reporting information relating to past violations, convictions, suspensions, and any other information related to past performance relative to coding and classification of workers. The State is requiring information on any violations that occurred in the previous 12 months.
- 3.3.2.Subcontractor Reporting: For bid amounts exceeding \$250,000.00, Bidders are hereby notified that upon award of contract, and prior to contract execution, the State shall be provided with a list of all proposed subcontractors and subcontractors' subcontractors, together with the identity of those subcontractors' workers compensation insurance providers, and additional required or requested information, as applicable, in accordance with Section 32 of The Vermont Recovery and Reinvestment Act of 2009 (Act No. 54). This requirement does not apply to subcontractors providing supplies only and no labor to the overall contract or project. This list **MUST** be updated and provided to the State as additional subcontractors are hired. A sample form is available online at <http://bgs.vermont.gov/purchasing-contracting/forms>. **The subcontractor reporting form is not required to be submitted with the bid response.**
- 3.4. **EXECUTIVE ORDER 05-16: CLIMATE CHANGE CONSIDERATIONS IN STATE PROCUREMENTS:**
- For bid amounts exceeding \$25,000.00 Bidders are requested to complete the Climate Change Considerations in State Procurements Certification, which is included in the Certificate of Compliance for this RFP.
- After consideration of all relevant factors, a bidder that demonstrates business practices that promote clean energy and address climate change as identified in the Certification, shall be given favorable consideration in the competitive bidding process. Such favorable consideration shall be consistent with and not supersede any preference given to resident bidders of the State and/or products raised or manufactured in the State, as explained in the Method of Award section. But, such favorable consideration shall not be employed if prohibited by law or other relevant authority or agreement.
- 3.5. **METHOD OF AWARD:** Awards will be made in the best interest of the State. The State may award one or more contracts and reserves the right to make additional awards to other compliant bidders at any time

if such award is deemed to be in the best interest of the State. All other considerations being equal, preference will be given first to resident bidders of the state and/or to products raised or manufactured in the state, and then to bidders who have practices that promote clean energy and address climate change, as identified in the applicable Certificate of Compliance.

3.5.1. **Evaluation Criteria:** Consideration shall be given to the Bidder's project approach and methodology, qualifications and experience, ability to provide the services within the defined timeline, cost, and/or success in completing similar projects, as applicable, and to the extent specified below.

Evaluation of Technical and Price Proposals		
EVALUATION CRITERIA	POINTS	%
Vendor experience and qualifications, expertise, references, and financial condition	50	10
Technical capabilities	75	15
Marketing and retailer support	50	10
Product quality	125	25
Game design and creativity	50	10
Options	50	10
TOTAL TECHNICAL EVALUATION	400	80
Price	100	20
TOTAL POINTS	500	100

- 3.6. **CONTRACT NEGOTIATION:** Upon completion of the evaluation process, the State may select one or more bidders with which to negotiate a contract, based on the evaluation findings and other criteria deemed relevant for ensuring that the decision made is in the best interest of the State. In the event State is not successful in negotiating a contract with a selected bidder, the State reserves the option of negotiating with another bidder, or to end the proposal process entirely.
- 3.7. **COST OF PREPARATION:** Bidder shall be solely responsible for all expenses incurred in the preparation of a response to this RFP and shall be responsible for all expenses associated with any presentations or demonstrations associated with this request and/or any proposals made.
- 3.8. **CONTRACT TERMS:** The selected bidder(s) will be expected to sign a contract with the State, including the Standard Contract Form and Attachment C as attached to this RFP for reference. If IT Attachment D is included in this RFP, terms may be modified based upon the solution proposed by the Bidder, subject to approval by the Agency of Digital Services.
- 3.8.1. **Business Registration.** To be awarded a contract by the State of Vermont a bidder (except an individual doing business in his/her own name) must be registered with the Vermont Secretary of State's office <https://sos.vermont.gov/corporations/registration/> and must obtain a Contractor's Business Account Number issued by the Vermont Department of Taxes <http://tax.vermont.gov/> .
- 3.8.2. The contract will obligate the bidder to provide the services and/or products identified in its bid, at the prices listed.
- 3.8.3. **Payment Terms.** Percentage discounts may be offered for prompt payments of invoices; however, such discounts must be in effect for a period of 30 days or more in order to be considered in making awards.
- 3.8.4. **Quality.** If applicable, all products provided under a contract with the State will be new and unused, unless otherwise stated. Factory seconds or remanufactured products will not be accepted unless specifically requested by the purchasing agency. All products provided by the contractor must meet

all federal, state, and local standards for quality and safety requirements. Products not meeting these standards will be deemed unacceptable and returned to the contractor for credit at no charge to the State.

4. **CONTENT AND FORMAT OF RESPONSES:** The content and format requirements listed below are the minimum requirements for State evaluation. These requirements are not intended to limit the content of a Bidder's proposal. Bidders may include additional information or offer alternative solutions for the State's consideration. However, the State discourages overly lengthy and costly proposals, and Bidders are advised to include only such information in their response as may be relevant to the requirements of this RFP.

4.1. The bid should include a Cover Letter and Technical Response and Price Schedule.

4.2. **COVER LETTER:**

- 4.2.1. Confidentiality. To the extent your bid contains information you consider to be proprietary and confidential, you must comply with the following requirements concerning the contents of your cover letter and the submission of a redacted copy of your bid (or affected portions thereof).
- 4.2.2. All responses to this RFP will become part of the contract file and will become a matter of public record under the State's Public Records Act, 1 V.S.A. § 315 et seq. (the "Public Records Act"). If your response must include material that you consider to be proprietary and confidential under the Public Records Act, your cover letter must clearly identify each page or section of your response that you consider proprietary and confidential. Your cover letter must also include a written explanation **for each marked section** explaining why such material should be considered exempt from public disclosure in the event of a public records request, pursuant to 1 V.S.A. § 317(c), including the prospective harm to the competitive position of the bidder if the identified material were to be released. Additionally, you must include a redacted copy of your response for portions that are considered proprietary and confidential. Redactions must be limited so that the reviewer may understand the nature of the information being withheld. It is typically inappropriate to redact entire pages, or to redact the titles/captions of tables and figures. Under no circumstances may your entire response be marked confidential, and the State reserves the right to disqualify responses so marked.
- 4.2.3. Exceptions to Contract Terms and Conditions. If a Bidder wishes to propose an exception to any terms and conditions set forth in the Standard Contract Form and its attachments, such exceptions must be included in the cover letter to the RFP response. Failure to note exceptions when responding to the RFP will be deemed to be acceptance of the State contract terms and conditions. If exceptions are not noted in the response to this RFP but raised during contract negotiations, the State reserves the right to cancel the negotiation if deemed to be in the best interests of the State. Note that exceptions to contract terms may cause rejection of the proposal.

4.3. **TECHNICAL RESPONSE.** In response to this RFP, a Bidder shall:

- 4.3.1. Provide details concerning your form of business organization, company size and resources.
- 4.3.2. Describe your capabilities and particular experience relevant to the RFP requirements.
- 4.3.2.1. Identify all current or past State projects.
- 4.3.3. Identify the names of all subcontractors you intend to use, the portions of the work the subcontractors will perform, and address the background and experience of the subcontractor(s), as per RFP section 4.3.2 above.

4.4. **REFERENCES.** Provide the names, addresses, and phone numbers of at least three companies with whom you have transacted similar business in the last 12 months. You must include contact names who can talk knowledgeably about performance.

4.5. **REPORTING REQUIREMENTS:** Provide a sample of any reporting documentation that may be applicable to the Detailed Requirements of this RFP.

4.6. **PRICE SCHEDULE:** Bidders shall submit their pricing information in the Price Schedule attached to the RFP.

4.7. **CERTIFICATE OF COMPLIANCE:** This form must be completed and submitted as part of the response for the proposal to be considered valid.

5. SUBMISSION INSTRUCTIONS:

5.1. **CLOSING DATE:** Bids must be received by the State by the due date specified on the front page of this RFP. Late bids will not be considered.

5.1.1. The State may, for cause, issue an addendum to change the date and/or time when bids are due. If a change is made, the State will inform all bidders by posting at the webpage indicated on the front page of this RFP.

5.2. **STATE SECURITY PROCEDURES: Please be advised extra time will be needed when visiting and/or delivering information to State of Vermont offices. All individuals visiting State offices must present a valid government issued photo ID when entering the facility.**

5.2.1. State office buildings may be locked or otherwise closed to the public. If this RFP permits hand delivery of bids, delivery instructions will be posted at the entrance to the State facility. **Any delay caused by State Security Procedures will be at the bidder's own risk.**

5.3. BID DELIVERY INSTRUCTIONS:

5.3.1. ELECTRONIC: Electronic bids will be accepted. However, Bidders **must** mail Instant Ticket Samples. Instant Ticket Samples must be received by March 6, 2024 at 3:00 PM EST

5.3.1.1. E-MAIL BIDS. Emailed bids will be accepted. However, Bidders **must** mail Instant Ticket Samples. Instant Ticket Samples **must** be received by March 6, 2024 at 3:00 PM EST. Please use: sov.thepathforward@vermont.gov

USE EMAIL SUBJECT : INSTANT TICKET PRINTING SERVICES

5.3.1.2. FAX BIDS: Faxed bids will not be accepted.

5.4. U.S. MAIL OR EXPRESS DELIVERY OR HAND DELIVERY OF INSTANT TICKET SAMPLES:

5.4.1. All Instant Ticket Samples must be addressed to the Department of Liquor and Lottery, Division of Lottery, **1311 US Route 302, Suite 100 Barre, VT. 05641**. INSTANT TICKET PACKAGES MUST BE CLEARLY MARKED AND SHOW THAT THEY ARE REFERENCE THIS RFP.

