March 2, 2015

All Interested Parties and Prospective Bidders

RE: Request for Proposal #50026 Digital Agency Services

The California Lottery (Lottery) is issuing this Request for Proposal (RFP) #50026 to obtain the services of a contractor to provide strategic and tactical consulting, web and mobile support and development, and cross-channel digital communication services in order to achieve the goals and objectives of the Lottery's Digital Program.

The solicitation is open to all Bidders who at the time of proposal submission:

1. Are duly authorized to conduct business in California.
2. Have a minimum of five years' experience performing digital cross-channel communication services similar to those specified in Exhibit A, Scope of Services.
3. Have at least two years' experience providing Digital Agency Services for clients in lottery/gaming, entertainment, and/or low-cost consumer goods.
4. Have annual revenues of at least $10 million.
5. Have at least three years' experience in website design and development, including experience using Sitecore or similar enterprise-class content management systems.

The RFP is available for download on the Lottery's website at www.calottery.com under "Vendors." The Lottery will not distribute paper copies of the RFP.

Requests for clarification or questions pertaining to the RFP may be directed to Laura Lee Rogers at (916) 822-8063 or lrogers@calottery.com.

Sincerely,

Laura Lee Rogers, Procurement Specialist
Contract Development Services
Request for Proposal

#50026

Digital Agency Services

March 2, 2014

CALIFORNIA LOTTERY
700 NORTH 10th STREET
SACRAMENTO, CA  95811-0393
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I. GENERAL INFORMATION

A. Purpose

The California Lottery (Lottery) seeks to secure, through this competitive solicitation process, a partner for strategic and tactical consulting, web and mobile support and development, and cross-channel digital communication services in order to achieve the goals and objectives of its Digital Program. Those objectives include optimizing the current means and methods used to engage Lottery stakeholders via digital channels, collecting and analyzing the resulting data to provide insights and business facts, and continually refining the Lottery’s overall digital communication process.

The objective of this solicitation is to identify and select an established, best-of-class, forward-thinking Digital Agency Service Provider experienced in strategic and tactical customer experience/interaction consulting, digital development, client management, and maintenance and support services, in order to sustain, maintain and enhance the Lottery’s Digital Program communication efforts.

The selected contractor will be one who can demonstrate its capability to effectively maintain and support the Lottery’s digital communication media, including but not limited to websites, mobile applications, web services (APIs), call center solutions, email communications, and digital, video and social platforms in a manner consistent with the Lottery’s objective of maximizing interactive engagement via a sustainable, cost-effective, architecturally sound environment that is flexible enough to support current demand and projected growth.

The contractor must have the ability to provide business analysis, program strategy and optimization, search engine optimization, and social media strategy and integration. In addition, the desired contractor must demonstrate a strong background partnering with clients to help develop and expand upon campaign strategies, solution development, and media creation and management.

B. Background

The Lottery is recognized as one of the fastest growing lotteries in the United States, with more than $5 billion in sales for fiscal year 2013-14.

As a consumer products enterprise, the Lottery is different from most state agencies. Currently the Lottery offers eight draw games, including two multi-state games, and 35 individual Scratchers® games with price points ranging from $1 to $20. The Lottery introduces 3-4 new Scratchers games each month and sells its products in more than 21,000 retail establishments, from grocery stores to convenience stores to liquor stores. More than 200 Lottery staff call on, service, and support the retailers that sell the Lottery’s products throughout the state.

The Lottery currently communicates to the diverse California population in English, Spanish, Chinese, Korean, and Vietnamese.
The Lottery introduced its Loyalty Program in 2006 and has refined it over the years to include a 2nd Chance program, jackpot/winning number alerts, and other promotional or winning opportunities for players. Since its inception, the Loyalty Program has registered more than 4 million players.

Last fiscal year the Lottery was able to send $1.35 billion in supplemental funding to schools. The Lottery strives to find more ways to increase supplemental funding for the public schools that educate children in California.

Since 1985, Lottery players have contributed approximately $28 billion to help create more educational opportunities for California’s students. With the help of these funds, public schools are able to attract and retain quality teachers, buy classroom supplies and state-of-the-art equipment, and keep important programs running. None of this would be possible without the Lottery’s players.

C. Challenge

The Lottery has been continuously integrating and developing digital engagement tactics and determining how they fit within the organization from a cultural, strategic, and creative perspective. The digital landscape has evolved dramatically and continues to evolve and change consumer behavior and marketing realities. The real challenge is keeping up with the technological changes and being able to anticipate them, build for them, and stay ahead of them in the Lottery’s interactions with both players and retailers. As such, the Lottery seeks to retain a dynamic, visionary, innovative, and strategic digital partner who, through an understanding of the Lottery’s mission and business objectives, can guide and collaborate with the Lottery and its partners in every aspect of the digital engagement process.

D. Opportunity

In response to ever-changing technology and consumer behaviors, the Lottery seeks to identify a dynamic and innovative partner that can sustain the Lottery’s current digital footprint while helping catapult its digital presence towards a more interactive and engaging future, increasing conversion rates and improving perceptions of the Lottery. The successful Bidder will help support the Lottery’s goal of becoming one of the largest and most profitable lotteries in the country by developing strategic and tactical executions designed to achieve the Lottery’s business objectives.

The vision of the Lottery’s Digital Program is to build a digitally-based infrastructure that enables the Lottery to effectively engage players, consumers, retailers, and vendors, harvest and analyze actionable data, provide information to the retailer network, develop insights and business facts to support a cohesive brand presence, and positively influence stakeholder perceptions and actions. The Lottery’s digital infrastructure should elevate its communication and digital presence and renew engagement with Lottery players, retailers, and other stakeholders while enhancing the Lottery’s commitment to promoting responsible gaming in California.
The Lottery Digital Program of the future must be an ecosystem of integrated components that provide for the ability to quickly and efficiently execute updates that allow for positive, interactive experiences with Lottery stakeholders. It must be centered on experience-based design such that the information architecture, user interface, and visual design are valuable and intuitive. Through this ecosystem, the Lottery must be able to easily integrate with third parties for one-time promotional opportunities or ongoing relationships and provide a seamless experience for all audiences.

A successful Digital Program will help the Lottery achieve many of its Strategic Objectives, including:

1. Consumer Engagement (Growing Playership of Lottery Games)
2. Maximizing Return on Investment of Advertising and Promotion
3. Improving the Lottery’s Overall Image with Consumers and Stakeholders
4. Expanding the Lottery’s Corporate Social Responsibility Program
5. Expanding the Network of Lottery Retailers and Optimizing Retailer Support

1. Consumer Engagement

The ongoing increased use by consumers of digital channels for accessing information, communicating, and interacting with brands allows the Lottery the ability to utilize lower-cost methods to reach its target audiences and to collect and use information provided by various engagement activities. The information collected can be analyzed to provide player business facts and insights to efficiently and effectively communicate with players in future engagement efforts.

To effectively engage stakeholders within digital channels now and in the future, the Lottery must enhance decision support capabilities to empower the Lottery by providing insights into its players, retailers, and other stakeholders. As such, the Lottery seeks a partner to collaborate in enriching its consumer engagement and awareness opportunities.

2. Maximizing Return on Advertising and Promotion

Limited advertising resources have prompted the Lottery to begin shifting its current advertising paradigm with an increased use of mass media designed to acquire new players and reengage former players. The Digital Agency Services partner must work with the Lottery to fully understand its goals and objectives and provide recommendations for a new and more effective approach for overall consumer engagement and awareness in digital channels. It must ensure that final outcomes reflect the Lottery’s
organizational philosophies, match its business objectives, and comply with budgetary requirements.

3. Improving the Lottery’s Overall Image with Consumers and Stakeholders

The Lottery strives to strengthen its relationship with key stakeholders by increasing overall awareness of its objectives, legislative proposals, and business operations and advancing a positive image of the Lottery and its mission.

In partnership with the Lottery, the successful Bidder will provide strategic planning and solutions for connecting with Lottery stakeholders through the use of digital channels, social media platforms, and mobile devices. The successful Bidder will be expected to leverage social media platforms and other digital channels to build and improve upon the Lottery’s overall public image. This will include working with the Lottery to provide strategic recommendations for a thorough analytic process that will provide needed business facts and insights.

4. Expanding the Lottery’s Corporate Social Responsibility Program

The Lottery values its efforts to be a good corporate citizen and is continuously finding ways to improve its responsible gaming programs. The Lottery strives to improve communication and increase awareness of its responsible gaming programs to strengthen its relationships with key stakeholders and promote the Lottery and its mission. The Lottery would like to retain a strategic partner that will provide guidance towards strengthening Lottery partnerships as well as improving and developing various World Lottery Association (WLA) digital efforts and responsible gaming messaging throughout various digital communication channels.

5. Expanding the Network of Lottery Retailers and Optimizing Retailer Support

The Lottery is seeking to enhance retailer support and recruitment efforts through the use of various digital channels, including its current retailer website, in an effort to expand retailer engagement opportunities. The successful Bidder must provide expert advice to the Lottery by recommending strategic and tactical directions that will motivate retailers to increase sales, support retailer merchandising efforts, and recruit new retailers. In addition, the contractor will provide strategies and tactics for enhancing digital interactions with retailers.

E. Minimum Bidder Qualifications

This Request for Proposal (RFP) is open to all Bidders that meet the following minimum qualifications at the time proposals are due:
1. Are duly authorized to conduct business in California.

2. Have a minimum of five years’ experience performing digital cross-channel communication services similar to those specified in Exhibit A, Scope of Services.

3. Have at least two years’ experience providing Digital Agency Services for clients in lottery/gaming, entertainment, and/or low-cost consumer goods industries.

4. Have annual revenues of at least $10 million.

5. Have at least three years’ experience in website design and development, including experience using Sitecore or similar enterprise-class content management systems.


F. Issuing Office and Bidder-Initiated Contact

This RFP is issued by the Lottery’s Contract Development Services. Issuance of this RFP does not constitute a commitment by the Lottery to award a contract. The issuing office is the Bidders’ sole point of contact regarding this RFP. All notices or questions pertaining to this RFP must be directed to:

California Lottery
Contract Development Services
Attention: Laura Lee Rogers
700 North 10th Street
Sacramento, CA 95811
Phone: (916) 822-8063
FAX: (916) 737-5984
TDD: (800) 345-4275
E-Mail: lrogers@calottery.com

No contact regarding this RFP will be allowed between Bidders or potential Bidders and members of the Lottery Evaluation Team, Lottery Commissioners, or Lottery staff after issuance of the RFP with the exception of the Lottery contact person named above. Any such contact may disqualify a Bidder from further consideration. Requests for clarification from Bidders will be allowed provided that such requests are made through the above contact.

G. Projected Timetable

The following projected timetable (all times shown in Pacific Time (PT)) is set forth for informational and planning purposes. The Lottery at its sole discretion may
change these dates without amending the RFP. Notice of timetable changes will be posted on the Lottery’s website at www.calottery.com under “Vendors.”

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<td>Intent to Bid Due/Written Questions Due</td>
<td>March 16, 2015</td>
<td>3 pm</td>
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<td>Responses to Written Questions</td>
<td>As Necessary</td>
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<td>Proposal Due Date</td>
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<td>3 pm</td>
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<td>Finalist Group Briefings</td>
<td>May 2015</td>
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<td>Finalist Presentation</td>
<td>June 2015</td>
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<td>Identification of Apparent Successful Bidder</td>
<td>July 2015</td>
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<td>Commission Approval of Contract Award</td>
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<tr>
<td>Projected Contract Effective Date</td>
<td>September –</td>
<td>October 2015</td>
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**H. Verbal Communication**

Any verbal communication with the Lottery concerning this RFP is not binding on the Lottery and will in no way alter a specification, term, or condition of this RFP or any resulting contract.

**I. Examination of All Requirements**

Bidders are strongly urged to examine this document thoroughly and become fully aware of the RFP’s requirements, scope of services, and contract terms and conditions. Bid proposals must be based solely on the information and materials contained in the RFP and any amendments or other written communications regarding the RFP that are issued by the Lottery. Bidders must disregard all other information, including draft material, newspaper advertisements or articles, and verbal representations.

The Lottery may in its discretion refuse to accept a proposal if it fails to furnish all required information or follow the format specified in this RFP.

**J. Amendments to RFP**

The Lottery may cancel or amend this RFP at any time. Notice of amendment or cancellation will be sent to Bidders that submitted a written Intent to Bid if the amendment or cancellation occurs prior to proposal submission, and to Bidders that submitted a proposal if the amendment or cancellation occurs after proposal submission.
K. Written Questions

Questions regarding the content of this RFP must be submitted in writing, via fax, e-mail, or U.S. mail, to the Lottery contact person specified above by the due date and time specified for written questions in the Projected Timetable. It is the sole responsibility of the interested party to verify receipt of questions submitted. The Lottery may at its sole discretion respond to questions received after the specified due date for written questions.

L. Intent to Bid

Interested Bidders must submit a written Intent to Bid (which may be submitted via email or personally delivered) to the Lottery contact person, as specified in section G. Issuing Office and Bidder-Initiated Contact, by the date and time specified in the Projected Timetable in order to receive any further direct communications, including amendments, from the Lottery regarding this solicitation until the time apparent successful Bidder(s) are identified.

A written Intent to Bid must include the name and email address of a contact person and contact information for the Bidder submitting the written Intent to Bid, including mailing address, telephone number, and fax number (if available).

If a written Intent to Bid is not sent, a proposal may still be submitted. However, any further notices or amendments issued by the Lottery will be sent exclusively to Bidders with written Intent to Bid statements on file. All interested parties may access such notices and amendments on the Lottery’s website at www.calottery.com under “Vendors.”

M. Property of Lottery

All proposals become the property of the Lottery upon receipt and will not be returned to Bidders.

N. Proposals are Public Records

Pursuant to the California Public Records Act, California Government Code §§ 6250 et seq., except for Attachment 8, Major Contractor Disclosures, all data, materials, information, and documents submitted to the Lottery by a Bidder may be incorporated into a publicly-available contract and may otherwise be subject to disclosure upon request by competitors and members of the public. The Lottery will process all Public Records Act requests in accordance with the laws of the State of California. A Bidder’s labeling of any proposal materials as “confidential” or otherwise exempt from disclosure is not binding on the Lottery, and the Lottery will not be liable to the Bidder or to any other person or entity for disclosing any portion of the Bidder’s proposal as required by law.
O. Acceptance Period

As a condition of submission, each Bidder’s proposal constitutes that Bidder’s unconditional offer to the Lottery and is irrevocable for 180 days from the date submissions are due.

P. Conditions of Submission

Responses to this RFP and any subsequent presentations must be submitted with the most favorable terms Bidders can offer. Bidders will be allowed to withdraw their responses provided that a written request for withdrawal is actually received by the Lottery prior to the deadline for final bid submission. Requests for bid withdrawal must be filed in the same manner as bid proposals. After the submission deadline Bidders cannot replace, change, or modify their proposals in any way except as otherwise specified in this RFP or a subsequent amendment to this RFP.

Q. Nonmaterial Deviation

The Lottery may waive any deviation in a proposal that the Lottery determines to be nonmaterial. The Lottery’s waiver of a nonmaterial deviation in no way modifies the RFP’s requirements or excuses Bidders from full compliance with the Contract’s requirements.

R. Rejection of Responses

The Lottery reserves the right to reject any or all responses to this RFP if the Lottery determines that it is in the best interest of the Lottery. The Lottery may reject any response that is conditional or incomplete or contains any material deviations. Any provisions of this document that are defined as requirements will be considered mandatory. In the interest of promoting competition, the Lottery may allow a Bidder to correct a proposal deficiency related to any requirement. If all Bidders fail to meet one or more of the mandatory requirements, the Lottery reserves the right to continue evaluation of the proposals and to select the response that most closely meets the requirements specified in this RFP.

S. Contract Execution

The Lottery Director will make the final determination of contract award, subject to Lottery Commission approval. In making this determination, the Lottery Director may be assisted by an Evaluation Committee.

Failure or refusal on the part of the intended contract awardee to begin performance within ten state working days of contract execution may be treated as repudiation of the contract at the sole discretion of the Lottery. The Lottery may then either (1) select the next ranked proposal which conforms to the requirements of this RFP and represents, in the sole discretion of the Lottery, the best value proposal that maximizes the benefits to the Lottery; or (2) reject all proposals. The Lottery reserves its right to damages associated with repudiation of the contract.
The Lottery may cancel any and all elements of this solicitation or rescind an announced award at any time up to execution of the actual contract with the apparent successful Bidder.

T. Hiring of Lottery Personnel

At all times during the proposal evaluation period and continuing through the contract award or the rejection of all proposals, Bidders are prohibited from officially or unofficially making any employment offer or proposing any business arrangement whatsoever to any Lottery employee involved in the evaluation of proposals. A Bidder making such an offer or proposition will be disqualified from further consideration.

U. Governing Law and Regulations

The Lottery’s governing law and regulations, including the California State Lottery Act of 1984 and the Lottery’s Regulations, are available on the Lottery’s website (www.calottery.com). It is each Bidder’s responsibility to be familiar with these laws and regulations.

V. Defense of Bid Protest

The successful Bidder, at its own expense, will fully participate in the defense of any bid protest filed by a third party.

W. Joint Offer/Joint Contractors

The Lottery will not accept joint offers (including joint ventures, partnerships, etc.). The Lottery defines a joint offer as two or more entities offering a single proposal. The Lottery will only accept one proposal from each Bidder. The Lottery does allow the Bidder to use subcontractors for the performance of this contract.
II. PROPOSAL REQUIREMENTS

All proposals and other requested documents must be organized in the same order and with the same lettering/numbering and bullet format as shown in the following sections and subsections; Proposals must be submitted in a 3-ring binder, one sided or doubled sided on 8 ½ x 11 inch paper, using at least 12 point size font. Tables, graphics, exhibits, inserts, and attachments may be submitted in a font size no smaller than 9 points for aesthetics. Each page must be consecutively numbered with sections clearly marked or labeled. Additionally the entire proposal must be submitted on a compact disc (CD) compatible with Microsoft Office 2010 Suite and Adobe Acrobat Reader X (v10.1.7).

The original proposal must be marked "Original Copy" and have original signatures. RFP attachments and/or forms that require a signature must be signed in ink (preferably in a color other than black) by a person who is authorized to bind the proposing firm.

Bidders must provide the Lottery with as much information as necessary in their proposal response for the Lottery to award a contract. At a minimum, the proposal must be fully responsive to the specific requirements stated in this RFP. Bidders must identify any requirements of this RFP they cannot satisfy.

A. Mandatory Submittals and Evaluation Criteria

Failure to submit all information listed under Mandatory Submittals may, at the sole discretion of the Lottery, result in the rejection of the proposal. If all Bidders fail to meet one or more of the mandatory requirements, the Lottery reserves the right to continue evaluating the proposals.

Bidders must complete and submit the following attachments as detailed below:

1. Transmittal Letter
2. Attachment 1 – Certification
3. Attachment 2 – Guaranty
4. Attachment 3 – Disabled Veteran Business Enterprise Participation Incentive Program (optional)
5. Attachment 4 – Small and Micro Business Participation (optional)
6. Attachment 7 – Price Sheet
7. Attachment 8 - Major Confidential Disclosures
8. Compact Disc

1. Transmittal Letter

Bidder must submit a cover letter indicating that the Bidder is responding to the RFP and that all of the RFP requirements have been met.
2. Certification (Attachment 1)

Certification, Attachment 1, must be completed by the Bidder at the time of proposal submission and included in its proposal package.

3. Guaranty (Attachment 2)

Guaranty, Attachment 2, must be completed by the Bidder at the time of proposal submission and included in its proposal package.

4. Disabled Veteran Business Enterprise Program – Incentive Program (Attachment 3, - Optional)

The Lottery has established a new Disabled Veteran Business Enterprise (DVBE) program. Please read this section carefully.

The Lottery recognizes disabled veterans for their service by establishing a Disabled Veteran Business Enterprise (DVBE) Participation Program. The program is intended to further veterans’ participation in Lottery contracting, promote competition and encourage greater economic opportunity.

The Lottery has established participation goals for DVBEs, as defined in Military and Veterans Code, of at least 3% of overall dollars expended for Lottery contracts annually. The Lottery determines whether to include DVBE participation requirements in specific solicitations based on the availability of contracting or subcontracting opportunities within the scope of services of the particular contract.

While the Lottery has not established a DVBE participation requirement for this solicitation, in order to encourage DVBE participation, the Lottery has applied a DVBE incentive. Please see Attachments 3, Disabled Veteran Business Enterprise (DVBE) for further information and instructions.

Disabled Veteran Business Enterprise Form(s), Attachment(s) 3, (Optional), must be completed by the Bidder at the time of proposal submission, and included in its proposal response package, if applicable. Bidders must complete and submit the Disabled Veteran Business Enterprise forms if they are requesting participation in the incentive program. Proposal packages received without the completed Disabled Veteran Business Enterprise forms will not be considered responsive for the incentive.

Participation in the Disabled Veteran Business Enterprise Program - Incentive, is optional.

5. Small and Micro Business Participation (Attachment 4 – Optional)

The Small Business Procurement and Contract Act (Gov. Code Section 14835 et seq.) requires that a fair share of the state's purchases and contracts for
goods, information technology, services and construction be placed with small business or microbusiness. In order to facilitate the participation of these businesses, the Act requires state agencies to: (1) establish small business participation goals, (2) provide a 5% small business preference; and (3) provide a non-small business preference of up to a maximum of 5% for Agencies utilizing small business or microbusiness as subcontractors. Based upon the nature of the goods and services to be utilized under this solicitation (as outlined in the Scope of Services, Exhibit A), the Lottery has set a Small and Microbusiness Participation goal of 25% for utilization of small or microbusinesses as subcontractors under the contract resulting from this solicitation. The Lottery encourages small business participation. A Bidder who qualifies as a small or microbusiness has met this participation goal by virtue of their small business status.

Small Business Program Form, Attachment 4, must be completed by the Bidder at the time of proposal submission and included in its proposal response package. Bidders must complete and submit the Small Business and Microbusiness Participation forms if they are requesting participation in the program. Proposal packages received without the completed Small and Microbusiness Program Participation forms will not be considered responsive for the five percent small business preference.

Participation in the Small Business Program is optional.

6. Price Sheet (Attachment 7)

Price Sheet, Attachment 7, must be completed by the Bidder at the time of proposal submission and included in its proposal package. The costs provided on the Price Sheet are inclusive of the Bidder’s costs by role for work in support of Exhibit A, Scope of Services for the entire term of any contract resulting from this RFP. At the completion of each year of the contract term, the Lottery will review the contractor’s pricing and services. As a result of this review, after consultation with the contractor the Lottery may amend Attachment 7, Price Sheet.

Any changes made to the Price Sheet by the Bidder, including but not limited to exceptions, deletions, and additions, may be the basis for disqualification of the Bidder’s proposal.

7. Major Contractor Disclosures (Attachment 8)

Bidders must complete and submit Attachment 8, Major Contractor Disclosures. Bidders must disclose certain information pursuant to California Government Code section 8880.57. Any individual or entity in a Bidder’s organizational chain and any of the Bidder’s subcontractors may also be required to disclose similar information. The Lottery may refuse to enter into a contract or may
terminate a contract based on the results of these disclosures, as provided in California Government Code section 8880.57.

In order to ensure integrity, security, and honesty in its operation, the Lottery will conduct a thorough background check of the Bidder. This may include fingerprinting and a review of financial information. The Lottery may disqualify any Bidder if its related entities or their directors, officers, employees, or owners refuse to participate. The successful Bidder will be required to notify the Lottery of the identity of potential subcontractors and may be required to periodically update disclosure requirements during the term of the contract.

The disclosures provided in these forms will be considered confidential.

8. Compact Discs

All requested documents must be submitted on CD compatible with Microsoft Office Suite 2010 and Adobe Acrobat Reader X (v10.1.7). The compact disc must be labeled in such a way that the contents are clearly identified.

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<th>Evaluation Criteria for Mandatory Submittals:</th>
<th>Pass/Fail</th>
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B. Rated Submittals and Evaluation Criteria

Proposals submitted in response to this RFP will be rated in comparison with other submitted proposals and will be rated using the criteria set forth in section III, Proposal Evaluation Process. Rated Submittals, section II. B. 1. (Bidder’s References), B.4. (Two Case Histories) and B.5. (Bidder’s responses to Bidder Questionnaire) are significantly more important than the remaining rated submittals.

1. Bidder References

Bidders must provide a minimum of three verifiable references that include contact person, name of company, phone, fax number, and email address, if available. At least one of the references must be from lottery/gaming, entertainment, or low-cost consumer goods industries. Bidders must include references for which the Bidder has provided cross-channel digital communication services with the same or similar specifications and requirements specified within Exhibit A, Scope of Services, within the last three years. The Lottery may, in its sole discretion, contact the references provided at any time during the evaluation process. Provide the following information for each reference. (Limit answers to 3 pages per reference)

a. Size of contract.
b. Reason for contract termination/expiration, if contract is no longer in effect.
c. Types of services directly provided by the Bidder and whether the Bidder was the prime or subcontractor.
d. Term and type of contract, including effective dates.
e. Any significant problems encountered and how the problems were overcome.

The Bidder’s references may be asked to verify the information in the event the Lottery contacts the Bidder’s references. If the Lottery chooses to contact a Bidder’s reference, the Lottery will inform the Bidder of a time frame that the references may be contacted. Bidders must notify the references that the Lottery may be contacting them by telephone during the time frame provided.

2. **Key Personnel Assigned to Lottery (Attachment 5)**

Key Personnel Assigned to Lottery, Attachment 5 must be completed by the Bidder at the time of proposal submission and included in its proposal package.

3. **Key Personnel Résumé Form (Attachment 6)**

Key Personnel Résumé form(s), Attachment 6 must be completed by the Bidder at the time of proposal submission and included in its proposal package.

4. **Two Case Histories (DVD and Written format)**

Bidder must submit two case histories of its most relevant cross-channel digital marketing campaigns. For these case histories, the Bidder must have been directly involved in strategy, analysis, design, development, and execution. Bidders must provide a presentation video of these case histories. The DVD must be no longer than 30 minutes in length for both cases and no more than 15 minutes for each case history. In addition to the DVD, Bidders must provide a written version of the materials presented on the DVD and any supporting information for the Lottery’s reference. The video presentation and related materials will form the basis for the Lottery’s case history evaluation.

At a minimum the case histories must include:

- A succinct description or lead-in (i.e., purpose of campaign, technical challenges, proposed concept, creative insights-execution, results) for each case. Also include the timeframe in which the work (from start of the integration planning to execution) was completed for each case.

- Describe how each case integrates technologically with the client’s existing digital communication channels to achieve the campaign objectives such as bolstering sales and profits. Include a description of all digital communication channels and media that were or are utilized for each campaign/program.