5.4.2. Paper Format Delivery Methods of Instant Ticket Samples:

5.4.2.1. U.S. MAIL: Bidders are cautioned that it is their responsibility to originate the mailing of Instant Ticket samples in sufficient time to ensure samples are received and time stamped by the State prior to the cut off time.

5.4.2.2. EXPRESS DELIVERY: If Instant Ticket Samples are being sent via an express delivery service, be certain that the Samples designation is clearly shown on the outside of the delivery envelope or box. Express delivery packages will not be considered received by the State until the express delivery package has been received and time stamped by the Vermont Lottery.

5.4.2.3. HAND DELIVERY: If Instant Ticket Samples shall be delivered to a representative of the Vermont Lottery. They must be delivered by March 6, 2024 at 3:00 PM EST. Instant Ticket samples submitted by Hand Delivery will not be accepted after March 6, 2024 at 3:00 PM EST.

6. BID SUBMISSION CHECKLIST:

- ✓ Required Number of Copies
- ✓ Cover Letter

- ✓ Technical Response
- ✓ Redacted Technical Response, if applicable
- ✓ References
- ✓ Price Schedule
- ✓ Signed Certificate of Compliance
- ✓ Instant Ticket Samples: RFP 5.3 and 5.4, and Appendix B, B.4.10
 - All Bidders must supply sample tickets from at least three games they have printed from each printing location used during the last 6-12 months.
- ✓ Litigation Bond-Appendix A A.9
- ✓ Letter from a qualified surety or agent re: bidder's ability to secure a Performance Bond-Appendix A A.7
- ✓ Letter of Introduction-Appendix B, B.4.2
- ✓ Summary description of vendor company-Appendix B, B.4.4
- ✓ Evidence of prior facilitation of game prize fulfillment on behalf of another Lottery, or the capability of same-Appendix B, B.5.1
- ✓ Additional Features and (if any) Additional Options-Appendix B, B.5.6

7. ATTACHMENTS:

- 7.1. Certificate of Compliance
- 7.2. Price Schedule
- 7.3. Worker Classification Compliance Requirement; Subcontractor Reporting Form
- 7.4. Standard State Contract with its associated attachments, including but not limited to, Attachment C: Standard State Provisions for Contracts and Grants (December 7, 2023)
- 7.5. Appendix A
- 7.6. Appendix B

CERTIFICATE OF COMPLIANCE

For a bid to be considered valid, this form must be completed in its entirety, executed by a duly authorized representative of the bidder, and submitted as part of the response to the proposal.

- A. **NON COLLUSION:** Bidder hereby certifies that the prices quoted have been arrived at without collusion and that no prior information concerning these prices has been received from or given to a competitive company. If there is sufficient evidence to warrant investigation of the bid/contract process by the Office of the Attorney General, bidder understands that this paragraph might be used as a basis for litigation.
- B. **CONTRACT TERMS:** Bidder hereby acknowledges that is has read, understands and agrees to the terms of this RFP, including Attachment C: Standard State Contract Provisions, and any other contract attachments included with this RFP.
- C. **WORKER CLASSIFICATION COMPLIANCE REQUIREMENT:** In accordance with Section 32 of The Vermont Recovery and Reinvestment Act of 2009 (Act No. 54), the following provisions and requirements apply to Bidder when the amount of its bid exceeds \$250,000.00.

Self-Reporting. Bidder hereby self-reports the following information relating to past violations, convictions, suspensions, and any other information related to past performance relative to coding and classification of workers, that occurred in the previous 12 months.

Summary of Detailed Information	Date of Notification	Outcome

Subcontractor Reporting. Bidder hereby acknowledges and agrees that if it is a successful bidder, prior to execution of any contract resulting from this RFP, Bidder will provide to the State a list of all proposed subcontractors and subcontractors' subcontractors, together with the identity of those subcontractors' workers compensation insurance providers, and additional required or requested information, as applicable, in accordance with Section 32 of The Vermont Recovery and Reinvestment Act of 2009 (Act No. 54), and Bidder will provide any update of such list to the State as additional subcontractors are hired. Bidder further acknowledges and agrees that the failure to submit subcontractor reporting in accordance with Section 32 of The Vermont Recovery and Reinvestment Act of 2009 (Act No. 54) will constitute non-compliance and may result in cancellation of contract and/or restriction from bidding on future state contracts.

D. **Executive Order 05 – 16: Climate Change Considerations in State Procurements Certification**

Bidder certifies to the following (Bidder may attach any desired explanation or substantiation. Please also note that Bidder may be asked to provide documentation for any applicable claims):

1. Bidder owns, leases or utilizes, for business purposes, space that has received:
- Energy Star® Certification
 - LEED®, Green Globes®, or Living Buildings ChallengeSM Certification
 - Other internationally recognized building certification:
-

2. Bidder has received incentives or rebates from an Energy Efficiency Utility or Energy Efficiency Program in the last five years for energy efficient improvements made at bidder's place of business. Please explain:
-

3. Please Check all that apply:
- Bidder can claim on-site renewable power or anaerobic-digester power ("cow-power"). Or bidder consumes renewable electricity through voluntary purchase or offset, provided no such claimed power can be double-claimed by another party.
 - Bidder uses renewable biomass or bio-fuel for the purposes of thermal (heat) energy at its place of business.
 - Bidder's heating system has modern, high-efficiency units (boilers, furnaces, stoves, etc.), having reduced emissions of particulate matter and other air pollutants.
 - Bidder tracks its energy consumption and harmful greenhouse gas emissions. What tool is used to do this? _____
 - Bidder promotes the use of plug-in electric vehicles by providing electric vehicle charging, electric fleet vehicles, preferred parking, designated parking, purchase or lease incentives, etc..
 - Bidder offers employees an option for a fossil fuel divestment retirement account.
 - Bidder offers products or services that reduce waste, conserve water, or promote energy efficiency and conservation. Please explain:
-
-

4. Please list any additional practices that promote clean energy and take action to address climate change:
-
-
-

E. Executive Order 02 – 22: Solidarity with the Ukrainian People

- By checking this box, Bidder certifies that none of the goods, products, or materials offered in response to this solicitation are Russian-sourced goods or produced by Russian entities. If Bidder is unable to check the box, it shall indicate in the table below which of the applicable offerings are Russian-sourced goods and/or which are produced by Russian entities. An additional column is provided for any note or comment that you may have.

Provided Equipment or Product	Note or Comment

Bidder Name: _____ Contact Name: _____

Address: _____ Fax Number: _____

_____ Telephone: _____

_____ E-Mail: _____

By: _____ Name: _____
Signature of Bidder (or Representative) (Type or Print)

END OF CERTIFICATE OF COMPLIANCE

PRICE SCHEDULE

Pricing option shall be presented in a cost per thousand format

Ticket Size	Ticket Quantity				
3" x 4" - Specifications	360,000	480,000	600,000	720,000	840,000
books of 150, 3 up, 1 across	\$				
books of 150, 3 up, 2 across	\$				
books of 150, 3 up, 3 across	\$				
books of 150, 3 up, 4 across	\$				
	\$				
5" x 4" - Specifications	400,000	500,000	750,000	850,000	950,000
books of 100, 2 up, 1 across	\$				
books of 100, 2 up, 2 across	\$				
books of 100, 2 up, 3 across	\$				
books of 100, 2 up, 4 across	\$				
7.33" x 4" - Specifications	300,000	480,000	540,000	600,000	720,000
books of 75, 2 up, 1 across	\$				
books of 75, 2 up, 2 across	\$				
books of 75, 2 up, 3 across	\$				
books of 75, 2 up, 4 across	\$				
8" x 4" - Specifications	240,000	300,000	360,000	540,000	600,000
books of 75, 1 up, 1 across	\$				
books of 75, 1 up, 2 across	\$				
books of 75, 1 up, 3 across	\$				
books of 75, 1 up, 4 across	\$				
10" x 4" - Specifications	196,000	245,000	294,000	343,000	392,000
books of 35, 1 up, 1 across	\$				
books of 35, 1 up, 2 across	\$				
books of 35, 1 up, 3 across	\$				
books of 35, 1 up, 4 across	\$				
11" x 4" - Specifications	180,000	210,000	240,000	300,000	
books of 25, 1 up, 1 across	\$				
books of 25, 1 up, 2 across	\$				
books of 25, 1 up, 3 across	\$				
books of 25, 1 up, 4 across	\$				
	Set up charge if applicable	per 1,000			
Each additional scene					
Each color pulse - alternating between tix					
Each color pulse - 50/50					
Holographic paper					
Each additional overprint color					
Each additional base color					
Each additional ticket back color					
High gloss/UV coating					
Fluorescent/neon ink as replacement color					
Fluorescent/neon ink as additional color					

Dual imaging					
Metallic ink as replacement color					
Metallic ink as additional color					
Foils					
Marking systems for extended play games					
Marking systems for extended play games					
Die cut					
Alternate pack sizes					
Unusual or additional programming					
Inserts in books - (non-numbered)					
Inserts in books - (correspond with book)					
Other					

Name of Bidder: _____

Signature of Bidder: _____

Date: _____

SUBCONTRACTOR REPORTING FORM

This form must be completed in its entirety and submitted prior to contract execution and updated as necessary and provided to the State as additional subcontractors are hired.

The Department of Buildings and General Services in accordance with Act 54, Section 32 of the Acts of 2009 and for total project costs exceeding \$250,000.00 requires bidders to comply with the following provisions and requirements.

Contractor is required to provide a list of subcontractors on the job along with lists of subcontractor's subcontractors and by whom those subcontractors are insured for workers' compensation purposes. Include additional pages if necessary. This is not a requirement for subcontractor's providing supplies only and no labor to the overall contract or project.