- Describe how you coordinated with any vendors or any third parties to successfully execute the campaign/program.
- Indicate if the creative or campaign direction came from another agency and if so, describe your process working with the other agency and client to develop the digital elements.

- Describe how the digital elements in this campaign differed from the client's prior usage.

- Describe the process that you utilized with the client to develop the campaign. Explain any challenges and how you overcame them.

- Describe what distinguishes this program/campaign from your client’s competition's campaigns.

5. Bidder Questionnaire

Bidders must provide the information requested below on separate sheets of 8 1/2" X 11" single-sided paper, using at least 12 point font. Bidders must provide brief answers to each question with two line breaks between each numbered response. Bidders must limit their responses to no more than 60, single-sided pages.

1. Bidder Information

   Street Address
   City, State, Zip Code:
   Current Number of Employees: XX
   Founding Date: (Mo/Year)

2. List your company’s total annualized revenue for the following years:

   (a) 2012 - $XX million
   (b) 2013 - $XX million
   (c) 2014 - $XX million (actual or estimated)

3. Please provide us with a brief profile of your company. That is, tell us how your company operates. Include a description of your organization and the services you provide. Describe how you deliver services to your clients. Lastly, include a description of how your organization is structured to provide these services to clients.

4. Describe your company’s vision. Where do you see your company five years from now?

5. Describe the basis for your interest in the Lottery business.
6. Explain the key contributions you believe you can bring to the Lottery’s Digital Program’s efforts.

7. Describe your particular strengths with respect to the minimum qualifications as well as performing the tasks identified in Exhibit A, Scope of Services.

8. Describe (at a high level) your approach to integrating a digital marketing and communication strategy with a general marketing strategy established by a lead agency.

9. Provide an understanding of a project where major changes in personnel occurred. How does your organization ensure continuity and minimize impacts to the client?

10. List any previous mergers, acquisitions, and name changes applicable to your company.

11. List the current owners of your company.

12. List the number of employees and total number of active clients (billings in 2014), number of websites, and number and types of other digital communication channels you currently support.

13. Based on annual revenue generated from the client, list your 10 largest clients. Rank them by size, describe the client business, the digital marketing strategy at a high level, and the services you provide. List the dates you acquired the clients and, if possible, approximate budget ranges for each.

14. List website addresses and/or other digital platform locations from the current clients described in question 13. Include a description of services that were provided by you for the website, including the staff that performed services.

15. List your clients acquired within the past two years for which you are providing similar services as those described in the Scope of Services, and explain why you were chosen.

16. List clients you lost in the past two years for which you were providing similar services as those described in the Scope of Services, and explain why they are no longer using your company’s services.

17. Describe anything special about your experience, expertise, or modus operandi that a new business prospect should know.

18. Explain the level of experience and knowledge within your organization for supporting clients that are working to grow revenue and profits.
19. Explain strategic ideas that have come from your participation as a partner with previous or existing clients.

20. Provide specific examples of how you have tracked Return on Investment (ROI) specific to solutions you have delivered to clients.

21. Explain your holistic approach to digital communications. Be sure to explain how each channel works with the other/unique features of other channels.

22. Provide an example of a strategy or plan including a roadmap that you have developed for a client that covers both a business objective perspective and a web/mobile technology perspective.

23. How do you ensure constant communication and connection between the business objectives of a client and implementation of the technology to support those objectives?

24. Provide examples of how you have brought innovative, forward-thinking ideas to your clients. How do you ensure your company remains innovative?

25. Describe your approach to bring Omni-channel techniques into a new client’s digital marketing strategy.

26. What practices does your organization have in place to ensure your staff stays current with modern and future approaches to creative technology solutions?

27. Provide examples of your collaboration with a client and/or vendor to implement a fully-integrated digital campaign (websites, mobile apps, microsites, social media etc.).

28. Explain how your organization develops comprehensive knowledge of a client’s customers and how you incorporate that understanding into your designs.

29. Provide examples of projects/solutions where your organization has implemented exceptional user experiences in multiple digital-communication channels. Your examples should include a description of your design process.

30. The Lottery is building a digital ecosystem that it expects to be fully live in 2020. Describe what the digital space will look like in 2020 and what the Lottery should account for.

31. Review the Lottery’s current public website at www.calottery.com and describe how you would improve the site in order to increase user...
engagement and frequency of conversions to the Lottery’s Loyalty Program. Consider things such as information architecture, user interface, and visual design to insure every piece of information has a value, every screen is part of a story, and every swipe is intuitive.

32. Describe how your organization ensures that a proper level of user-experience design knowledge is maintained with personnel.

33. Describe how your planning, design, and development processes promote the delivery of strategic, reusable components that support current and future Digital Program needs.

34. Provide examples you have implemented of ‘in-product’ messaging (messaging players/consumers while online).

35. Describe your development lifecycle methodology. This should include, at a minimum, everything from requirements development to post-deployment.

36. Explain your quality assurance processes. Specifically, how do you ensure new releases of functionality, enhancements, etc. are bug/defect free?

37. Describe your organization's experience working with Sitecore or similar enterprise-class content management systems, and include any relevant certification held by employees of your organization.

38. Describe the tools and processes you have used for user-generated content.

39. Provide examples of your management of a client’s various digital communications platforms. Provide an understanding of the environments, your roles, the level of success, and how you ensured the environment operated as expected.

40. Provide examples of your work in multilingual online environments, specifically the translation of website content into Spanish, Asian, and/or other languages. List any translation services you have experience with.

41. Describe the security frameworks and industry standards bodies that your organization uses and how they are implemented.

42. Describe how you ensure security is proactively incorporated into solutions that are developed and how the level of security is maintained as enhancements are incorporated.

43. Describe how you ensure personnel maintain a proper level of security knowledge. Provide an understanding of how this knowledge is
incorporated into your coding practices and followed within your organization.

44. Describe your incident response process. Include an example of your response to a potential security-related issue that needed to be handled quickly and required a thorough investigation.

<table>
<thead>
<tr>
<th>Evaluation Criteria for Bidder References, Key Personnel Assigned to Lottery (Attachment 5), Key Personnel Resume (Attachment 6), Two Case Histories, and Bidder responses to Bidder Questionnaire.</th>
</tr>
</thead>
<tbody>
<tr>
<td>✔ Appropriateness of staff experience and level of expertise in their identified roles.</td>
</tr>
<tr>
<td>✔ Demonstrated organizational values, philosophy, and key strengths aligning with the Lottery’s Digital Program.</td>
</tr>
<tr>
<td>✔ Demonstrated experience and knowledge in providing Digital Agency Services.</td>
</tr>
<tr>
<td>✔ Depth and breadth of experience collaborating with partners on campaign digital engagement efforts.</td>
</tr>
<tr>
<td>✔ Depth and breadth of experience in developing and executing digital strategy and marketing plans.</td>
</tr>
<tr>
<td>✔ Depth and breadth of providing design and development services with a user-experience focus.</td>
</tr>
<tr>
<td>✔ Demonstrated experience providing administrative and operational support for digital communication channels and supporting platforms to a client using Sitecore or similar enterprise-class content management system.</td>
</tr>
<tr>
<td>✔ Demonstrated ability to provide ongoing maintenance and support service.</td>
</tr>
<tr>
<td>✔ Demonstrated experience working with multiple external vendors to support a primary client.</td>
</tr>
<tr>
<td>✔ Demonstrated ability to maintain and operate a high-performance, highly available website or other digital communication channels.</td>
</tr>
<tr>
<td>✔ Demonstrated ability in developing information security plans and procedures for protecting content and data.</td>
</tr>
</tbody>
</table>

6. **Optional Associated Services**

Bidders may propose optional services relevant to those described in Exhibit A, Scope of Services. Bidders must provide a detailed description of their optional services and specify how those services would assist the Lottery in achieving its objectives as outlined in this RFP. **Use of any of the Bidder’s proposed optional associated services during the term of any contract resulting from this RFP is at the sole discretion of the Lottery.**
III. PROPOSAL EVALUATION PROCESS

The Lottery will conduct a fair and impartial evaluation of proposals received in response to this RFP. Proposals submitted in response to this RFP will be evaluated in comparison with other submitted proposals. Clarification may be requested from participating Bidders during any phase of the evaluation process.

A. Ratings

Except for those submittals which are evaluated as pass or fail, Bidders’ rated submittals and the Finalist Presentation will be evaluated using the Rating Chart shown below for form and content in accordance with the provisions of this RFP. Each Bidder’s rated submittals and Finalist’s presentation will be given one of the following ratings from the table below:

<table>
<thead>
<tr>
<th>Rating</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Significantly Exceeds</td>
<td>Proposal significantly exceeds performance or capability expectations; proposal demonstrates exceptional strengths that will significantly benefit the Lottery.</td>
</tr>
<tr>
<td>Exceeds</td>
<td>Proposal exceeds performance or capability expectations; proposal has one or more strengths that will benefit the Lottery.</td>
</tr>
<tr>
<td>Meets</td>
<td>Adequate performance or capability expectations necessary for acceptable contract performance.</td>
</tr>
<tr>
<td>Meets with Exceptions</td>
<td>Proposal demonstrates weak performance or capability necessary for minimum contract performance; proposal has one or more weaknesses that offset any strengths.</td>
</tr>
<tr>
<td>Does Not Meet</td>
<td>Fails to meet minimum performance or capability expectations.</td>
</tr>
</tbody>
</table>

B. Finalist Group Briefing and Finalist Presentation

Bidders receiving an overall rating of “Significantly Exceeds” during the rated submittal evaluation will be invited to participate in the Finalist Group Briefing and Finalist Presentation. Bidders receiving a minimum rating of “Meets” or “Exceeds” in
the rated submittal evaluation may, at the sole discretion of the Lottery, advance to the Finalist Group Briefing and Finalist Presentation. The Finalists’ proposed key personnel must attend and participate in the presentation. The Lottery will provide Finalists with a case study about a Lottery initiative and during the presentation, Finalists must present a strategic, technical and creative solution designed for the Lottery, demonstrating their understanding of the Lottery’s needs and explain how its approach provides value to the Lottery.

Only those Bidders identified as Finalists will be invited to participate in the Finalist Group Briefing and Finalist Presentation. The Lottery will contact Finalists to schedule the briefings and presentations. Briefings and presentations will be conducted at the Lottery’s headquarters office in Sacramento, California and scheduled at the convenience of the Lottery Evaluation Team. Any preparation done by the Finalist for the presentation will be at the Finalist’s own time and expense.

Approximately two weeks after announcing the Finalists, the Lottery will conduct Finalist briefings at Lottery Headquarters. Finalists are required to participate in the group briefings. The purpose of the group briefings is to enable the Lottery to present information about its expectations with regard to the case study assignment. Following the group briefing, Finalists will have a one-on-one opportunity to ask questions to the Lottery. Within two business days prior to the briefings, Finalists may submit questions they wish to discuss in their one-on-one briefing. The Lottery will not provide input about specific creative strategies. Finalists will not be evaluated at these briefings.

The objective of the Finalist Presentation is to evaluate each presentation on both a stand-alone and comparative basis to facilitate an “agency-to-agency” evaluation. Each presentation will be rated on its technical solution, unique and creative concept and use of communication channels to best support the Lottery’s Digital Vision.

C. Price Assessment

1. Price Sheet (Attachment 7)

For those Bidders identified as Finalists, the Lottery will assess each price sheet for its responsiveness to the RFP’s requirements and the overall value to the Lottery in relation to the strengths and weaknesses of each Finalist’s proposal. The Lottery will then assess price sheets by comparing the specific proposal details from all Finalists. A Finalist that exceeds the requirements by providing more services or higher quality services for a fair and reasonable price will receive the highest consideration.

2. DVBE and Small Business Participation Program (SBP) (Attachments 3 and 4) (Optional)
During the Price Assessment, and in accordance with the instructions on Attachment 3 and 4, the Lottery will determine the appropriate DVBE and SBP contracting preference for the Finalists.

During the Contract term, contractor’s DVBE and SBP compliance will be calculated based on contractor’s completed work as verified by an audit of contractor’s invoices and payments to designated subcontractors.

D. Best Value Evaluation

The best value proposal will be the proposal that provides maximum benefits to the Lottery in the areas of security, competence, experience, qualifications, performance, and price. The proposal with the lowest price may not be selected if a higher-priced proposal provides greater overall benefits to the Lottery.

As part of the best value evaluation process, the Lottery may award a contract based on the proposals submitted or establish a competitive range and hold discussions with each Bidder in the competitive range. The competitive range will be comprised of the most highly rated proposals consistent with the need for an efficient competition. If discussions are conducted, each Bidder will be given the opportunity to revise its proposal only in those specific areas identified by the Lottery. Discussions may include bargaining. Bargaining includes persuasion, alteration of assumptions and positions, and give-and-take, and may apply to price, technical requirements, type of contract, or other terms of a proposed contract.

The Lottery may discuss with each Bidder in the competitive range weaknesses, deficiencies, and other areas of concern in its proposal such as price, technical approach, and other terms that, if altered, may enhance materially the proposal’s potential for award. The scope and extent of discussions are matters solely within the Lottery’s judgment.

IV. PROPOSAL PACKAGING AND DELIVERY

All proposals must be RECEIVED no later than Thursday, April 9, 2015, 3:00pm PT. Fax or electronic transmissions will not be accepted. Mail or deliver all proposals to the following address, marked as follows:
Postmark date will not constitute timely delivery. Proposals received after the above date and time will not be considered. Bidders are solely responsible for ensuring timely receipt of their responses.