Subcontractor	Insured By	Subcontractor's Sub	Insured By

Date: _____

Name of Company: _____

Contact Name: _____

Address: _____

Title: _____

Phone Number: _____

E-mail: _____

Fax Number: _____

By: _____

Name: _____

Failure to adhere to Act 54, Section 32 of the Acts of 2009 and submit Subcontractor Reporting: Worker Classification Compliance Requirement will constitute non-compliance and may result in cancellation of contract and/or forfeiture of future bidding privileges until resolved.

Send Completed Form to: Office of Purchasing & Contracting
 133 State Street, 5th Floor
 Montpelier, VT 05633-8000

STANDARD CONTRACT FOR SERVICES

1. **Parties.** This is a contract for services between the State of Vermont, _____ (hereinafter called "State"), and _____, with a principal place of business in _____, (hereinafter called "Contractor"). Contractor's form of business organization is _____. It is Contractor's responsibility to contact the Vermont Department of Taxes to determine if, by law, Contractor is required to have a Vermont Department of Taxes Business Account Number.

2. **Subject Matter.** The subject matter of this contract is services generally on the subject of _____. Detailed services to be provided by Contractor are described in Attachment A.

3. **Maximum Amount.** In consideration of the services to be performed by Contractor, the State agrees to pay Contractor, in accordance with the payment provisions specified in Attachment B, a sum not to exceed \$_____.00.

4. **Contract Term.** The period of Contractor's performance shall begin on _____, 20__ and end on _____, 20__.

5. **Prior Approvals.** This Contract shall not be binding unless and until all requisite prior approvals have been obtained in accordance with current State law, bulletins, and interpretations. d

6. **Amendment.** No changes, modifications, or amendments in the terms and conditions of this contract shall be effective unless reduced to writing, numbered and signed by the duly authorized representative of the State and Contractor.

7. **Termination for Convenience.** This contract may be terminated by the State at any time by giving written notice at least thirty (30) days in advance. In such event, Contractor shall be paid under the terms of this contract for all services provided to and accepted by the State prior to the effective date of termination.

8. **Attachments.** This contract consists of ___ pages including the following attachments which are incorporated herein:

Attachment A - Statement of Work

Attachment B - Payment Provisions

Attachment C – "Standard State Provisions for Contracts and Grants" a preprinted form (revision date 12/07/2023)

9. **Order of Precedence.** Any ambiguity, conflict or inconsistency between the documents comprising this contract shall be resolved according to the following order of precedence:

- (1) Standard Contract
- (2) Attachment C (Standard Contract Provisions for Contracts and Grants)
- (3) Attachment A
- (4) Attachment B

WE THE UNDERSIGNED PARTIES AGREE TO BE BOUND BY THIS CONTRACT

By the State of Vermont:

By the Contractor:

Date: _____

Signature: _____

Name: _____

Title: _____

Date: _____

Signature: _____

Name: _____

Title: _____

ATTACHMENT A – STATEMENT OF WORK

The Contractor shall: _____

ATTACHMENT B – PAYMENT PROVISIONS

The maximum dollar amount payable under this contract is not intended as any form of a guaranteed amount. The Contractor will be paid for products or services actually delivered or performed, as specified in Attachment A, up to the maximum allowable amount specified on page 1 of this contract.

1. Prior to commencement of work and release of any payments, Contractor shall submit to the State:
 - a. a certificate of insurance consistent with the requirements set forth in Attachment C, Section 8 (Insurance), and with any additional requirements for insurance as may be set forth elsewhere in this contract; and
 - b. a current IRS Form W-9 (signed within the last six months).
2. Payment terms are **Net 30** days from the date the State receives an error-free invoice with all necessary and complete supporting documentation.
3. Contractor shall submit detailed invoices itemizing all work performed during the invoice period, including the dates of service, rates of pay, hours of work performed, and any other information and/or documentation appropriate and sufficient to substantiate the amount invoiced for payment by the State. All invoices must include the Contract # for this contract.
4. Contractor shall submit invoices to the State in accordance with the schedule set forth in this Attachment B. Unless a more particular schedule is provided herein, invoices shall be submitted not more frequently than monthly.
5. Invoices shall be submitted to the State at the following address:

Department of Liquor and Lottery
Division of Lottery
1311 US Route 302
Suite 100
Barre, VT 05641

**ATTACHMENT C: STANDARD STATE PROVISIONS
FOR CONTRACTS AND GRANTS
REVISED DECEMBER 7, 2023**

“Attachment C: Standard State Provisions for Contracts and Grants” (revision version dated December 7, 2023) constitutes part of this Agreement and is hereby incorporated by reference as if fully set forth herein and shall apply to the purchase of all goods and/or services by the State under this Agreement. A copy of this document is available online at: <https://bgs.vermont.gov/purchasing-contracting/forms>.

Appendix A

This section describes the terms and conditions which apply to the procurement, and which will become part of the Contract executed pursuant to this RFP. By submission of a Proposal, the Bidder agrees to the Terms and Conditions contained herein.

This Contract is by and between the State of Vermont, acting through the DLL ("State"), and Full Contractor Name a State Name Type of business formation ("Contractor"), having its principal place of business at Business Address, City, State, Zip.

A.1 Contract Obligation

The contract resulting from this RFP shall be solely the obligation of the DLL and is supported solely out of the income, revenues, and receipts of the DLL. In no event shall the contract resulting from this RFP constitute or create an obligation, either general or special, debt, liability, or moral obligation of the State of Vermont, or any municipality, political subdivision, or governmental unit thereof or constitute or give rise to a pecuniary liability of the State of Vermont, or any municipality, political subdivision, or governmental unit thereof nor shall the general credit or taxing power of the State of Vermont, or any municipality, political subdivision, or governmental unit be pledged therefore.

A.2 Term of Contract

The Contract resulting from this RFP will be in effect from the Contract effective date, including an implementation period and three (3) years of production operations, plus such time as is necessary to finish out the DLL business week in progress.

The DLL reserves the right to renew the Contract at its sole option up to a maximum of two (2) renewals of one (1) year(s) each, provided that any such option to renew is exercised by the DLL at least ninety (90) calendar days prior to the end of the initial contract period, or any renewal thereof, or at a time mutually agreed upon by both parties.

A Bidder may claim any privilege afforded by the Constitution of the United States or of the State of Vermont in refusing to answer questions by the Department. However, a claim of privilege with respect to any testimony or evidence pertaining to an application may constitute sufficient grounds for denial of or revocation of a contract.

A.3 Bonds and Insurance Company Qualifications

All required bonds (if bonds) and insurance must be issued by companies which are B+ or higher rated by A.M. Best & Co., have a record of successful continuous operation, are licensed, admitted, and authorized to do business in the State of Vermont and are approved by the DLL. Required coverage and limits must be put into effect as of the effective date of the Contract and must remain in effect throughout the term of the Contract, as determined by the DLL. The Successful Bidder must submit copies of each required certificate of insurance or insurance contract, and any renewals thereof, to the DLL upon the DLL's request. The Successful Bidder must provide ninety (90) calendar days' advance written notice of cancellation, termination, or failure to renew any policy.

A.4 Insurance

The Successful Bidder must purchase and maintain insurance for claims set forth below which may arise out of or result from the Successful Bidder's operations under the Contract, whether such operations are by the Successful Bidder or by any subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

- (a) Claims under workers' disability compensation, disability benefit and other similar employee benefits acts.
- (b) Claims for damages because of bodily injury, occupational sickness or disease, or death of the Successful Bidder's employees, or any person other than Successful Bidder employees.
- (c) Claims for damages because of injury to or destruction of tangible property, including any resulting loss of use.
- (d) Errors and Omissions Insurance that will indemnify the Successful Bidder, the DLL, and the State of Vermont for any losses incurred due to any downtime, for errors or omissions

caused by the Successful Bidder, its officers, employees, agents, subcontractors or assigns regardless of negligence.

A.5 Insurance Coverage and Limits

Specific coverage requirements are listed below. The defined dollar amounts are minimum limits. The Successful Bidder and where applicable Bidder's subcontractors must provide these or as otherwise designated by Vermont Statutes during the course of the Contract. Statement of self-insurance to cover these obligations will be considered non-responsive.

(a) Commercial General Liability with limits not less than \$10,000,000 per occurrence, \$10,000,000 general aggregate, such insurance shall cover liability arising from premises, operations, independent contractors, product-completed operations, personal and advertising injury and liability assumed under an insured contract.

(b) Errors and Omissions Insurance with a limit \$20,000,000 per claim and \$20,000,000 policy aggregate.

(c) Automobile Bodily Injury Liability Insurance. Insurance with a combined single limit not less than \$1,000,000.

(d) Worker's Compensation Insurance. To cover all of Successful Bidder's employees during the term of the Contract in accordance with Vermont Statutes, or other applicable worker's compensation laws.

(e) Cyber/Network Security and Data Privacy Liability Insurance of \$10M per claim and annual aggregate that covers losses arising from actual or alleged acts, errors or omissions and intentional, fraudulent or criminal acts. Further, the policy will expressly provide, but not be limited to, coverage for losses arising from the following: (a) unauthorized use/access of computer systems (including mobile devices), servers, client's data or software; (b) defense of any regulatory action involving a breach of privacy; (c) failure to protect the confidential or proprietary information (personal and commercial information) and intellectual property from unauthorized disclosure or unauthorized access; (d) failure to adequately protect physical security of servers and systems including from cyber terrorism; (e) the costs for: notification, whether or not required by statute, credit file or identity monitoring, identity restoration, public relations or legal experts; (f) third party liability; (g) cyber extortion and cyber terrorism; and (h) no exclusion for actual or alleged breaches of professional services agreements associated with the above.

All other insurances covered by this Section must be effective when performance commences under the Contract and continue through the term of the Contract or any extension thereof. The DLL must receive ninety (90) calendar days' advance written notice of cancellation, termination or failure to renew any policy.