All proposals and other requested documents must be organized in the same order and with the same lettering/numbering and bullet format for all sections and subsections; Proposals must be submitted in a 3-ring binder, one sided or doubled sided on 8 ½ x 11 inch paper, using at least 12 point size font. Tables, graphics, exhibits, inserts, and attachments may be submitted in a font size no smaller than 9 points for aesthetics. Each page must be consecutively numbered with sections clearly marked or labeled. Additionally the entire proposal must be submitted on a CD compatible with Microsoft Office 2010 Suite and Adobe Acrobat Reader X (v10.1.7).

The original proposal must be marked "Original Copy" and have original signatures. Any RFP attachment and/or form that requires a signature must be signed in ink (preferably in a color other than black) by a person who is authorized to bind the proposing firm.

Proposals must be submitted in sealed packages as addressed below and clearly identify the Bidder making the submission. Within the sealed packages, the Bidder must include four separately sealed packages clearly identifying the contents and Bidder name and address:

**Package 1** will contain one original and one copy in 3-ring binders of the Bidders' Mandatory Submittals as required in section II.A, Mandatory Submittals:

- Transmittal Letter
- Attachment 1 – Certification
- Attachment 2 – Guaranty
- Attachment 3 – Disabled Veteran Business Enterprise Participation Incentive Program (if applicable)
- Attachment 4 – Small and Micro Business Participation (if applicable)

**Package 1** will also contain one CD or flash drive containing one copy of the original proposal and requested documents. **Bidders must not include a copy of their completed Attachment 8, Major Contract Disclosure on compact disc(s) or flash drive(s).**
**Package 2** will contain one original and thirteen copies, in 3-ring binders, of the Bidders’ rated submittals, indexed, lettered, and numbered as required by section II.B, Rated Submittals and Evaluation Criteria.

- Responses to Bidder Questionnaire
- Attachment 5 – Key Personnel Assigned to Lottery
- Attachment 6 – Key Personnel Résumé form
- Bidder Reference list
- Two Case Histories (Written Format) and **only 2 copies** of DVD
- Optional Associated Services

**Package 3** will contain one original and four copies of:

- Attachment 7 – Price Sheet

**Package 4** will contain one original and one copy of:

- Attachment 8 – Major Confidential Disclosures
EXHIBIT A - SCOPE OF SERVICES

A. Digital Communication Client Services

Contractor will play a critical role as an active partner who will collaborate by providing communication, account, and client services to the Lottery in pursuit of the successful implementation of business initiatives in alignment with the Lottery’s Digital Program.

Contractor will provide services that include but are not limited to the following:

1. Consultative Services:

   Provide strategic and tactical recommendations for best practices in consumer engagement, device use and functionality, and platform integration with specific access devices.

   Provide recommendations on direction for future technological changes.

   Collaborate with the Lottery's other agency partners and/or contractors on campaign digital engagement efforts.

2. Brand and Campaign Management and Strategy:

   Provide strategic advice to maximize consumer engagement for optimum conversion rates for media campaigns and execute approved digital engagement experiences from design through deployment.

   Provide recommendations and execute approved direction for several player engagement efforts for specified products utilizing only owned media. These efforts may include digital couponing, prizing opportunities, and other such activities.

   Provide strategic and tactical recommendations to strengthen retailer partnerships, including expansion and optimization of the Lottery’s retailer digital channels.

   Provide strategic and tactical recommendations to promote and enhance responsible gaming programs, Lottery initiatives, and digital channels.

3. Account and Client Services:

   At the Lottery’s request, provide staff who can work onsite at the Lottery on an as-needed basis to develop and foster a working and account management partnership with Lottery staff.
Provide continuous advice and recommendations to key Lottery staff and participate in various business planning and strategy sessions for the Lottery’s Digital Program.

Provide an efficient and effective resource team of industry experts experienced in developing working relationships that foster collaborative and innovative solutions.

4. Business Analysis:

Provide recommendations and effective analysis based on an understanding of the Lottery’s target audiences and its stakeholders’ missions and values.

Provide actionable data and strategic recommendations for a thorough analysis process that will result in usable business facts and insights.

Provide business analysis services including business modeling, relationship management, and evaluation that provide added value for the Lottery team to help roadmap current and future business needs.

Provide recommendations about how the Lottery can best utilize the insights discovered through data analysis to maximize player engagement.

Provide methods to informally poll or survey players.

Provide recommendations for player segments to communicate with each other.

5. Media Enhancement and Management:

Create awareness and enhance mobile engagement with consumers and stakeholders to assist in achieving goals towards mobile strategy, including enhancing overall digital presence, through the Lottery’s websites, digital media advertising, and/or social media channels.

Leverage and expand upon current and future digital communication channels to create engaging solutions and generate positive media, stakeholder, and social awareness that improve conversion rates and improve perceptions of the Lottery.

Advise the Lottery about best practices for mobile integration with web properties and provide recommendations for continual entertaining digital Lottery experiences that engage players more deeply and provoke a call to action.

6. Owned and Social Media Strategy and Integration:

Provide guidance on the integration of social-based functionality across the Lottery’s digital ecosystem to make the discovery and sharing of content easier for audiences, while improving the Lottery’s capability to track and analyze audience interactions and behaviors.
These services will include but will not be limited to assistance with comprehensive, strategic, and innovative marketing plans, long term planning, and tactical execution on an as-needed basis.

Provide recommendations for the application of social media data to business intelligence efforts. Advise as to how to deliver, from each digital channel, the most efficient and effective owned-media communications including email, SMS, MMS, push notifications, ‘in-product messaging’, social, RSS, and QR/2D codes.

**B. Design and Development Services**

In collaboration with the Lottery team and the Lottery’s external partners, Contractor will participate with Lottery design and development efforts for enhancing and expanding the functionality and features of the Lottery’s digital communication media.

Contractor will assist in the full design and development phase, and will be responsible for development of design specifications, systems integration, source code management, and maintenance and support of current and future environments.

1. **Business Industry Knowledge and Expertise:**

   Contractor must provide a future-oriented and creative design team that understands the Lottery’s business goals and objectives, and thus will collaborate with the Lottery in effectively executing and advancing its business initiatives in the digital arena.

   Contractor must also provide direction to the Lottery on the use of the latest digital technologies, and best practices, including designing and developing functionality and responsive web and mobile designs across user platforms and major browsers, while complying with and meeting current and future Americans with Disabilities Act accessibility guidelines and any other applicable state and federal accessibility requirements.

2. **User Experience:**

   In addition to providing expert guidance for designing and developing conceptual and imaginative solutions, Contractor’s design and development recommendation must consider the user-experience as it applies to the Lottery’s target audiences and stakeholders.

3. **Solutions Development:**

   Contractor must provide direction on effectively and systematically implementing technical requirements that sustain the current and future state of the Lottery’s various digital communication channels. The proposed solutions should be intuitive in design, and have the ability to use current interactive and social
networking mediums such as Facebook and Twitter, as well as flexibility to add these and new types of features in the future. Contractor’s proposed solutions must also consider the application of QA and code-deploy processes and the turnaround time for deployment and as-needed integration with other third-party systems.

C. Maintenance and Support Services

Contractor will collaborate and provide maintenance and support services to ensure existing and future digital communication media channels are performing at optimal levels. Contractor will adhere to and work with the Lottery’s current architecture, application design, and infrastructure environment with respect to maintaining and supporting the Lottery’s websites, mobile apps, and chosen digital communication channels.

1. Operational Management and Support

Contractor will play an integral role in maintenance and support to ensure the performance and functionality of digital channels are not compromised. Contractor will provide services demonstrating proficiency with account management, operations management, system development lifecycle, and project management as part of its overall maintenance and support responsibilities.

2. Content Management Support

Contractor will provide administrative and technical services, including system integration of third-party application tools and services currently part of the Lottery’s digital communication media portfolio. Contractor will be required to show proficiency and expertise in the use of the Lottery’s current content management system (CMS), Sitecore. Contractor, in a joint effort with the Lottery team, will provide administrative and operational support of the CMS, including implementing the CMS to produce streamlined processes associated with managing, updating, and maintaining website content, as well as adding future sub-sites.

Contractor must provide knowledge, expertise, and resources to effectively manage, resolve, and identify CMS operational needs and provide recommendations to mitigate degraded system performance and availability that may have adverse effects on the Lottery’s public websites or other dependent digital communication channels.

3. Systems Maintenance and Support

Contractor will collaborate with the Lottery to support the existing infrastructure by utilizing a “build once, deploy to many” principle, reusing pre-built web technology components and flexible frameworks. Contractor will assist with
oversight of all content strategy and optimization efforts, including search engine optimization efforts.

Another key and critical element of the CMS is the availability of content localization that provides multi-language versions of website content, such as in Spanish, Chinese, or other specified languages. As such, Contractor will maintain and support the current language functionality integrated in the CMS and provide recommendations that effectively sustain the current functionality as well as identifying solutions for future functionality enhancement and advancement.

4. Business Deliverables and Partnership

Contractor will work with the Lottery team to execute numerous deliverables as defined through approved business initiatives. Under direction from the Lottery, Contractor will also work in partnership with other Lottery external partners to managing integrated systems and provide and support critical, confidential, secured, and essential data elements.

D. Technical Services

In a joint effort with the Lottery team, Contractor will provide expert technical assistance and support for the Lottery’s current and future digital environment (see Exhibit C).

1. Technical Architecture and Environments

Under direction of the Lottery, Contractor will evaluate the current technical and application architecture, provide recommendations, and assist with the implementation of architecture changes as needed. Contractor will assist the Lottery in ensuring websites and web services supporting the Digital Program meet current and future performance requirements. This can include, but is not limited to, website and web services tuning, caching and content delivery, and database tuning.

Additionally, Contractor will assist the Lottery in measuring, monitoring, and troubleshooting potential and actual performance and availability issues. Contractor will also assist the Lottery in developing and implementing fault tolerance and efficient backup and recovery processes, including disaster recovery, for critical digital communication channels and media.

2. 3rd Party Application Support

Contractor must provide technical support and integration of third-party applications that provide specialized functionality to various digital communication channels. Contractor will assist with the maintenance and software upgrades required to support these applications. Contractor will collaborate with the Lottery in identifying and recommending new third-party
applications and tools that will benefit the Digital Program. Below are examples of third-party applications and tools currently being utilized by the Lottery.

<table>
<thead>
<tr>
<th>Third-Party Application</th>
<th>Service Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>SendGrid</td>
<td>The email distribution originating from the Lottery’s Public Website (PWS) is handled via this tool.</td>
</tr>
<tr>
<td>Google Analytics</td>
<td>Provides site and page traffic analytics.</td>
</tr>
<tr>
<td>Ooyala</td>
<td>Video service used as the PWS Online Video Platform (i.e. video content delivery).</td>
</tr>
<tr>
<td>Geolocation</td>
<td>Optional service that provides reverse Domain Naming System (DNS) lookups to determine the geo-location of the user accessing the website.</td>
</tr>
<tr>
<td>Google Static Maps</td>
<td>Mapping used to provide search results visualization.</td>
</tr>
<tr>
<td>Dynect</td>
<td>An optional third-party DNS management system leveraged for the PWS sub-domains.</td>
</tr>
<tr>
<td>CDN</td>
<td>A content delivery network or content distribution network (CDN) system of servers containing copies of data, placed at various points so as to maximize bandwidth for access to the data from clients throughout the network. A client accesses a copy of the data nearest to the client.</td>
</tr>
<tr>
<td>Translations.com</td>
<td>The Spanish content items of the PWS are translated by this service provider. The English content for these Spanish pages is exported using a proprietary CMS file designed for this purpose and provided to current translations provider for the creation of a corresponding Spanish version of the file, which is imported back into the CMS.</td>
</tr>
</tbody>
</table>

3. Information Security

Contractor must maintain the highest standard of security and integrity protocols to preserve, maintain, and secure information provided through the Lottery’s various digital communication channels. Contractor must provide leading-edge knowledge and well-defined and established security practices. Contractor must put procedures in place to protect the confidentiality, integrity, transmission, and availability of content and data contained in the Lottery’s digital communication channels, including enforced security controls and maintaining and managing application (i.e. Sitecore) and system access control.

E. Optional Associated Services

At the Lottery’s request, Contractor may be required to provide optional associated services in support of the Digital Program’s objectives.
## Exhibit B – KEY SERVICES AND DELIVERABLES

<table>
<thead>
<tr>
<th>Work</th>
<th>Deliverables</th>
<th>Estimated Annual Quantity (Subject to change)</th>
<th>Billing Method</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategy and Creative</strong></td>
<td>Develop digital communications strategies, plans, and creative concepts that support the Lottery Digital Program’s goals and objectives. This includes defining integrated digital campaigns that fully leverage existing or new websites, microsites, mobile applications, email, digital, video, social platforms, and other digital channels.</td>
<td>Develop strategies, plans, and creative for 4-5 major marketing campaigns with fully-integrated digital communications support, and 4-5 ancillary campaigns with minimal digital communications support. Participate in strategic planning sessions 2-4 times a year or as needed.</td>
<td>Hourly billing or Task Order, depending on scale of work.</td>
</tr>
</tbody>
</table>
| **Business Analysis** | Provide business analysis services, including but not limited to:  
  a. Business modeling, relationship management, and evaluation and analysis  
  b. Information analytics and recommendations for implementing best practices for data extraction  
  c. Road mapping of current and future business needs. | As needed. | Hourly billing. |
| **Owned and Social Media Strategy and Integration** | Provide guidance, design, and development for the most efficient and effective integration of social-based functionality across the Lottery’s online ecosystem, including but not limited to: email, SMS, MMS, push notifications, ‘in-product messaging’, social, IVR, interactive, geo-located offers, RSS, and QR/2D codes. | As needed. | Hourly billing for requirements & consultation; Task Order for project. |
## Design and Development Services

Consult, collaborate, design, develop, and maintain digital communications content and applications to support the Lottery Digital Program’s efforts that include but are not limited to:

- Microsites
- Web sites and pages
- Mobile apps
- Email communications.