The DLL will be named as an additional insured on a primary, noncontributory basis on item (b) as allowable. All policies shall provide a waiver of subrogation in favor of DLL.

A.6 Certificates of Insurance

Certificates of insurance and any renewals thereof must be furnished to the DLL on the date of Contract execution, with the exception of the certificate for Errors and Omissions Insurance, which must be furnished no later than fourteen (14) calendar days prior to production start-up.

A.7 Performance Bond

Upon notification of receiving the Contract award, the Successful Bidder will be required to obtain a Performance Bond or other acceptable form of security in the amount of one million dollars (\$1,000,000) for the first year of the contract and five hundred thousand dollars (\$500,000) for every year thereafter. The Performance Bond may be paid in full or in part to the DLL if the Successful Bidder defaults in the performance of the Contract or has occasioned uncompensated liquidated damages. The Performance Bond may be assessed liquidated damages if these damages have not been received by the DLL within thirty (30) calendar days of written notice to the Successful Bidder that they have been incurred.

Other forms of security may be acceptable but are subject to the DLL's discretion. Failure to post an additional bond or security within seven (7) calendar days after notice that the proposed security is inadequate shall be grounds for immediate termination of the Contract.

Along with its Proposal, each Bidder must submit a letter from a qualified surety company or agent acting on behalf of such surety stating that the Bidder will be able to secure a Performance Bond in the

amount required by the RFP.

A.8 Fidelity Bond

Prior to Contract execution, the Successful Bidder will be required to obtain a Fidelity Bond in the amount of five million dollars (\$5,000,000) covering any loss to the DLL due to any fraudulent or dishonest act on the part of the Successful Bidder's officers, employees, or substantial subcontractors. (If the Successful Bidder's substantial subcontractors cannot be covered under the Successful Bidder's bond, then the subcontractor must obtain equivalent coverage on its own.) Such an event, in the sole discretion of the DLL, could be grounds for termination of the Contract, whether or not the losses arising as a result thereof were paid under the crime insurance policy.

A.9 Litigation Bond

Each bidder must submit with its Proposal a litigation Bond in the amount of five hundred thousand dollars (\$500,000). A claim upon the Bond may be made by DLL if:

(a) The bidder sues DLL, the State of Vermont, or any of their offices, employees, representatives, other contractors with regard to any matter relating to this RFP, determination of responsiveness of Bidders or the award of a contract pursuant to this RFP; and

(b) The DLL or other defendant is the prevailing party in such suit. The purpose of the Bond is to permit DLL or other defendants to recover damages, including the cost of the appeal relative to the additional cost in compensation to the current bidder during the implementation or conversion delay, and including reasonable attorneys' fees, expenses and court costs resulting from such litigation. The Litigation Bond shall remain in effect for a period of two (2) years from the date of submission of the Proposal.

A.10 Successful Bidder Error Liability

The Successful Bidder will be liable for any specific and definite financial obligations arising as a result of errors and faults by the Successful Bidder's staff, subcontractors, and product errors.

A.11 Liquidated Damages Provisions

The Successful Bidder acknowledges the importance of instant tickets.

Delivery of the tickets (including all its elements) and performance of all obligations in a complete, proper, and timely manner is essential. It would be extremely costly, time-consuming, and difficult to calculate the actual damages that the DLL would sustain, including those that negatively affect the DLL's image and reputation, due to a breach or the non-performance by the Successful Bidder that causes delay or disrupts the DLL's operations. Upon contracting, the DLL and the Successful Bidder may agree on appropriate and reasonable performance standards (Service Levels) and Liquidated Damages. For avoidance of doubt, the DLL's assessment of Liquidated Damages for a particular Service Level non-compliance incident would not preclude the DLL from recovering damages or other relief not addressed by Service Levels.

Furthermore, if the Successful Bidder's failure to achieve a Service Level arises from or is caused (in whole or in part) by a Subcontractor, or other party over whom a Subcontractor has control or responsibility for, then the Successful Bidder will be fully liable and responsible for paying to the DLL any and all Liquidated Damages.

Nothing in this Section (A.14) shall relieve, or be deemed or construed as relieving, the Successful Bidder of any of its performance obligations under the contract, whether or not the Successful Bidder's performance may be impacted by reasons or delays caused by the DLL. Indeed, the DLL expressly reserves and does not waive any and all of its rights and remedies, legal or equitable, related to the Successful Bidder's failure to perform as required by the contract.

During the contract,

(i) to discuss if existing

Liquidated Damages apply to new products or services, and (ii) that they will cooperate in developing additional Service Levels and Liquidated Damages and/or to adjust the Service Levels and Liquidated Damages that may be set forth in any contract, as they mutually determine necessary. Additionally, if during the contract term the amount of Liquidated Damages the DLL imposes on the Successful Bidder is consistent and repetitive year after year, then the DLL reserves the right to claim breach of contract/Incurable Default.

A.12 Ownership of Materials

Ownership of all data, documentary material and operating reports originated and prepared exclusively for the DLL pursuant to any Contract resulting from this RFP shall belong to the DLL.

A.13 Force Majeure

A Force Majeure occurrence is an event or effect that cannot be reasonably anticipated or controlled and without the fault or negligence of the non-performing party. As herein used, Force Majeure includes, but is not limited to, fire, explosion, action of the elements, strike or labor disturbance, rationing, war, terrorism, act of any governmental authority or agency, civil disturbance, governmental interference, or any other cause which is beyond the control and reasonable anticipation of the party affected, and which, by the exercise of reasonable diligence, said party is unable to prevent delays arising as a result thereof or to predict and through advance planning avoid such delays.

Except as otherwise provided herein, neither the Successful Bidder nor the DLL shall be liable to the other for any delay in, or failure of performance of, any covenant contained herein nor shall any such delay or failure of performance constitute default hereunder, to the extent that such delay or failure is caused by Force Majeure. The existence of such causes of delay or failure shall extend the schedule for performance to such extent as may be necessary to complete performance in the exercise of reasonable diligence after the causes of delay or failure have been removed.

Any such delay in or failure of performance shall not in and of itself give rise to any liability for damages; however, the DLL may elect to terminate the Contract for cause should its continuing operations, in its sole judgment, be materially threatened or harmed by reason of extended delay or failure of performance.

During a period of non-performance due to Force Majeure, payments from the DLL to the Successful Bidder will be suspended.

A.14 Security Violation Reporting

The Successful Bidder must immediately report any security procedural violation, violation of law (e.g., theft), or disappearance of validation files, or other equipment, software or material used or to be used in the performance of this Contract.

The Successful Bidder must immediately report the involvement of any of the Successful Bidder's employees, owners, or agents in any known criminal arrest (not including minor traffic violations) or investigation. The Successful Bidder will be required to follow-up with a written letter within seven (7) calendar days of the incident.

A.15 Security Breach Reporting

In case of an actual security breach that may have compromised DLL data, the Successful Bidder must notify the DLL verbally and in writing of the breach immediately and fully cooperate with the DLL to mitigate the consequences of such a breach. This includes any use or disclosure of the DLL data that is inconsistent with the terms of this Contract.

The Successful Bidder must give the DLL full access to the details of the breach and assist the DLL in making any notifications to potentially affected people and organizations that the DLL deems are necessary or appropriate. The Successful Bidder must document all such incidents, including its response, and make that documentation available to the DLL on request.

The Successful Bidder must report any change in, addition to, or deletion from, the information disclosed to the DLL.

A.16 Security Information Updates

The Successful Bidder must report any change in, addition to, or deletion from, the information disclosed to the DLL. The report shall be in the form of a letter addressed to the DLL and shall be delivered to the DLL's Security Director within thirty (30) calendar days of the effective date of the change, addition, or deletion. In particular, the Successful Bidder must report the involvement of any of the Successful Bidder's employees, owners, or agents in any known criminal arrest (exclusive of minor traffic violations) or investigation.

A.17 Title to, Use and Compensation for Intellectual Property

To the extent that the Successful Bidder utilizes or relies upon the Intellectual Property Rights of a third party in fulfilling its obligations under the Contract, the Successful Bidder will provide the DLL with whatever assurance the DLL deems necessary that the use of such third party Intellectual Property

Rights is permissible. In addition, in the event of failure to perform or breach of Contract the Successful Bidder must ensure continued right of use of licensed intellectual property by the DLL.

While the DLL and the Successful Bidder agree that Intellectual Property associated with any product or service provided by (or developed solely by) the Successful Bidder during the term of this Contract and used by the DLL will remain the property of the Successful Bidder, the Successful Bidder will grant a license to the DLL to make use of any such Intellectual Property on an indefinite basis with respect to DLL conduct of games. There shall be no additional charge for this right of the DLL.

Intellectual Property fees for third-party products, logos, trademarks, brands or labels that the Successful Bidder deploys in the System under the Contract must be addressed prior to the introduction of the intellectual property or the Successful Bidder grants the DLL perpetual use of such intellectual property without fees. The Successful Bidder may not separately charge the DLL an Intellectual Property fee for any items owned by the Successful Bidder.

A.18 Vendor Ethics and Integrity

The Successful Bidder is obligated to meet high standards for ethics and integrity under this Contract.

The Successful Bidder and employees:

(a) Shall accept no pay, remuneration, or gratuity of any value for performance on or information derived from this project from any party other than the DLL as described in this Contract, or from any party under contract to the DLL or seeking to contract with the DLL with respect to this project.

(b) Shall not offer or give any gift, gratuity, favor, entertainment, loan or any other thing of material monetary value to any DLL employee, member of the Board, or to any individual with the intent of unduly influencing the outcome of this project.

(c) Shall not disclose any business sensitive or confidential information gained by virtue of this Contract to any party without the consent of the DLL.

(d) Shall take no action in the performance of this Contract to create an unfair, unethical or illegal competitive advantage for itself or others.

(e) Shall not have any financial or personal interests relating to this project (other than the Contract itself) without the explicit written consent of the DLL.

For violation of the above provisions, the DLL may terminate the Contract, receive restitution from, debar, or take any other appropriate actions against the Successful Bidder.

A.19 Compliance with Association Standards

All services, products, systems, and procedures to be employed by the Successful Bidder must comply with the game security and operational standards current at the time of Contract performance as issued by any multi-jurisdictional association of which the DLL is a member or in the event the DLL became a member.

A.20 Termination For Cause

The DLL may immediately terminate any contract issued as a result of this RFP for any of the following reasons by providing written notice to the Successful Bidder:

(a) If the Successful Bidder furnished any statement, representation, warranty, or certification in connection with this RFP or the resultant Contract which is materially false, incorrect, or incomplete.

(b) If the Successful Bidder fails to perform any material requirement of the Contract or is in violation of a specific provision.

(c) If the Successful Bidder or a subcontractor commits a fraudulent act or other criminal act in its contractual performance of this Contract or any other contract with another agency during the terms of this Contract.

(d) If any officer or employee of the Successful Bidder or of any subcontractor purchases a Vermont Instant Ticket ticket or attempts to claim a prize in any DLL game.

The State and the DLL will not be liable for any costs incurred if termination is for any of the causes stated above. In the case of default by the Successful Bidder, the DLL may cancel the contract immediately and procure the articles and/or services from other sources and hold the Successful Bidder responsible for any excess costs or lost revenue occasioned thereby.

A.21 Termination Without Cause or For Convenience

The Contract shall be terminable by the DLL without cause, at the sole discretion of the DLL, upon

thirty (30) calendar days written notice.

When it has been determined that a Contract shall be terminated without cause or for the convenience of the DLL, the Deputy Commissioner or his/her designee shall be authorized to negotiate a settlement with the Successful Bidder.

Compensation to a Successful Bidder for a Contract terminated without cause for the convenience of the DLL shall be limited to reasonable expenses for products, materials, and supplies, and for services rendered, and not yet, or not fully compensated. The DLL will make no payments for furnished work, work in progress, or raw materials acquired unnecessarily in advance or in excess of DLL's delivery requirements.

Upon written notification, the Contract shall be null and void as of that date, and each party shall be relieved of any obligation or liability to the other, except with respect to any clauses specifically stated in the contract to survive termination.

A.22 Default

The DLL reserves the right to cancel the Contract and to pursue any and all legal remedies provided at law, in equity, in this RFP or in the Contract for breach or nonperformance of a Contract or other infractions, whether or not such default results in the cancellation of a Contract executed pursuant to this RFP.

In addition to the remedy of Contract cancellation and all other remedies available to the DLL hereunder, in the Contract, at law or in equity, the DLL may in its sole discretion accept partial, incomplete or otherwise non-complying performance. The DLL shall be entitled to collect costs incurred as the result of any breach, including court costs and reasonable attorneys' fees.

A.23 Disputes Under the Contract

In the event that any dispute arises between the parties with respect to the performance required of the Successful Bidder under the Contract, the Commissioner shall make a determination in writing and dispatch to the Successful Bidder. That interpretation shall be final, conclusive and not subject to review in all respects unless the Successful Bidder, within thirty (30) calendar days of receipt of said writings, delivers a written appeal to the Commissioner or his duly authorized designee. The decision of the Commissioner on any such appeal shall be made within thirty (30) calendar days and shall be final and conclusive and the Successful Bidder must thereafter in good faith and due diligence render such performance as the Commissioner has determined is required of it. The Successful Bidder's options with respect to any such decision on appeal shall be whether 1) to accept the determination of the Commissioner as a correct and binding interpretation of the Contract, or 2) to make such claims as it may desire before the Vermont Superior Court, Civil Division, Washington Unit requesting recoupment.

Pending a final judicial resolution of any such claim, the Successful Bidder must proceed diligently and in good faith with the performance of the Contract as interpreted by the Commissioner and the DLL shall compensate the Successful Bidder pursuant to the terms of the Contract.

A.24 Equal Employment Opportunity

Any person or firm awarded a contract pursuant to this RFP agrees that they will comply with all provisions on Equal Employment Opportunity created by applicable state, federal or local laws, rules and regulations.

A.25 Right to Audit Successful Bidder's Operations

The DLL reserves the right to audit the Successful Bidder's records and operations as they relate to the DLL. Said audits may be conducted by an independent firm specified by the DLL. The Successful Bidder must agree to cooperate fully with any and all audits.

A.26 Indemnification

The Successful Bidder will act in an independent capacity and not as officers or employees of the State. The Successful Bidder must defend the State and its officers, employees, and against all claims or suits arising in whole or in part from any act or omission of the Successful Bidder or of any subcontractor or any other agent of the Successful Bidder. The State shall notify the Successful Bidder in the event of any such claim or suit, and the Successful Bidder must immediately retain counsel and otherwise provide a complete defense against the entire claim or suit.

After final judgment or settlement, the Successful Bidder may request recoupment of specific defense costs and may file suit in Vermont Superior Court, Civil Division, Washington Unit) requesting recoupment. The Successful Bidder must be entitled to recoup costs only upon a showing that such costs were entirely unrelated to the defense of any claim arising from and act or omission of the Successful Bidder.

The Successful Bidder must indemnify the State and its officers, employees, contractors, and retail licensees in the event that the State, its officers, employees, contractors, or retail licensees become legally obligated to pay any damages or losses arising from any act or omission of the Successful Bidder. All obligations of the indemnification shall survive the termination of the Contract.

A.27 Taxes, Fees and Assessments

The Successful Bidder must pay all taxes, fees and assessments upon the System, however designated, levied or based. The DLL is exempt from Federal, State and Local sales and use taxes on the services provided pursuant to this Contract. Such taxes must not be included in the Proposal prices.

A.28 News Releases

The Successful Bidder must not issue any news releases pertaining to the performance of the Contract without prior approval by the DLL, and then only in cooperation with the DLL.

A.29 Sufficiency of Operational Staff

The DLL will conduct periodic reviews with the Successful Bidder regarding the adequacy of Successful Bidder staff skills, service practices, and headcount. The Successful Bidder is obliged to provide quality service and failure to do so must be reflected in additions and improvements. Inadequate staffing and performance may be reflected in liquidated damages and other remedies available to the DLL. The DLL will provide formal notice of inadequacy and will determine whether a cure period is reasonable prior to initiating any actions against the Successful Bidder.

A.30 Successful Bidder Responsibilities as Primary Contractor

The Successful Bidder will assume sole responsibility and liability for delivery, installation and maintenance of all equipment, software and support services offered in its Proposal and for the provision of all other goods and services offered in or acquired by its Proposal.

The Successful Bidder may have subcontractors; however, the Successful Bidder must accept full responsibility for and will be strictly liable to the DLL for any such subcontractor's performance. The DLL will consider the Successful Bidder to be the sole point of contact with regard to all contractual matters.

A.31 Subcontract Approval

Any proposed subcontracts shall be subject to the prior written approval of the DLL. Subcontractors are subject to background checks of personnel and principals as described in previous paragraphs of this RFP section.

A.32 Authority of DLL

On all questions concerning the interpretation of specifications, the acceptability and quality of material furnished and/or work performed, the classification of material, the execution of the work, the assessment of liquidated damages, and the determination of payment due or to become due, the decision of the DLL shall be final and binding.

A.33 Opportunity to Compete

The State of Vermont recognizes the important contribution and vital impact which small businesses have on Vermont's economy. In this regard, the State prescribes to a free and open bidding process that affords all businesses equal access and opportunity to compete for State contracts for goods and services. The State also recognizes the existence of businesses owned by minorities and women and encourages these firms to compete for State contracts.

A.34 Fair Employment Practices and Americans with Disabilities Act

The Successful Bidder will agree to comply with the requirements of Title 21 V.S.A. Chapter 5, Subchapter 6, relating to fair employment practices, to the full extent applicable. The Successful Bidder

will also ensure, to the full extent required by the Americans with Disabilities Act of 1990, that qualified individuals with disabilities receive equitable access to the services, programs, and activities provided by the Successful Bidder under the Contract. The Successful Bidder will further agree to include this provision in all subcontracts.

A.35 Non-Disclosure Agreement

The successful bidder may be required to complete a non-disclosure agreement in a form acceptable to the State.

A.36 Specification Change

Any changes or variations in the requirements or specifications set forth in this RFP will result in the issuance of an Addendum to this RFP in writing from the Office of Purchasing & Contracting. Verbal instructions or written instructions from any other source are not to be considered.

A.37 Vendor Not Indemnified by State

The State has no legal authority to indemnify a vendor and this condition is not negotiable. Further, all contract terms and conditions, including an Operator contract will be subject to the laws of the State of Vermont and any action or proceeding brought by either the State or a Contractor in connection with a Contract shall be brought and enforced in the Superior Court of the State of Vermont, Civil Division, Washington Unit. Vendors who are not able to enter into a contract under these conditions shall not submit a bid.

APPENDIX B – BIDDER BACKGROUND AND REQUIREMENTS

B.4.1 FULL RESPONSE

Respondents shall provide the Vermont Lottery with all information, demonstrations and evidence which will make possible the selection of respondent to be awarded a contract in a manner that best serves the DLL.

B.4.2 EXPLANATION OF QUALIFICATIONS

Letter of Introduction – Respondents must submit a brief written statement that explains why it best meets the objectives of the Vermont Lottery with this RFP. The statement will describe any additional features, aspects, or advantages of their products and services in any relevant area not covered elsewhere in its proposal (not more than two pages). This letter must be signed by person(s) authorized to sign on behalf of, and bind the company to, statements made in response to this RFP.