Design & develop 4 microsites to support the Lottery’s major campaigns.
Provide 4-5 major enhancements to existing websites to support new products and services. Develop new or revamped web sites, such as the Lottery’s retailer website, as needed.
Develop 4-5 ancillary player engagement elements, such as immersive web assets, to support non-advertised products.
Develop 1 major mobile app release and 6 minor mobile app releases.
Develop engaging email communications to support 4-8 campaigns.

Hourly billing for requirements & consultation; Task Order for project.

## Maintenance and Support Services

Provide effective maintenance and support services to ensure optimal performance levels of all owned digital channels, including but not limited to:

- Website and microsite support
- Content management support
- Systems maintenance and support.

Ongoing and as needed.

Hourly billing.

## Technical Services

- Technical Support
- Technical Architecture
- 3rd Party Application Support
- Information Security.

Ongoing and as needed.

Hourly billing.
This exhibit illustrates a high-level understanding of the environment that supports stakeholders' digital interaction with the Lottery.

Each site has its own web/application servers requiring separate builds, its own content management system requiring separate deployments, database and database servers resulting in duplicate data fields, and essential data feeds from various source systems requiring multiple data fetches from the source. Contractor must assist the Lottery in becoming more efficient and effective by “building once and deploying to all,” centralizing the content delivery system, consolidating the infrastructure, and streamlining the data feeds.

The following are the major component names and their descriptions:
1. Public Web Site (PWS) - The Lottery’s public website ([www.calottery.com](http://www.calottery.com)) is a mission-critical system for engaging ‘leaning forward’ consumers to enter or move along the Lottery’s consumer journey by providing exciting offers and opportunities and other information. The PWS provides information about games offered, winning numbers, jackpots and other prizes, and retail locations. It displays current promotions and events, provides actual amounts of supplemental funds the Lottery provides to California schools down to the school district level. The PWS has, on average, 10 million visits per month. In high jackpot scenarios, the site has experienced more than 2 million visits in one day – many coming during the hour of winning numbers announcements. The PWS contains 40-50 main pages with nearly 1,800 supporting pages, the vast majority of which (1,500-1,600) are press releases.

The PWS also serves as a portal for the Lottery’s 2nd Chance program. The Lottery’s 2nd Chance portal allows players to register as Lottery players, manage their player accounts, subscribe to email notifications such as jackpot alerts, and submit specific Lottery codes for additional opportunities to win.

Sitecore 6.3 is used to manage and maintain nearly all the PWS content. A Sitecore template is used for each unique data type and category defined in the PWS sitemap. Microsoft SQL Server 2008 R2 is used for the Sitecore and other PWS databases.

2. Retailer Web Site (RWS) – RWS provides Lottery retailers with access to retailer-specific information and reports. Retailers can access reports, publications, promotion information for current games, and financial information.

RWS was developed in 2003 and requires a major technology refresh. The web page was developed in ASP. The retailer portal uses Microsoft Content Management Server 2002 as the content management system. Custom data load processes developed in Microsoft.Net are used by the RWS to import data from the Lottery’s gaming system. The supporting database platform for RWS is Microsoft SQL Server 2000.

3. Corporate Responsibility Website – The Lottery’s Corporate Social Responsibility (CSR) website ([www.californialottery.com](http://www.californialottery.com)) includes information about responsible gaming, contributions to education, integrity and transparency, and environmental impact. The site’s content manager and database servers are shared with the PWS environment.

4. Micro Websites – Micro websites are used periodically to support promotions and campaigns by offering exciting and engaging experiences which extend the life of the campaigns.

5. Web Services – The Lottery’s PWS provides public-facing web services that provide information such as Lottery draw game data and retailer data to external third-party systems such as the Lottery’s IVR and mobile apps.
6. **Lottery BI and Analytics Portal** – This web portal provides access to Lottery dashboards, reports, and analytics. Contractor will assist the Lottery in collecting Digital Program information but will not be responsible for managing the portal.

7. **GTECH System** – The GTECH system provides the central computer system that runs the Lottery’s gaming operations. It includes terminal devices at retailer locations, communications networks, the central gaming system, and supporting back office systems. Player ticket purchases are processed by the gaming system. The GTECH system provides gaming data to support PWS and the Lottery’s BI and Analytics portal. GTECH is responsible for managing this system.

8. **GTECH Web Services** - GTECH provides secure web services that provide lottery functionality & products to third-party systems, mobile applications, and other sales channels. Currently, GTECH provides the back end services supporting the Lottery’s 2nd Chance program. This includes Lottery player management services such as registration, sign in, view/edit player account, and email subscriptions. It also includes 2nd Chance services such as entering eligible non-winning tickets, ticket entry history, and 2nd chance draw results. Contractor will use, but will not manage, these services.

9. **Third-Party Services** – Several third-party services and sites are used by PWS and micro web sites. These include email services provided by SendGrid, content delivery networks (CDN) for video and other static content caching, google maps, and language translations.

10. **Lottery Interactive Voice (IVR) System** – The Lottery uses an IVR solution for its 1-800 number. The IVR system is provided and hosted by a third-party that integrates with the PWS web services. The IVR system also includes an Automatic Call Distribution (ACD) platform for call routing and queuing. Contractor will provide web service functionality to support the Lottery’s IVR system, but will not be responsible for managing the system.

11. **Email** – The Lottery uses SendGrid to provide email communication services, such as subscription notifications (e.g. jackpot and winning number alerts), newsletters, and other promotional communications.

12. **Social Sites** – Currently the Lottery manages its own Facebook, Twitter, YouTube, and Instagram pages. Contractor will assist with integrating digital campaigns with these social channels.

The Lottery’s PWS, web service (API’s) and micro websites are hosted in Microsoft Azure Cloud in an infrastructure as a service configuration. Currently, quality assurance (QA), user acceptance (UAT), production, and disaster recovery environments supporting these sites and services are hosted at Azure. Windows 2008 R2 with IIS, Microsoft SQL 2008 R2, and Sitecore CMS 6.3 are the primary platforms running in these hosted environments.
EXHIBIT D – DRAFT CONTRACT TERMS AND CONDITIONS

1. GENERAL PROVISIONS

1.1 Signature Authorization

The person signing this Contract warrants that he/she is an agent of Contractor and is duly authorized to enter into this Contract on behalf of Contractor.

1.2 Initial Term of Contract

The initial term of the Contract is five years.

1.3 Option to Extend

The Lottery may unilaterally extend the term of this Contract under the same terms and conditions including pricing, for any or all services specified in Exhibit A, Scope of Services, for up to five one-year terms (not to exceed ten years total) from the Initial Term of Contract.

1.4 Emergency Extended Service

At the Lottery’s request, Contractor agrees to provide up to 12 months’ additional emergency extended services under the same terms and conditions upon expiration of the Contract term and any extensions.

1.5 Transitional Service for Contractor Change

The Lottery may require continuation of the Contract under the same terms and conditions, upon 30 days’ notice, for multiple 90-day periods to facilitate transition to a new contractor. Contractor agrees to maintain the service in a state of readiness for any such periods after the completion of the Contract.

1.6 Full Force and Effect

This Contract is of no force and effect until signed by all parties and all approvals are secured (“Execution”). Contractor operates at its own risk if it commences performance before Execution.

1.7 Amendment

The parties may amend the Contract by mutual written consent and prior to the Contract expiration date. No alteration or variation of the terms of this Contract will be valid or binding unless amended pursuant to this section, and no oral agreement or understanding not incorporated into the Contract is binding on any of the parties.
1.8 Contractor Consideration

As consideration for the compensation paid to Contractor under this Contract, Contractor agrees to perform all services and to fulfill all responsibilities as duly ordered and authorized by the Lottery’s Contract Manager and as detailed in Exhibit A, Scope of Services. In case of any discrepancies contained in Exhibit A, Scope of Services, Contractor will immediately notify the Lottery’s Contract Manager for clarification.

2. RELATIONSHIP AND AUTHORITY

2.1 Contractual Relationship

The California Lottery Commission ("Commission"), as the governing body of the Lottery, and Contractor agree that the California State Lottery Act (Government Code sections 8880 et seq.) charges the Lottery with the duty to operate "so as to produce the maximum amount of net revenues to supplement the total amount of money allocated for public education in California." Contractor acknowledges that the Commission has the authority to exercise all powers necessary to effectuate the purpose of the Lottery Act. The Commission retains all such authority under the Contract. Contractor agrees to be accountable and subject to the Commission and its designated administrative officers under the Contract. Contractor agrees to be subject to all Commission policies, rules and regulations.

2.2 Authority

The laws of the State of California and any federal laws applicable to the Lottery govern the Contract. Contractor agrees to be bound by all laws, regulations, guidelines, and court orders imposed upon the Lottery as they relate to the Contract. Contractor will perform its duties and obligations subject to Lottery audit and oversight and all Contract terms and conditions. Contractor will have the power and authority, consistent with the limitations herein, to act as may be necessary or desirable to properly, efficiently, fully and completely perform the Contract.

2.3 Jurisdiction and Venue

The proposal process, the award procedure, and any contract resulting from this solicitation will be governed by and interpreted in accordance with this section. By signing the Contract, Contractor acknowledges and specifically agrees that the jurisdiction for any action hereunder will be the Superior Court, State of California, and the venue for any action hereunder will be Sacramento County. As consideration for entering into the Contract, Contractor waives access to any other court that may have concurrent jurisdiction inside or outside of California and also agrees to exhaust all contractual and administrative remedies before instituting litigation relating to the Contract.
3. OBLIGATIONS OF THE PARTIES

3.1 Contract Managers

The Lottery’s and Contractor’s Contract Managers are responsible for ensuring compliance with the terms and conditions of the Contract and, unless otherwise specified in the Contract, will have the authority to act for and bind their respective party in connection with the Contract. Whenever the Contract requires any action to be taken by the Lottery, such action will be the sole responsibility of the Lottery’s Contract Manager unless otherwise specified. Any action taken by any other employee of the Lottery without the specific written approval of the Lottery’s Contract Manager will be of no legal effect. The parties will notify each other in writing within five state working days of a proposed change in a Contract Manager. Any change in Contractor’s Contract Manager will be subject to Lottery approval.

3.2 Key Personnel

A. The personnel specifically identified in Contractor’s proposal as “Key Personnel” are considered essential to the work being performed under the Contract. Before removing, replacing, or diverting any of the listed or specified personnel, Contractor must (1) notify the Lottery’s Contract Manager in writing, 30 days in advance and (2) submit justification (including proposed substitutions) in sufficient detail to permit evaluation of the impact on the Contract.

B. Contractor may not remove, replace or divert personnel listed in Contractor’s proposal as “Key Personnel,” without the Lottery Contract Manager's written consent.

3.3 Prior Lottery Approval

The Lottery is not liable for payment for any work that Contractor commences without prior written approval from the Lottery Contract Manager.

3.4 Licenses and Permits

Contractor must be licensed to do business in California and must obtain, at Contractor’s expense, all licenses and permits required by law for accomplishing any work required in connection with this Contract. Contractor must, upon request, provide the Lottery with copies of all required licenses/permits. In the event any licenses or permits expire at any time during the term of this Contract, Contractor agrees to renew and provide the Lottery upon request with a copy of the renewed licenses or permits.
3.5 Confidentiality of Parties

A. The Contractor must keep confidential all information and materials related to the Contract and/or obtained through the course of work, must not disclose any such information or materials to third parties unless such disclosure is approved in writing by the Lottery Contract Manager, specifically required by court order or subpoena, or otherwise specifically permitted by the Contract. Under no circumstance will the Lottery be liable to the Contractor or to any other person or entity for disclosing Contractor information and materials.

B. The California Public Records Act requires public disclosure, upon request, of documents that pertain to state business. Exceptions to this requirement are limited. The Lottery may, in its discretion, withhold Contractor material specifically and conspicuously identified by the Contractor as confidential if the Contractor has provided sufficient legal justification for doing so. The Lottery is under no obligation to inform the Contractor that a request for information has been made or that documents are being released. However, the Lottery may, in its discretion, allow the Contractor the opportunity to provide the Lottery with further legal justification for withholding specific information. Unless it receives a court order to the contrary, the Lottery retains the right to determine whether an exemption to the Public Records Act applies to the Contractor information being sought.

3.6 News Releases

Contractor must not issue any news releases or make any statement to the news media pertaining to this Contract without the prior written approval of the Lottery, and then only in cooperation with the Lottery.

4. GENERAL WARRANTIES AND REPRESENTATIONS

Contractor warrants and represents the following:

A. Authority

Contractor is fully authorized and prepared to enter into and fully perform the terms and conditions of the Contract. Contractor has secured, or will have secured, at its expense, and will maintain throughout the Contract term, all necessary rights, clearances, permits, governmental approvals and licenses with respect to all material and elements embodied in, or used in connection with, the performance of the Contract;

B. Compliance with Law

Contractor will comply with all federal, state, and local laws, ordinances, rules, and regulations applicable to its activities and obligations under the Contract;
C. No Infringement

The goods and services provided do not and will not, to the best of Contractor’s knowledge, infringe any copyright, trademark, or other third-party owned intellectual property.