This RFP endeavors to provide the information necessary for a prospective vendor to submit proposals, consistent with the objectives stated above. The DLL is cognizant that it may have omitted details or factors, which would be important to consider and would enhance the whole instant ticket product line and its supporting features for the State of Vermont. The DLL welcomes compliant submissions which are broader than the scope of this RFP.

B.4.3 EXPERIENCE AND REFERENCES

Vendors must have a minimum of three years of related lottery experience and are required to have current printing experience with at least two (2) lotteries in the Continental United States of America who are members of the North American Association of State and Provincial Lotteries (NASPL).

Vendor proposals shall include a list of names and contact information for all current customers that can be used for references and comparative purposes.

B.4.4 SUMMARY DESCRIPTION OF VENDOR COMPANY

Vendors must provide the following in their bid response:

- a. Date of establishment of company and whether public or private company
- b. Principals of company and organization structure
- c. Annual sales history for previous five (5) years
- d. Company products including samples of printing products from other NASPL member lotteries produced within the last 6 to 12 months
- e. Number of plants, locations, and square footage, companywide
- f. Location and size of plant(s) where instant tickets for this bid would be produced
- g. Listing with description of printing and bindery equipment
- h. Summary description of resources and financial stability of company

- i. Name, location, and title of individual who would be assigned to service the DLL for instant ticket designs, orders, deliveries, quality problems, etc. The DLL has the right to reject any personnel, and the successful vendor will have the obligation to immediately replace said personnel. The DLL has no obligation to disclose the reason said personnel was rejected.
- j. Résumés and qualifications of the account executive, key officers, employees, and other personnel who would be involved in the Vermont Lottery account, and additional information on personal backgrounds as may be required by the lottery.
- k. Audited financial statements for the last three (3) years, and
- l. Information on experience in providing instant tickets to other state lotteries.

B.4.5 OTHER GENERAL REQUIREMENTS

- a. The vendor shall describe the methods employed in manufacturing the ticket. Quality controls and testing shall be included in this description.
- b. The vendor shall describe security measures taken in all stages of computer programming, preparation work, ticket manufacturing, and transporting. The successful vendor will also be required to have an independent audit performed on all games printed.
- c. The vendor shall describe individual ticket security features available for the proposed tickets.
- d. The vendor will be required to pay for all expenses (including airfare, hotel accommodation and meals) for up to two (2) representatives of the Department of Liquor and Lottery to conduct a site inspection of the vendor's printing facility on an annual basis. As determined by the Department of Liquor and Lottery's Commissioner and the Director of Security, the vendor will fully comply with and be subject to annual unannounced security inspections to determine the effectiveness of the vendor's Security Plan. The cost of travel, lodging and expenses will be borne by the vendor.

B.4.6 BACKGROUND AND INTEGRITY

To allow for a complete evaluation of the integrity, background, and character of potential suppliers, each bidding vendor, and parent corporation, if the vendor is a subsidiary corporation, shall disclose the following:

- a. The details of any conviction, judgment, and the nature of any investigations by local, state, or federal law enforcement authority in a state or federal court against the vendor or any allegation related directly or indirectly to any business activity involving participation in the lottery business in any state,
- b. The details of any litigation during the past three (3) years that is completed, in progress, or pending between the bidding vendor and any party, private or governmental,
- c. The details of any bankruptcy, insolvency, reorganization, or any pending litigation involving fraud or deceit against the vendor.
- d. Who, if anyone, will get a commission or other value from vendor if vendor is selected?
- e. What procedures currently exist to check the vendor employees' criminal background?

B.4.7 ADVERSE PRIOR EVENTS

The bidding vendor shall state whether any of the following have occurred:

- a. During the last two (2) years, the bidding vendor was assessed any penalties under any of its existing or past contracts with any state, provincial, or other lottery, and if so, indicate the public jurisdiction, the reason for the penalty, and the penalty amount of each incident,
- b. During the last two (2) years, the bidding vendor has had to delay or nullify any contractually required ticket production under any of its existing or past contracts with any state, provincial, or other lottery, and
- c. During the last two (2) years, the bidding vendor, subsidiary, or intermediary company, parent company, or holding company was the subject of any order, judgment, or decree of any state or federal authority barring, suspending, or otherwise limiting the right of the bidding vendor to engage in any business, practice, or activity.

B.4.8 FAILURE TO DISCLOSE

Failure to provide the detailed information required by the RFP may result in disqualification of a bidding vendor from the evaluation process. Award of contract shall be at the sole discretion of DLL.

The DLL may refuse to award a contract to a vendor, or any affiliated entity, if any of the following apply:

- a. False statements have been made in any information provided in the above-required disclosures, and/or
- b. Any of the entities, or principals of entities, have been convicted of an offense involving dishonesty, fraud, or any gambling-related offense.

B.4.9 MARKETING

The winning vendor is required to submit two (2) six (6) month marketing plans, running concurrent for a full fiscal year. These plans must include marketing recommendations, analysis by game, price, theme, play style, chain, independent, vending machines, promotions, incentives, etc. These may include plans or parts thereof and analysis from other jurisdictions, showing successes in other jurisdictions. Any success stories should include the plan, the implementation, and the results.

B.4.10 TICKET SAMPLES

- a. Vendors must supply one (1) sample book of actual tickets that were manufactured for other members of North American Association of State and Provincial Lotteries (NASPL) for each price point (i.e. one (1) sample of \$1.00, one (1) sample of \$2.00, etc.).
- b. Vendor must supply samples of tickets for different print options shown in section 5.6 b.

- c. Vendor must supply samples of tickets printed at all their locations that will be used to produce tickets under this contract.

B.4.11 SUBCONTRACTING

If the bidding vendor proposes to subcontract any part of the contract between the DLL and the bidding vendor, the bidding vendor shall state in writing in the proposal a description of the subcontractor's organization and the proposed sub-contractual arrangements. The subcontractor must comply with all security and insurance requirements.

The successful vendor is prohibited from subcontracting, assigning, or otherwise transferring any interest therein, or its power to execute such agreement to any other company, corporation, or entity without the previous consent and written approval of the DLL. In the event the DLL approves the use of subcontractors in performance of this contract, the prime vendor shall continue to be liable to satisfy all the terms, provisions, and conditions of the RFP and contract.

B.4.12 PERFORMANCE GUARANTEE

If the successful vendor is a subsidiary corporation, its parent corporation shall also be required to sign the contract and unconditionally guarantee the performance of the vendor under the contract.

B.5.0 SCOPE OF WORK AND PROPOSAL

B.5.1 GENERAL OVERVIEW

The Scope of Work for this RFP is Instant Ticket Printing, Marketing Support and Related Services

- a. The successful instant ticket Vendor will be the printing supplier of Instant Ticket Printing, Marketing Support and Related Services; however, the Vermont Lottery at its own discretion may also engage with a secondary Instant Ticket Vendor(s) to print instant tickets on an as-needed basis. The Vendor shall provide the expertise, services, and supplies necessary to assist the DLL in the design and implementation of an instant ticket product line.
- b. Ownership and title to the game, its name, design, color scheme and any other aspect of its development as well as any software specifically developed exclusively for the State becomes the exclusive property of the State of Vermont. Any confidential proprietary information or trade secrets that are inextricably bound up with these materials must be so identified or they too become the property of the State of Vermont. In instances where property cannot be segregated, custody may rest with the Vendor; however, express written permission for such custody must be obtained from the State. In addition, the State shall hold a non-revocable license from the Vendor to use any such property for the DLL purposes throughout the period of the operation of the applicable game.
- c. The Vendor shall draft proposed game rules for adoption by the State; for defining the security tests that a claimed ticket must satisfy to be validated as a winner; for defining conditions which shall invalidate a ticket; and for limiting the liability for a misprinted or defective ticket to the replacement of the ticket or purchase price of the ticket.

- d. The Vendor shall be responsible for the instant ticket production, security of the process and tickets, and secure delivery to the DLL warehouse in Berlin, VT or location within a 50-mile radius of the current facility. Tickets must remain readable, able to be rubbed easily and in good condition regardless of environment encountered in normal handling and usage for a minimum of eighteen (18) months from the delivery date to the State.
- e. Tickets shall be manufactured under the system known as “Full Accountability”. “Full Accountability” means that the Vendor guarantees the prize structure by balancing the game and providing the DLL with a final game balancing report. The final game balancing report will serve as the game’s final prize structure and will include the actual number of winners for each prize level.
- f. The Vendor shall work with the DLL in the design of instant ticket games, in accordance with a schedule set by the lottery, to make possible the winning of an immediately payable prize and/or provide for the possibility of winning future prizes or prize opportunities, such as entries into grand prize drawings etc.
- g. The Vendor shall print and supply tickets containing licensed products from third party vendors, subject to the contractual agreement between the DLL and the third party.
- h. The Vendor shall be able to purchase non-cash prizes, either merchandise or annuities (either fixed period or lifetime), from third parties, as needed to fulfill elements of game prize structure, for the benefit of the DLL. The Vendor shall submit evidence of either prior facilitation of such fulfillment on behalf of another Lottery, or the capability of same.
- i. The Vendor shall coordinate with other DLL vendors and the DLL to ensure system integration and compatibility with the DLL online gaming system. This will include coordination with DLL vendors whose contracts begin during the life of this contract. Vendor must also ensure instant tickets are compatible and functional in the ticket vending machines in use by the DLL, currently and in the future.
- j. The DLL recognizes that during the life of this Contract, technologies and product options will advance and the DLL shall have access to the same technology and product options the Vendor may develop and/or offer to other of its instant game customers at no additional cost. The Vendor must present new technology-based and product options to the DLL on a regular basis; emphasis should be on stable, proven services the Vendor can support to at least the same level as products currently on the market.