No software program, process, composition, writing, equipment, appliance or device, or any trademark, service mark, logo, idea, or any other work or invention of any nature or any other tangible or intangible property whatsoever developed, provided or used by Contractor (other than that provided or used by the Lottery or another contractor at the Lottery’s request) in connection with its performance under the Contract, infringes or will infringe any patent, copyright, trademark, logo or any other service mark of any other person, or entity, or is or will be a trade secret of any other person. Contractor warrants and represents that it has appropriate products and controls in place to ensure against such infringement. Upon request, Contractor will provide the Lottery with documentation indicating a third party’s written approval and license for Contractor to use and sublicense the third party’s copyright, patent, trademark or trade secret;

E. Performance Standards

All services that Contractor provides under the Contract will be performed in a prompt, competent manner by properly trained individuals in accordance with the highest standards of Contractor’s industry.

5. FISCAL PROVISIONS

5.1 Reduction of Funds

The obligations of the parties under this Contract are subject to the availability of funds appropriated by the Lottery Commission to the Lottery.

5.2 Frequency of Payment

Contractor will be paid upon submission of an invoice, monthly in arrears, and approved by the Lottery Contract Manager.

5.3 Payment

Contractor will be paid in accordance with Attachment 7, Price Sheet and Exhibit E, Task Order Form. Payments will be made within 45 calendar days from date the Lottery receives an invoice, unless the invoice is disputed. All invoices will be paid minus any applicable offsets, taxes or withholds.

If the Lottery determines that an invoice was improperly executed, or that additional evidence of the validity of the invoice is required, the Lottery will notify Contractor of a disputed invoice within 15 calendar days from receipt of the invoice. Once the invoice is corrected, payments will be made within 45 days from receipt of the corrected invoice.
Where payment has not been issued within 45 calendar days from Lottery’s receipt of an undisputed invoice, interest penalties will accrue as set forth in the California Prompt Payment Act. If Contractor is a nonprofit organization and the value of the contract is less than $500,000, or if Contractor is certified with the Department of General Services as a small business, interest will accrue at a rate of 10% above the U.S. Prime Rate on June 30th of the prior fiscal year. However, if the amount of the penalty is ten dollars or less, the penalty is waived. Nonprofit organizations are ineligible to receive penalty payments if the value of the Contract is $500,000 or more.

For all other businesses, interest penalties will accrue at a rate of 1% above the daily rate for the Pooled Money Investment Account on June 30th of the prior fiscal year, but will not exceed a total rate of 15%. Penalties of $100.00 or less are waived, as set forth in the California Prompt Payment Act.

5.4 Notice of Monies Due

The Lottery will notify Contractor in writing when and if any monies are due the Lottery. Any monies Contractor owes the Lottery must be paid to the Lottery within 45 days after the postmark of the notice of the amount due or the amount due will be deducted from compensation otherwise due Contractor by the Lottery.

5.5 Tax Reporting

Contractor is notified that section 6041 of the Federal Internal Revenue Code and section 18646 of the California Revenue and Taxation Code require the Lottery to report certain payments. No claims for payment will be processed by the Lottery without the necessary information specified therein. Contractor agrees to abide by these reporting requirements and to provide that information to the Lottery.

5.6 Withholds

A. The Lottery has the right to withhold or delay payments to Contractor, in whole or in part, if Contractor fails to perform its material obligations under the Contract.

B. For the last month of the Contract term, the Lottery may withhold up to ten percent of its payments to Contractor, which will be released in the Lottery’s discretion upon completion of satisfactory transfer to a new contractor.

C. Should Contractor cure the performance failure giving rise to the withheld or delayed payment, the Lottery will review the matter with Contractor and determine, within its discretion, whether the Lottery will continue to withhold payment or otherwise offset money due Contractor.

5.7 Full Compensation

The compensation to be paid Contractor, except as otherwise provided herein, is in consideration for all of Contractor's services and administrative expenses.
5.8 Invoicing

Contractor must submit invoices in triplicate on a monthly basis noting the Contract number and listing the services rendered, goods provided and reimbursement claimed, and completed Task Order form if applicable. The Lottery Contract Manager will review each invoice for completeness and accuracy and either approve or dispute it. Disputed invoices will be returned to Contractor with an explanation. Unless disputed, payment will be made after goods and services are received. Invoices must be submitted to:

California Lottery
Accounting Operations
P.O. Box 778
Sacramento, CA 95812-0778

Supporting documents must accompany invoice. Contractor is required to mark "Final Invoice" on the last invoice to be submitted to the Lottery for payment. If no final invoice is received within 180 calendar days after the termination of the Contract or expiration of the Contract by its own terms, Contractor waives the right to receive any further payments under this Contract.

6. LOSS PREVENTION

A. Contractor must acquire and maintain insurance policies, bonds, and securities (Coverage) and indemnify the Lottery as set forth herein. The required Coverage must remain in force throughout the term of the Contract and any extensions, and copies of the Coverage documents, including insurance policies, must be provided to the Lottery upon request. Proof of Coverage, including certificates of insurance for each required policy, must be provided to the Lottery within ten calendar days after execution of the Contract. In addition, proof of Coverage for renewals must be forwarded to the Lottery within ten calendar days of Coverage expiration. Each insurance policy must be issued by companies rated A-minus or better by the AM Best Company, or meet the approval of the Lottery. If Contractor's Coverage provider cancels any required policy or other Coverage, Contractor must immediately notify the Lottery and obtain replacement Coverage. Failure to provide and maintain any required Coverage may result in termination of the Contract.

B. Contractor will not perform services or incur expenses until proof of Coverage, including certificates of insurance for the required policies, are received by the Lottery.

C. Contractor may request adjustment to Coverage requirements by submitting a request in writing to the Lottery Contract Manager. Contractor may not adjust Coverage amounts, including insurance liability limits, without prior written approval of the Lottery.
6.1 Workers’ Compensation

Contractor must maintain Workers’ Compensation insurance for all of its employees who will be engaged in the performance of the Contract pursuant to the requirements of California Labor Code.

6.2 Commercial General Liability or Public Liability Insurance

Contractor must maintain commercial General Liability insurance with limits of at least $1 million for any one person and $1 million for any one occurrence for death or bodily injury, and $1 million for any one occurrence for property damage. The policy must also include coverage for liabilities arising out of premises, operations, independent Contractors, products, advertising injury, personal injury, and liability assumed under an insured Contract. The Policy must include the Lottery, Lottery Commission members and Lottery Officers and employees as additional named insureds, insofar as the operations under the Contract are concerned.

6.3 Professional Liability aka Errors & Omissions Insurance

Contractor must maintain Professional Liability Insurance covering any damages caused by an error, omission or any negligent acts. Limits of not less than $1 million will be provided.

6.4 Financial Security for Lottery

Contractor must acquire and maintain an initial level of financial security sufficient to satisfy the Lottery in the event of Contractor’s non-performance or partial performance in the amount equal to the Contract’s first year value as determined by the Lottery. The amount of the security may be reevaluated by the Lottery at any time. Any security amount adjustment will be based on the value of the Contract at the time of the adjustment, including any amendments. At the Lottery’s discretion, the security may include, but is not limited to, the following: performance bond, irrevocable letter of credit, assignment of assets to Lottery, or certificate of deposit which secures the Lottery against non-performance by Contractor, its agents, and employees and any subcontractor, its agents, and employees. The Lottery must be able to execute against the acceptable security for any loss of revenue resulting from any material error, breach, violation, or failure to perform under the Contract.

6.5 Indemnification

A. Contractor will indemnify and hold harmless, at Contractor’s expense, the State of California, the Lottery, the Lottery Commission, Lottery Commission members, and the Lottery’s officers, employees and agents, and their respective successors, heirs, representatives, administrators and assigns, from all responsibilities, suits, judgments, awards, costs, damages, claims, demands, actions, causes of action, expenses or liabilities of every kind, nature, and description, threatened or brought against, sustained or incurred by any of them, whether joint, several, or individual (hereafter referred to as “Claims”) resulting or arising from or in any way connected
with or based on the actions of Contractor or its officers, employees, subcontractors, or agents in connection with the Contract. Contractor’s obligations hereunder include any losses, damages, liabilities, settlements, judgments, fines, costs, fees, and expenses of any nature whatsoever, including but not limited to fees of attorneys and other professionals at trial and on appeal.

B. Neither Contractor nor any attorney engaged by Contractor may defend against these Claims in the name of the Lottery, nor purport to act as a legal representative of the Lottery, without the prior written consent of the Director of the Lottery or his/her designee.

C. The indemnities set forth in this subsection are in addition to, and not in lieu of, any other indemnities provided hereunder or by law.

D. Contractor must provide the Lottery Director immediate written notice of any action or suit filed against Contractor that is related in any way to the Contract.

7. CONTRACT OVERSIGHT

7.1 Background Investigations and Approval of Contractor Staffing

As provided by law, the Lottery may investigate Contractor, its officers, directors, principals, investors, owners, employees or other associates, and/or the officers, directors, principals, investors, owners, employees, and other associates of Contractor’s parent entity, subsidiaries, and/or subcontractors at any time during the life of the Contract. The Lottery may reject a bid or terminate the Contract based on the results of these investigations as provided in California Government Code sections 8880.57 and 8880.58.

Furthermore, Contractor understands and agrees that, in furtherance of the Lottery’s full disclosure requirements, any person associated with the performance of the Contract may be fingerprinted and may be required to complete a Personal History Statement and an Authorization to Release Personal Background Information form.

The Lottery reserves the right to disapprove any Contractor and/or subcontractor personnel assigned to the Lottery Contract. Any personnel deemed unacceptable to the Lottery will immediately be removed from the Contract and all facilities. All subcontracts must include a provision implementing this right.

Contractor and/or subcontractor personnel must not be assigned to the Lottery Contract if they have ever been convicted of a felony, gambling-related offense, or a crime involving dishonesty. This Contract may be subject to termination if Contractor knowingly assigns to or fails to remove from the Lottery Contract, personnel with criminal convictions as described above.

Contractor may be required to reimburse the Lottery for necessary and reasonable costs incurred by the Lottery in conducting background investigations pursuant to the terms and conditions of the Contract; including travel, lodging, per diem, document
procurement, site inspections, fingerprinting and any other necessary and reasonable expenses.

7.2 Disqualification from Lottery Play

During the term of the Contract, Contractor, any employee of Contractor that is likely to have access to confidential Lottery information, programs, or systems, and any spouse, child, brother, sister, or parent that resides in the same house as either Contractor or an employee described above will be deemed “Disqualified Persons” under Lottery Regulations. Disqualified Persons are strictly prohibited from purchasing a Lottery ticket, winning a Lottery prize, participating in Lottery promotions, and receiving Lottery promotional awards.

Prior to commencement of work under the Contract, Contractor and all Disqualified Persons must submit a completed and signed copy of the Lottery’s “Contractor Information – Disqualified Persons” form. This form requires that the name, address, and date of birth be provided for all Disqualified Persons. This information will be treated as confidential and will be used solely to assist the Lottery’s Security and Law Enforcement Division in screening out any Lottery prize or promotional award claims submitted by Disqualified Persons.

During the Contract term, Contractor has an ongoing duty to ensure that the “Contractor Information – Disqualified Persons” form remains up-to-date and that the Lottery receives a completed and signed copy of this form for any employees, new or otherwise, that will perform work that is likely to involve access to confidential Lottery information, programs, or systems. Any Disqualified Person that fails to provide a completed and signed copy of the “Contractor Information – Disqualified Persons” form must not be permitted to perform this type of work under the Contract.

7.3 Contractor Evaluation

The Contract Managers for the Lottery and Contractor may meet as often as necessary but not less than once a year to review and evaluate progress and performance. The review and evaluation criteria will be established by the Lottery Contract Manager and may include but will not be limited to problems and future performance under the Contract and any other subject relating to completion of tasks under the Contract.

7.4 Small Business and Disabled Veteran Business Enterprise Participation Monitoring

The Lottery’s Contract Development Services will monitor Contractor’s Small Business Participation and Disabled Veteran Business Enterprise Participation, if applicable. Periodic participation reports will be required from Contractor.

7.5 Access to Financial and Accounting Records

Contractor and its subcontractors for this Contract are required to maintain financial and accounting records and other documents and evidence, including but not limited to electronic versions, hereinafter “documents,” pertaining to the fulfillment of the Contract
obligations in accordance with generally accepted accounting principles and other procedures that may be specified by the Lottery. Contractor must make these documents available to the Lottery upon request during the Contract term and any extensions. Contractor must retain these documents for four years from the date of final payment of the Contract.

The Lottery reserves the right to audit all Contractor and subcontractor documents and procedures, as they relate to this Contract.

A. Contractor will make available to the Lottery upon request authenticated requisitions for payment (including invoices from suppliers, etc.) and proof of payment to third parties for all work and services on behalf of the Lottery's accounts.

B. Contractor will make available to the Lottery all documents relating to the Contract as well as expenses incurred by Contractor on the Lottery's behalf for which Contractor claims reimbursement. Contractor will make all documents open to examination and inspection by an authorized representative of the Lottery at all reasonable times.

7.6 Audit Provisions

A. Records Audit

During the Contract’s term, and for four years thereafter, Contractor must provide all duly authorized representatives of the state and the Lottery full access to all Contract-related financial records, including access to individuals with knowledge of the financial records. All duly authorized representatives of the state or the Lottery may examine, audit, and copy all the information described in this section.

B. Right to Audit Contractor's Operations

The Lottery reserves the right to audit Contractor records, procedures, and operations as they relate to the Lottery. Audits may include both announced and unannounced inspections and on-site audits. Audits may include the place(s) where duties under the Contract are being performed, reviewing the physical or logical security controls, or eliciting information concerning the software or programs provided under this Contract. The Lottery's auditors or an independent firm or state control agency specified by the Lottery may conduct the audits.