B.5.2 INSTANT TICKET SPECIFICATIONS

This section describes the service specifications for the Vermont Lottery Instant Ticket Games

Technical specs will be supplied to the successful bidder.

a. DESCRIPTION OF GAME DESIGNS

The DLL uses the guaranteed low-end prize structure (GLEPS). Each pack of tickets in the lottery game shall be programmed to contain a pre-specified dollar, constant total value of low-end prizes. There shall be different combinations of numbers of occurrences of such low-end winners to provide a variety of mixes in the game.

The DLL may elect to use or not use the GLEPS in future game designs.

b. TICKET SPECIFICATIONS AND PRODUCTION REQUIREMENTS

To maintain public confidence in the integrity and security of the instant games, and to provide maximum marketability of the instant game tickets, the Vermont Lottery requires that the tickets be printed to the highest quality standards.

c. UNACCEPTABLE CHARACTERISTICS

A book of tickets with any of the following characteristics would not be considered acceptable to the Vermont Lottery.

- i. Scratches across the rub-off material covering on a ticket which expose portions of hidden play symbols or may tend to make the consumer believe that the ticket has been tampered with even if no portion of the play symbols have been exposed.
- ii. Rough, uneven rub-off material coverings that do not readily reveal attempts to compromise the ticket by “pin-pricking” techniques.
- iii. Rub-off material coverings that have holes which expose portions of hidden play symbols or may tend to make the consumer believe that the ticket has been tampered with even if no portion of the play symbol has been exposed.
- iv. Rub-off material coverings that “drip” into the display printing.
- v. Rub-off material coverings that smear or fail to come off when scratched.
- vi. Overprint designs that are not clear and crisply printed.
- vii. Perforations between tickets that cause tickets to unintentionally separate with regular handling or in Ticket Vending Machines (TVM). Or in contrast, perforations between tickets that prevent tickets from separating without damage to the ticket or consistently jamming the TVM.
- viii. Tickets out of order within a book. Or tickets from more than one book in one pack.
- ix. Lottery play symbols that are “clipped” or “incomplete.”

- x. Offsetting of inks on rub-off material coverings from one ticket to another.
- xi. Rub-off material coverings that are off-register.
- xii. Play symbols that “peek-out” from under the rub-off material covering.
- xiii. Play symbols that smear with slight moisture or normal handling.
- xiv. Play symbols that fail to smear with solvents.
- xv. Play symbols that are obliterated during normal removal of the rub-off material.
- xvi. Tickets that are not trimmed straight.
- xvii. Ticket packs that contain large amounts of paper shavings (i.e., “snow”) that fall out when the pack is opened.
- xviii. Display print designs that are not clearly and crisply printed.
- xix. Captions that are not clear or do not correctly describe the lottery play symbol.
- xx. The ability to differentiate a non-winning ticket or a winning ticket prior to the rub-off material being removed from ticket.
- xxi. Rub-off material coverings that require excessive pressure and scratching to remove.

d. Minimum Ticket Specification

- i. ALGORITHM -- The Vendor shall develop and test an instant ticket algorithm, which shall become the sole property of the Department of Liquor and Lottery.
- ii. TICKET SIZE ALL TICKETS – 4.0” x 3.0” (approximate size) and 4.0” x 5.0” (approximate size) and 4.0” x 7.33” (approximate size) and 4.0” x 8.0” (approximate size) and 4.0” x 10.0” (approximate size) and 4.0” x 11.0” (approximate size). Alternate sizes may be bid,

however, the above sizes or the approximate equivalents are required. See Appendix D – Pricing matrix.

- iii. FOLD -- All Games - Continuously fan-folded. Each book shall be assembled to maintain the consecutive order of the tickets in the books. The pre-cut and stacked tickets shall be delivered in books/packs of 25, 35, 75, 100, or 150. Each book shall be folded so that one side contains at least one ticket back and the other side contains at least one ticket front.
- iv. PERFORATION -- All Games – deep perforation between tickets. The perforations shall be 10 teeth per inch or perforations that perform best in dispensers and TVM's.
- v. TICKET ARTWORK -- To be designed by vendor, with direction provided by the Vermont Lottery. Final approved artwork shall be provided to the lottery via email in a format agreed upon by the Vermont Lottery and the Successful Vendor.
- vi. TICKET COLOR AND STOCK -- Five (5) color faces or four (4) color process with color reverse, play area security tint, overprint four (4) colors over two (2) layers of white, solid and screened. One (1) of the five (5) colors must have the ability to be a full bleed at no additional cost.

Ticket stock: Standard ten (10) point, coated one side, card stock, preferably containing some post-consumer material. We prefer recyclable whenever possible, and understand that some tickets cannot be, based on material used. The stock must all be compatible with TVM's in use now and in the future.

- vii. TICKET NUMBERING -- On the front and back of each ticket within a book there will be displayed a unique 12-digit sequential number. The numbers will represent a 4-digit game number, a 5-digit pack or book number, a 3-digit ticket number. The first ticket in a pack will be numbered "000" and ticket numbers will be consecutive and no omissions will be permitted within any book.
- viii. BOOK/PACK SIZE -- Subject to the ticket size and price point, book size will be either 25, 35, 75, 100, or 150 tickets, with optional pricing for alternate sizes.
- ix. BAR CODING -- The Vermont Lottery uses bar code validation of all prize levels. The bar code shall be printed on the back of tickets and will include human readable numbers above the bar code. Game number, book number and ticket number shall be printed on back of ticket. The game book ticket number shall be printed on front of ticket. Bar code is interleaved two-of-five symbology and contains 24 digits plus a three-digit control number printed under the rub-off material.

The successful Vendor shall provide unique secure PDF-417 compressed barcodes under the rub-off material on the fronts of tickets. Vendors' proposals must describe the processes and features to secure instant tickets and include in base cost.

The Vendor must be able to produce bar codes of commercial quality that meet American National Standards Institute/International Organization for Standardization (ANSI/ISO) standards. The quality of all barcodes shall enable readers to achieve a first pass read rate of 99% or higher.

The Vendor shall provide bar code encoding solutions established as North American Association of State and Provincial Lotteries (NASPL) best practices or standards.

Note: all vendors must supply sample tickets from at least three games they have printed from each printing location used during the last 6-12 months. Failure to do so shall render the vendor non-responsive.

The Vermont Lottery will provide the successful bidder with bar code specifications (which may be updated from time to time) with which the delivered Instant Tickets must comply. Ticket bar code and UPC must comply with technical standards that the Vermont Lottery will provide to the successful bidder, which the Vermont Lottery may update from time to time.

- x. UPC -- A unique UPC bar code will be supplied by the vendor at the vendor's expense for each game and printed on the back of all instant tickets. The Vermont Lottery code information is 8 33069 0GGGG C, where GGGG is the 4-digit game number and C is the check code digit.
- xii. VALIDATION NUMBER -- Each ticket must contain a unique keyless 14-digit validation number printed on the front of the ticket, covered by a latex coating. There will be a 4-digit game number, an 9-digit validation number and a 1-digit check code. Three digits will be boxed, signifying the security digits, and the box will float among the 9-digit validation number, varying from ticket to ticket.
- xii. AGENT SAMPLES -- Four hundred (400) to four hundred fifty (450) actual non-winning sample tickets in actual pack size shall be delivered with each game depending on price point. Validation number and security code will be all zeros (0). Tickets submitted shall be machine-made and not hand-made or contrived samples. All sample tickets will have the word "void" or "sample" printed on the back.
- xiii. DISPLAY CARDS -- The Vendor shall supply cards for use in ticket displays and TVM's for each game printed. These cards display modified artwork to highlight the main features of the ticket and its cost.

Size: 4" x 4"
Quantity: 1,200 cards delivered with Agent samples.
Stock: 10 pts stock coated on one side; recyclable.
Color: 4/C Process one side 1/C Process on the other side.

Size: 4" x 7"
Quantity: 700 cards delivered with Agent samples. Stock: 10 pts
stock coated on two sides; recyclable.
Color: 4/C Process two sides.

In addition, the Vendor will deliver the artwork for the TVM cards to the Vermont Lottery in .jpg format, or such other format acceptable to the Lottery.

- xiv. WORKING PAPERS -- Working Papers will be generated by the Vendor in conjunction with the Vermont Lottery for each instant game and will include the specific information for that game.

- xv. ONLINE VENDOR -- For each game produced, the Vendor will be responsible for coordinating with the Department of Liquor and Lottery's full-service online lottery system vendor (currently Scientific Games) in a timely manner to ensure that tickets will dispense easily from the ITVM's. This coordination includes supplying sample tickets (one half box for each game) for testing purposes, to ensure that bursting occurs in a proper manner.

B.5.3 VENDOR SERVICES

The Successful Vendor shall provide the following services at no additional cost to the

DLL.

- a. Validation and Inventory Information -- The Successful Vendor will provide secure files that contain the following information: pack inventory, game definition, validation information, and non-winning ticket validation information in accordance with the specifications supplied by the Vermont Lottery.

The successful Vendor will create secure validation files to be used for web based, second chance drawings.

- b. End of Game Prize Structure -- An "End of Production" prize structure will be provided which accurately states the total number of tickets and total number of winning tickets, by prize type, for all prizes contained in the tickets delivered to the DLL. Acceptable balancing standards for low, mid and high tier prizes must be addressed in the work papers.

- c. Reconstruction Services -- The Successful Vendor will provide full reconstruction services of damaged tickets, as requested by the DLL. Upon termination of the Contract, the Vendor shall provide reconstruction services for a period of not less than one year after the announced end of the game by the DLL, for all games produced and supplied by the Vendor during the term of the Contract.