Contractor must ensure that the subcontractors providing services under the Contract, if any, fully comply with the inspections and on-site audits referenced in this subsection.

7.7 Dispute Resolution

A. If a dispute arises out of this Contract that remains unresolved after good faith negotiations between Lottery and Contractor, the parties will submit the dispute to
binding arbitration unless the parties mutually agree to another form of alternative dispute resolution. Notwithstanding any dispute, Contractor will proceed diligently with performance of the Contract.

B. Arbitration will be conducted under the Commercial Arbitration Rules of the American Arbitration Association. The parties to the arbitration will share equally in the costs of arbitration. Each party will be responsible for its own attorney’s fees and costs. The arbitration must be held in Sacramento County before an arbitrator who is acceptable to both parties. In the event that the parties cannot agree on an arbitrator, one will be appointed after either party petitions the court pursuant to California law. The arbitrator’s decision must be in the proper form to be entered as a judgment in a court of competent jurisdiction in Sacramento County.

C. In the event the parties agree on another form of Alternative Dispute Resolution to address a particular dispute, this section will not be construed to limit the parties’ ability to utilize such a process. Any Alternative Dispute Resolution process that is mutually agreed to by the parties will be considered final and binding on both parties, and no further process will be permitted.

7.8 Notice of Delay

Whenever Contractor has knowledge that any actual or potential situation, including but not limited to labor disputes, will delay or threatens to delay timely performance of the work under this Contract, Contractor must immediately provide the Lottery’s Contract Manager written notice including any relevant information.

8. EXPIRATION OR TERMINATION OF CONTRACT

8.1 Expiration of the Contract

Absent early termination of the Contract as provided in this subsection, the Contract will expire at the end of its term and any applicable extension(s).

8.2 Termination for Default

A. The Lottery may, by written notice of default to Contractor, terminate the Contract in whole or in part if:

1. Contractor fails to deliver material products within the time specified in the Contract or any extension; or

2. Contractor fails to perform to an extent that endangers performance of the Contract; or

3. Contractor fails to perform any material provision of this Contract; or

4. Contractor fails to sustain a level of economic viability in its overall operations such that the Lottery cannot reasonably be assured of its ability to continue to
comply with all operational requirements of this Contract including those provisions relating to loss prevention; or

5. A court of competent jurisdiction finds that Contractor or any of its principals or assigned personnel has failed to adhere to any law, ordinance, rule, regulation or order that may reasonably impugn Contractor’s business in such a way as to call into question the security, integrity or competence of Contractor to serve as a Lottery Contractor; or

6. Contractor fails to communicate on material matters with the Lottery as required by the Contract; or

7. Contractor breaches the Contract’s standard of confidentiality; or

8. Contractor engages in conduct that results in a material negative public impression or creates the appearance of impropriety with respect to the Lottery, Contractor, or the State of California; or

9. Contractor has knowingly, or acting with a reckless disregard of the truth, furnished any material statement, representation, warranty or certification to the Lottery which is false, deceptive, or incomplete.

B. The Lottery may exercise its right to terminate the Contract under this subsection if the Lottery’s Contract Manager notifies Contractor of the breach and Contractor does not cure it within the Lottery’s established timeline. The Lottery is not obligated to provide an opportunity to cure and may terminate the Contract for breach without such opportunity.

In the event of termination for breach under this subsection, the Lottery will mitigate its damages and will have the right to obtain replacement services and/or goods, on an emergency or interim basis, for the services and/or goods which Contractor agreed to provide under this Contract. The Lottery may collect from Contractor the difference between the compensation stated in this Contract and the actual cost to the Lottery of obtaining and utilizing replacement services and/or goods. The Lottery may also collect actual costs, including administrative expenses and re-procurement costs, incurred to process and procure replacement services and/or goods. The Lottery may collect monies it is due by offsetting the amount from any payments due to Contractor, by perfecting and executing on any security interest provided pursuant any applicable section of the Contract, or by any other means.

C. If the Lottery terminates the Contract for default, the Lottery may require Contractor to transfer title and deliver to the Lottery any 1) completed or partially completed goods and/or materials; and 2) license rights to any intellectual property that Contractor has produced or acquired for the Contract, in addition to any other property in Contractor’s control in which the Lottery has an ownership interest. Contractor must protect and preserve property in its possession in which the Lottery has an interest.
The Lottery will pay the Contract price for completed goods or materials delivered and accepted. Contractor and the Lottery will agree on the amount of payment for goods, materials, and license rights to any intellectual property delivered and accepted by the Lottery, and for the protection and preservation of other property. Failure to agree will be a dispute subject to the section herein entitled Dispute Resolution. The Lottery may withhold from any amounts due to Contractor any sum the Lottery determines is necessary to protect the Lottery against loss because of outstanding liens or claims of lien holders.

D. The rights and remedies of the Lottery in this subsection are in addition to any other rights and remedies provided by law or under the Contract.

8.3 Termination Based on Determination of Illegality

The Lottery may terminate in whole or in part and reduce Contractor’s future compensation under the Contract immediately upon its determination that an activity or operation supported by the Contract is no longer lawful for reasons including, but not limited to, court decision, legislative action, administrative decision, or advice of counsel. Upon receipt of notice of termination or reduction based on a finding of illegality, Contractor must immediately cease performance of such activity or operation and mitigate its damages. The amount of compensation reduction will correspond to the cost and expected profit of the activity or operation terminated minus reasonable costs associated with the termination. Contractor must submit, within 90 calendar days of the receipt of a notice of termination or reduction pursuant to this subsection, a compensation reduction proposal. If Contractor and the Lottery fail to agree on the amount of compensation reduction, the Lottery will reduce the compensation as determined by its calculations.

8.4 Termination for Convenience

The Lottery retains the option to immediately terminate the contract for the Lottery’s convenience upon 30 days' advance written notice to Contractor, which notice will include the effective date of the termination which may be 30 days or more away. Upon the termination date established in the Notice of Termination, Contractor must cease performance and mitigate damages. Contractor will be entitled to compensation upon submission of invoices and proper proof of claim for that portion of the contract that was satisfactorily rendered or provided before the effective date of termination. The Lottery may also compensate Contractor for expenses incurred as a result of binding commitments made in connection with Contractor’s performance of the contract. Compensation for such expenses lies within the sole discretion of the Lottery. Contractor must submit proof of such expenses incurred to the Lottery’s satisfaction. In the event of termination for convenience, Contractor must furnish copies of all materials related to performance hereunder at the time of termination.

8.5 Parties' Responsibilities upon Termination and Transfer to New Contractor
Upon termination or other expiration of this Contract, each party will assist the other party in its orderly termination and the transfer of all Contract-related assets, tangible and intangible, as may facilitate the orderly, non-disrupted business operations of each party. Contractor must continue to provide and support goods and services pursuant to this Contract until migration to a replacement Contract with a new contractor is complete. If the migration effort is required to continue beyond the term of this Contract, Contractor agrees to extend the Contract in accordance with the section entitled Extended Service for Contractor Change for the time necessary to complete the migration and orderly transfer.

9. MISCELLANEOUS PROVISIONS

9.1 Changes

A. The Lottery Contract Manager may at any time, by written order, make changes to products or services that are not otherwise specified in this Contract if they are within the general scope of the Contract.

B. If any such change causes an increase or decrease in the cost of, or the time required for, performance of any part of the work under the Contract, the Lottery may adjust the Contract price, the delivery schedule, or both, and may amend the Contract. The Lottery will not adjust or amend the Contract for changes customarily provided by lottery Contractors at no cost.

C. Contractor must request any adjustment under this provision within 30 calendar days from receiving the written change order.

D. Failure to agree to any adjustment may be considered a dispute under the Dispute Resolution section. However, nothing in this section excuses Contractor from proceeding with performance under the Contract as changed.

9.2 Force Majeure

Neither Contractor nor the Lottery will be liable for any delay in or performance failure under the Contract due to a Force Majeure occurrence, provided that Contractor uses reasonably diligent efforts to avoid or otherwise minimize the impact of an event of Force Majeure on Contractor’s performance. Any such delay in or performance failure will not constitute default or give rise to any liability for damages. The existence of a delay or failure will extend the period for performance to the extent determined by the Lottery’s Contract Manager.

For purposes of this Contract, “Force Majeure” means an act of God or public enemy, earthquake, fire, flood, explosion, epidemic, quarantine restriction, strike, freight embargo or closure of all major access roads to geographic area, action of the elements, governmental interference, rationing or any other cause which is beyond the control of the party affected and which, by the exercise of reasonable diligence, a party is unable to control.
9.3 Waiver of Provisions

No term or provision of this Contract will be deemed waived and no breach excused, unless such waiver or consent to the breach is in writing and signed by the signatory to this Contract, or his or her successor, on behalf of the party against whom such waiver or consent is sought to be enforced. No consent by either party to a waiver or a breach by the other, whether express or implied, constitutes consent to, waiver of, or excuse for any other breach or subsequent breach except as expressly provided in the written waiver or consent.

9.4 Order of Precedence

The Contract consists of three documents. If there are inconsistencies or ambiguities in this Contract, the following documents will be used to interpret the Contract in the order of precedence:

A. Terms of this Contract.

B. Lottery’s Request for Proposal (RFP) # 50026 dated March 2, 2015, and any addenda thereto.

C. Contractor's response to RFP # 50026 and any clarifications/amendments submitted in response to requests by the Lottery.

Each party acknowledges that it has read this Contract, understands it, and agrees to be bound by its terms.

9.5 Notices in General

Any notice, request, demand, consent, waiver, or other item required or permitted under this Contract or applicable law must be in writing and will be deemed duly given or made only (a) if personally served upon the party intended to receive it, in which case it is effective when delivered; or (b) if sent by certified mail, return receipt requested, postage prepaid, addressed to the party at its address set forth below, in which case it is effective on receipt by any person residing at such address; or (c) is sent by FAX with a copy sent on the same date by first class mail, postage prepaid, addressed to the party at its address set forth below, in which case it is effective as of the date of mailing. A party may change its address for purposes of this Contract only by giving written notice to the other in the manner set forth herein.

<table>
<thead>
<tr>
<th>LOTTERY</th>
<th>CONTRACTOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name: California Lottery</td>
<td>Name: Generator</td>
</tr>
<tr>
<td>Address: 700 North 10th Street</td>
<td>Address: Genera</td>
</tr>
<tr>
<td>Phone # (916)</td>
<td>Phone # (916)</td>
</tr>
<tr>
<td>FAX # (916)</td>
<td>FAX # (916)</td>
</tr>
</tbody>
</table>
| e-mail Address: ---------@calottery.com | e-mail Address:

RFP #50026  51 of 111  March 2, 2015
9.6 Invalidity in Whole or in Part/Severability

If any provision of this Contract is held illegal, invalid, or unenforceable under any applicable rule or law, such invalidity will not affect other provisions which can be given effect without the invalid provisions, and to this end, such provision(s) is declared to be severable.

9.7 Execution of Counterparts

The parties deem an executed copy of this Contract as having the same force and effect as the original document.

9.8 Sections and Subsection Headings

The section and subsection headings contained herein are for convenience in reference and are not intended to define the scope of any provision of the Contract.

9.9 Assignment

A. Contractor may not assign any performance of or payment for the Contract or any portion of the Contract without the prior written consent of the Lottery. Any attempt by Contractor to make such assignment without the prior written consent of the Lottery will be void and will constitute a material breach of the Contract.

B. Contractor must submit requests to assign the contract in writing, to the Lottery Contract Manager. Contractor will not take any action to complete assignment of the Contract without prior written approval from the Lottery.

9.10 Subcontracting

Upon written approval from the Lottery Contract Manager, Contractor may enter into subcontracts. Contractor must submit a written request to the Lottery’s Contract Manager of its intent to enter into each subcontract. Contractor’s written request must be received by the Lottery Contract Manager at least fifteen calendar days prior to executing each subcontract. The request must: 1) provide verification that each subcontractor agrees to be bound to Contractor in the same manner as Contractor is bound to the Lottery, 2) include a detailed description of the work to be subcontracted and, 3) a copy of each proposed, written subcontract. The Lottery Contract Manager may approve or disapprove a subcontractor at any time.

Contractor must follow the Lottery’s requirements for procuring goods and services when the estimated subcontracted amount is over $100,000. The requirements may be found at www.calottery.com.

Nothing contained in the Contract will create any contractual relation, whether third party or otherwise, between the Lottery and any subcontractors. Contractor agrees to
be as fully responsible to the Lottery for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by Contractor.

Contractor's obligation to pay its subcontractors is an independent obligation from the Lottery's obligation to make payment to Contractor. As a result, the Lottery will have no obligation to pay or to secure payment of any moneys to any subcontractors.

9.11 Independent Contractor

Contractor will be an independent contractor of Lottery in the performance of the Contract. Contractor will have the sole, absolute and exclusive control of the manner and means of its performance under the terms of this Contract except as expressly set forth herein.

9.12 Travel and Expenses

Travel and per diem may be reimbursed when the Lottery expressly requests the presence of staff. Pre-approved travel and expenses (housing, meals, air travel and car rental) will be reimbursed at the current California Department of Human Resources approved travel rates for excluded employees (www.calhr.ca.gov).

9.13 Standards of Conduct

Contractor will be responsible for maintaining satisfactory standards of employee competency, conduct, appearance and integrity, and will be responsible for taking such disciplinary action with respect to employees as may be necessary. Contractor is also responsible for ensuring that employees do not disturb papers on desks, open desk drawers or cabinets, or use Lottery telephones except as authorized.