- d. Vermont Lottery Site Inspections -- As determined by the Department of Liquor and Lottery's Commissioner and the Director of Security, the Successful Vendor will fully comply with and be subject to annual unannounced security inspections to determine the effectiveness of the Vendor's Security Plan. The cost of travel, lodging and expenses will be borne by the Vendor.

- e. Patent and Trademark Search -- The Successful Vendor will conduct a search regarding the right of the DLL to use proposed marks for instant lottery tickets and services. The search shall include, but not be limited to, the latest available information from the records of the United States Patent and Trademark Office and trademark registers of the states. Prize Merchandise Purchase and Fulfillment -- The Successful Vendor will contract with a company to purchase prize merchandise and fulfillment of prize merchandise. Price is to be negotiated between the Successful Vendor and DLL.

- f. Warehousing of Printed Tickets -- The Successful Vendor will supply secured warehousing at the Successful Vendor's site of printed tickets, at no additional charge, for up to four months from finished production date.

- g. Business Continuity Plan -- Prior to the contract execution, the successful Bidder must provide the Vermont Lottery with their proposed Business Continuity Plan to be used if the successful Bidder's primary place of business is rendered inoperable due to acts of terrorism, forces of nature or other unforeseen events.

This backup plan may consist of an alternate printing site owned by the successful Bidder, or a written agreement with another party stating that they agree to perform the functions of this contract on behalf of the successful Bidder until deemed necessary by the DLL.

Additionally, the Vendor will provide a plan for Business Continuity should the Vermont Lottery warehouse become destroyed or inaccessible through other phenomena. The plan should include reprinting and shipping timelines from notification to delivery to the Lottery's alternative warehouse site (which is 2 miles from the current building).

- h. Ticket proof -- The successful Vendor must provide to the DLL a color proof that matches the ticket that will be printed, front and back images. The Vendor must provide a "drawdown" of the exact ink colors that will be used in the actual production of the ticket.

- i. Insurance -- Due to the high liability nature of the lottery business, the Successful Vendor shall detail all insurance coverage included in the standard price per thousand for lottery tickets. This shall include, but not be limited to, Fidelity Bonds, over redemption, game insurance and any other area which the Successful Vendor shall indemnify the Vermont Lottery.

- j. Security Tickets -- The successful Vendor shall provide annually up to 3 specially printed tickets to be used in Agent Compliance Program operations by Lottery Security. The Security Games shall mimic a current game in appearance, functionality and game play and should be at no additional cost to the Vermont Lottery.

- k. Marketing services -- The Successful Vendor shall develop a marketing plan and shall implement initial marketing research that will address game development and player attitudes, with semi-annual updates. The research shall include, but is not limited to, player surveys and segmentation studies to seek information about player satisfaction, attitudes about the DLL and its products and awareness and recall of advertising and the games offered by the DLL.

The Vendor should indicate any other research services that may be provided to DLL.

At least once every 6 months, the Successful Vendor shall provide the DLL with an instant ticket/game analysis, which shall include variables including game design, price points, prize structures, play styles, themes, and recommendations. Also, the Vendor shall make a presentation to DLL staff and present:

- A “State of the Industry” analysis of trends, game designs, production, distribution, new technologies and products, marketing strategies and comparative sales information.
- An analysis of past year performance of the DLL instant games, focusing on lessons learned and needed improvements.
- Recommendations for new or modified strategies that can be used by the DLL to increase sales and net revenues.
- Any security or other issues that threaten the integrity of the Vermont Lottery and the products it offers.

B.5.4 SECURITY PRESENTATION

Within three (3) months of the commencement of the Contract, the Successful Vendor shall make a presentation to DLL personnel describing the security issues and methods to overcome same as they relate to the Instant Ticket product, its design, production, and distribution, with emphasis on any factors which may threaten the integrity of the DLL and the products it offers. The DLL may request that this presentation be expanded to include personnel from other lotteries in the Tri-State Lotto Commission who have contracted with the Vendor.

B.5.5 SHIPPING REQUIREMENTS

- a. WRAP - All books or packs of tickets shall be individually shrink-wrapped using a clear plastic film which must not obscure the barcode.
- b. PALLET - All games - Shrink wrapped 40 x 48. Pallet will allow for four-way (front, back & sides) fork-lift entry. Pallets shall be bound with plastic straps (not metal), or cardboard corners for stability. Each pallet will have at least two (2) labels that list the game number, game name, lowest and highest carton number and skid number of total number of skids. Overall height of pallets should not exceed 44". Overall weight of pallet should not exceed two thousand (2,000) pounds.

- c. LOT PER CARTON - All games - 15 to 100 books (depending on book size) in numeric sequence, labeled to show omissions if any and a bar code for use in shipping of full cartons. The weight of each full carton shall not exceed 25 lbs. and shall be 275-lb. test quality. Cartons shall be no wider than 8.5”.

Each carton must have the following statement printed or stamped on it: **“This box contains materials that are registered by number which will become void if stolen.”** Each carton must have a label affixed to the short end indicating the game number, carton number, the range of pack numbers, number of packs in the box and the number of omitted packs, if any.

- d. GAME DELIVERY - Tickets will be delivered according to the DLL’s instant tickets game schedule, as noted in the working papers. Tickets shall be available to be delivered within 45 days after the starting date. The starting date is the date when all required signatures are on the working papers for an instant game.

The Successful Vendor will be responsible for delivering tickets to the DLL Warehouse and will be responsible for freight and insurance charges. Tickets will be shipped by exclusive-use trucks contracted to the Vendor and the cargo area shall be locked and sealed; the seal will be broken at the DLL Warehouse in the presence of a Lottery representative. Seal number must be included on bill of lading. Bill of lading shall be emailed to Vermont Lottery along with a photo of the shipment prior to seals being applied to the truck doors.

Please note DLL Warehouse may move to a new location during the contract period.

Pallets will be arranged in the cargo area with the highest numbered located at the front and the lowest number towards the exit door.

- e. SHIPPING DOCUMENTS - The Successful Vendor will provide files detailing the following:
 - a. Skid report
 - i. Which cartons are on each skid.
 - ii. How many books are on each skid
 - iii. The range of book numbers on each skid
 - iv. How many tickets are on each skid
 - v. Total number of boxes and tickets delivered
 - b. Short box report, listing boxes that are not full, including the number of books in each box.
 - c. Shipment summary report
 - i. The gross number of books and tickets,
 - ii. Number of omitted books and tickets,
 - iii. Net number of books and tickets,
 - iv. The range of book numbers and the range of carton numbers.
 - d. Good book listing
 - e. Omitted book listing

These reports must be provided by Secure FTP.

B.5.6 PRICING

- a. One copy of pricing shall be presented in the format attached as Appendix C. Vendors shall include all costs from initial game design to delivery of finished tickets to the Vermont Lottery in one all-inclusive price as its "Base Ticket Price." The "Base Ticket Price" shall include all ticket specifications set forth in the proposal as production requirements. The Vermont Lottery reserves the right to select quantities, ticket sizes and options in the best interest of the Department of Liquor and Lottery.

Important Note: The pricing portion only of the response shall be sealed in an envelope and further sealed in another envelope, but not sealed with the proposal.

- b. Additional Features: Vendors are required to provide the following ticket enhancement options and pricing:
 - i. Each Additional Scene
 - ii. Each Pulsed Tickets
 - iii. Holographic Paper
 - iv. Additional Colors
 - v. High Gloss Coating
 - vi. Fluorescent/Neon Colors – as replacement color
 - vii. Fluorescent/Neon Colors – as additional color
 - viii. Dual Imaging
 - ix. Metallic Inks – as replacement color
 - x. Metallic Inks – as additional color
 - xi. Simulated Foil
 - xii. Marking Systems, particularly for extended-play games
 - xiii. Die-Cut Tickets
 - xiv. Alternate Pack Sizes
 - xv. Unusual or Additional Programming
 - xvi. Pack Inserts – within packs, numbered to correspond with books, and non-numbered. Bar-coded when bar code not shown.
 - xvii. Additional inks, features or options not listed above that the Vendor believes would be of interest to the Vermont Lottery.
- c. Licensed Products – Describe the range of licensed properties offered and their relevance to the DLL; costs of utilizing licensed properties offered to the DLL should be defined.

d. Security Tickets – vendors are required to provide up to three (3) specially printed tickets to be used in the DLL Agent Compliance program per year.

e. Options and prices

Vendors are encouraged to propose options regarding innovative functions, features, services, and solutions. Optional items must be presented as separate line items in the Price Proposal. Unless clearly identified as priced at an additional cost, all options will be considered to be included as part of the base price.

Options are required to be deliverable products and/or services during the term of the Contract.

f. Additional Options

- i. For any game produced, Vendors are invited to supply 800 Promotional POS, 8 x 8" inch sheets, printed with 4-color process on 10-point paper, CIS. Artwork would be prepared by the DLL advertising agency and finished pieces to be delivered at time of game delivery.
- ii. Vendors are invited to offer support for the launch and/or promotion of up to 4 "special" games per year (licensed properties, extended play games etc.) in the form of promotional items or financial credit applied to the cost of the game.
- iii. Vendors are invited to submit proposals for an annual presentation to DLL Management and Sales Staff to demonstrate different methods of positioning Lottery within Retailer establishments of different types with a view to improving Lottery presence and sales. This Option will include provision for suggestions for Point-of-Sale items, advertising, signage etc. and include case studies for specific site.
- iv. The Vendors are invited to submit proposals for a series of annual training courses for the DLL sales force of approximately 5 personnel. It is envisioned that these courses would be held on a regular basis (e.g., 2 times over the course of 12 months) and will be to demonstrate to Marketing & Sales Representatives ways to improve DLL presence in retail establishments, promote lottery, introduce lottery to new outlets, increase sales etc.
- v. Vendors are invited to submit proposals for handling all warehousing and shipping of instant tickets to DLL agent locations.