9.14 Nonexclusive Rights

Contractor understands and agrees that the Lottery does not grant Contractor exclusive rights to provide all those services listed in Exhibit A, Scope of Services during the period covered by this Contract or any extension thereto. The Lottery reserves the right, during the Contract term, to acquire these services through another vendor. In exercising this right the Lottery will determine, in the best interests of the Lottery and in furtherance of its purpose to maximize supplementary funds to public education, whether to obtain these services through Contractor or through another vendor. The Lottery’s good faith exercise of this right will not constitute a breach of the Contract.

10. CALIFORNIA LOTTERY INFORMATION SECURITY STANDARDS

10.1 Information Security
Information security is the protection of the integrity, availability and confidentiality of information and the resources used to enter, store, process and communicate the information.

Contractor must establish and maintain adequate security controls, policies, standards, and procedures to 1) prevent unauthorized access; 2) protect the confidentiality, integrity, and availability of Lottery information, assets and services, and; 3) protect the privacy of personal information or personally identifiable information stored, existing in real time, or in transit, associated with the Contract.

Contractor must comply with applicable Lottery Information Security policies and implement controls that provide the same or higher level of protection. Contractor must also operate in accordance with California state and federal laws related to the protection of information assets and the timely and efficient management of security incidents, including corrective action.

10.2 Data Confidentiality, Integrity, Availability and Management

Contractor must ensure the confidentiality, integrity and availability of the data collected or generated associated with this Contract.

Data will only be collected and retained for legitimate business purposes associated with the Contract. All electronic Lottery protected information, whether at rest or in transit, must be encrypted with an approved FIPS 140-2 or higher compliant encryption solution. All data will be confidentially destroyed or returned to the Lottery as directed by the Lottery within a mutually agreed upon date. Contractor’s data handling processes must comply with the Lottery’s Information Security policies and provide the same if not higher level of protection. Copies of these policies may be provided upon request.

10.3 Contractor Responsibilities

Information security must be ensured by Contractor as Contractor may have physical or electronic access to the Lottery’s protected information, and this information may be contained in systems that directly support the Lottery’s mission. This includes IT hardware and software, and the services associated with the management, operations, maintenance, programming and system administration of computer systems, networks, telecommunications systems, and social media. This also includes access to printed materials and other paper records.

Contractor and all Contractor personnel must not use or redistribute any Lottery information processed, stored, or transmitted by Contractor except as specified in the Contract or upon written Lottery approval.

All Contractor personnel requiring access to Lottery information, information systems, networks, or data must comply with Lottery security, privacy, and social media policies, in addition to all applicable California and federal statutes.
10.4 Security Plan

Contractor must provide a Security Plan that identifies implemented security controls that will properly protect information at a level that is proportionate to the criticality and sensitivity of the information. The Lottery uses the following most current standards and guidelines for identifying the sensitivity, classification and the recommended security controls necessary to protect the information:

- Federal Information Processing Standards (FIPS) 199
- National Institute of Standards and Technology (NIST) Special Publication 800-53
- Publications of the IEC / ISO 27001, IEC / ISO 27002

After Contractor has submitted its initial annual security plan per the solicitation requirements, Contractor will be responsible for the submittal of subsequent annual security plans within 30 days following the anniversary date of the start of the Contract. The security plan must be submitted to the Lottery Contract Manager for approval, identifying the security considerations and controls, and naming a designated Information Security Systems Officer (ISSO) for the operations of Contractor under the Contract. For the duration of the Contract term, the Lottery may also require Contractor to update the Security Plan and submit it to the Lottery for approval if the Lottery has deemed that a significant change to the deliverables may require Contractor to update its security controls.

NOTE TO INFORMATION SECURITY OFFICER (ISO): ISO must ensure that the following language is placed in the final solicitation documents to ensure that the initial security plan is provided prior to Contract execution:

*A Security Plan must be provided by Contractor prior to Contract award per the terms of the Contract Terms and Conditions, Section 10 California Lottery Information Security Standards, Clause 10.4 Security Plan and 10.5 Security Plan Requirements. Contractor must submit the Security Plan to the Contract Manager within 14 days of notification by the Contract Development Department.*

If Contractor has engaged services from a Subcontractor or uses the services of a Subsidiary as part of this Contract, it is Contractors responsibility to ensure that these parties also provide the Lottery a Security Plan consistent with the Information Security requirements required by the Lottery.

10.5 Security Plan Requirements

The Security Plan must indicate Contractor personnel and staffing profiles to ensure that there is a clear “separation of duties” throughout the Contract Term. Separation of duties ensures that no single person has the ability to manipulate the hardware, software, or processing of a system to commit fraud or to waste or abuse Lottery systems without the oversight of another person.
The Security Plan must also demonstrate how Contractor complies with the concept of “least privilege,” “need to know,” where an individual Contractor or groups of Contractors have access to only the systems and information required for their tasks, access is limited to only that information required to perform a role, and broad system privileges that may put the Lottery information at undue risk are not granted.

Contractor supervisors and management must ensure adherence to the approved Security Plan.

The Security Plan must include, at a minimum, security measures and program safeguards to ensure that the information and systems developed, acquired, operated, maintained and/or used by Contractor and Contractor personnel provide the following:

1. Protection from unauthorized access, alteration, disclosure, or misuse of information processed, stored or transmitted. This also includes protection from misuse of administrative privileges.
2. An organizational continuity of operations plan and disaster recovery processes in the event of a major system failure, breach or disaster.
3. Appropriate management, administrative, operational, technical and environmental controls sufficient to provide cost-effective assurance of the information’s confidentiality, integrity and availability.
4. Hardening and secure configurations of network devices, servers, applications, operating systems, services and other information technology resources.
5. A malware protection program, operating system patching program, and application patching program for all information systems and resources under their control.
6. A network intrusion detection and prevention program as well as a continuous vulnerability management and remediation program for all information technology resources under their control.
7. A security incident response plan for handling suspected information security incidents and breaches, including incident escalation and corrective actions.
8. A fully implemented information security training and privacy awareness program.
9. Maintenance, monitoring and analysis of access rights, as well as security and audit logs.
10. An independent review of the management, administrative, operational and technical controls to provide assurance that these controls are in place and are effective.

Contractor must ensure adherence to the approved Security Plan at all times.

10.6 Physical Security

Contractor must take appropriate measures to prevent the loss, theft, damage and misuse of all equipment associated with the Lottery Contract and maintained by Contractor.

Contractor must take reasonable measures to minimize the possibility of equipment damage or other disruptions to service from any line voltage fluctuation or power loss.
and to ensure the continued operation of all Lottery systems and operations in the event of a failure of a public electric distribution systems providing service to Contractor.

Contractor must safeguard all information systems equipment and data facilities used in the performance of this Contract against fire or water, and will maintain and monitor fire and moisture detection systems. Alarms will be monitored on-site, as well as by a 3rd party alarm service on a 7 day, 24-hour basis. The alarm company will perform regularly scheduled maintenance and testing of all monitoring and alerting equipment.

Contractor must safeguard all information systems and data center facilities against high temperatures and inappropriate humidity. Temperature and humidity in all areas housing Contract-critical equipment must be maintained within the range specified by the manufacturer.

10.7 Business Continuity and Disaster Recovery Planning

Contractor must maintain data backup and recovery processes for all critical information and data associated with the Contract as defined by the Lottery, according to the specifications provided by the Lottery. The specifications will include the applicable Recovery Time Objectives (RTO) for Contractor to meet when restoring a service, application, or system. The specifications will also include the applicable Recovery Point Objectives (RPO) that define the amount of information or data loss the Lottery will accept due to service disruptions such as data corruption or system outages. Backed up data or copies of data must be stored securely and geographically separated from the original data. All copies must be verified to be accurate and operational. Restoration systems must be tested at a minimum of monthly and all backup and restoration exceptions must be corrected as soon as possible. Tests and all exceptions will be logged for 30 days and made available to the Lottery for review when requested. Major backup exceptions spanning more than five days, or restoration test failures, must be reported to the Lottery Contract Manager when they occur.

Contractor must submit a Business Continuity and Disaster Recovery Plan for Lottery approval upon request. The plan must cover a minimum of four topic areas: (1) summarization of strategy for managing disaster situations; (2) distinct management and staff assignment of responsibilities immediately following a disaster and continuing through the period of re-establishment of normal operations; (3) prioritization for the recovery of critical applications; and (4) operational procedures documented in a systematic fashion that will allow recovery to be achieved in a timely and orderly way. The plan must be adapted to suit the Lottery’s needs.

10.8 Information Security Breach

An information security breach is defined as the unauthorized acquisition of information or computerized data that compromises the security, integrity, confidentiality, privacy, or availability of information associated with the Lottery Contract and maintained by Contractor.
Contractor must comply with the notification requirements of California Civil Code section 1798.82, et seq. in the event of an information security breach.

Contractor must disclose to the Lottery any breach of the security of any information system, data, or system containing personal information (PI) or personally identifiable information (PII), including a breach where the information system, data or system information was or is reasonably believed to have been acquired by an unauthorized person. Contractor must notify the Lottery Contract Manager and the Lottery Deputy Director of Security / Law Enforcement (SLED) within two hours of any confirmed or suspected security incident or breach.

If Contractor maintains computerized data pursuant to the Scope of Services for the Contract and Contractor does not own this data, Contractor must also notify the owner or licensee of the information of any breach of the security of the data immediately following discovery, if the PI or PII was, or is reasonably believed to have been acquired by an unauthorized person.

The disclosure of the breach will be made in the most expedient time possible and without unreasonable delay, consistent with any measures necessary to determine the scope of the breach and restore the reasonable integrity of the data system.

_The name, e-mail address and phone number will be determined by the Lottery Contract Manager at the time the Contract is developed. Information for the Deputy Director, Security and Law Enforcement Division will be as shown below._

Security Breach Contact Information:

**Lottery Contract Manager**

Name:

E-Mail:

Phone:

**Lottery Deputy Director, Security and Law Enforcement Division**

Phone: (800) LOTTERY

**Lottery Information Security Office**

E-Mail: [iso@calottery.com](mailto:iso@calottery.com)

10.9 Information Security Audit

Contractor must keep audit logs of any access or other activities associated with Lottery information. The Lottery has the right to audit Contractor's information security controls and associated plans and processes to verify compliance with the Contract.
11. INTELLECTUAL PROPERTY

11.1 Ownership

Except as otherwise specified herein, the Lottery owns and retains all right, title and interest in and to all deliverables and all other results and proceeds of the services hereunder, in all stages of completion, including without limitation any tangible or intangible items or things that have been or will be prepared, created, maintained, serviced, developed, incorporated, provided or obtained by Contractor (or such third parties as Contractor may be permitted to engage) at any time following the effective date of the Contract, for or on behalf of the Lottery under the Contract, including but not limited to any (i) works of authorship (such as literary works, musical works, dramatic works, choreographic works, pictorial, graphic and sculptural works, motion pictures and other audiovisual works, sound recordings and architectural works, which includes but is not limited to lottery games, game names, game designs, ticket format and layout, manuals, instructions, printed material, graphics, artwork, images, illustrations, photographs, computer software, scripts, object code, source code or other programming code, HTML code, data, information, multimedia files, text web pages or web sites, other written or machine readable expression of such works fixed in any tangible media, and all other copyrightable works), (ii) trademarks, service marks, trade dress, trade names, logos, or other indicia of source or origin, (iii) ideas, designs, concepts, personality rights, methods, processes, techniques, apparatuses, inventions, formulas, discoveries, or improvements, including any patents, trade secrets and knowhow, (iv) domain names, (v) any copies, and similar or derivative works to any of the foregoing, (vi) all documentation and materials related to any of the foregoing, and (vii) all other goods, services or deliverables to be provided to the Lottery under the Contract (collectively the “Work Product”). To the maximum extent permitted under applicable law, the Lottery will be deemed to be the "author" of all Work Product and all such Work Product will constitute "works made for hire" under the U.S. Copyright Act (17 U.S.C. §§ 101 et seq.) and any other applicable copyright law. Contractor hereby waives any and all moral rights or equivalent rights under the laws of any applicable jurisdiction (including without limitation rights of integrity and attribution) in and to the Work Product. To the extent that any Work Product does not constitute a work made for hire, Contractor hereby irrevocably transfers and assigns to the Lottery all right, title and interest in and to the Work Product, including without limitation all copyrights, patents, trademarks and other intellectual property and proprietary rights therein throughout the world.

11.2 Detail of Rights

Contractor acknowledges and agrees that, without limiting the above subsection entitled “Ownership," the rights vested in and transferred to the Lottery with respect to the Work Product include, without limitation, the following:

a. Copyright. The Lottery will be the sole owner of the undivided interest in all copyrights and all similar or equivalent rights throughout the world in the Work Product, whether vested, contingent or future, including without limitation all
economic rights and the exclusive rights to reproduce, fix, adapt, modify, translate, create derivative works from, manufacture, market, introduce in circulation, publish, make available, distribute, sell, license, sublicense, transfer, rent, lease, transmit or provide access electronically, broadcast, display, perform, enter into computer memory, and use the Work Product, all modified and derivative works thereof, all portions and copies thereof in any form.

b. Moral Rights. Contractor and all of its employees, persons, subcontractors and other entities who may have claims of moral rights (or similar or equivalent rights under the laws of any jurisdiction) in any part of the Work Product, have agreed or Contractor will obtain their agreement that (i) they have no objection to publication, use and exploitation of the Work Product as contemplated by this Contract; (ii) they will remain anonymous authors without attribution or credit, acknowledging that the Lottery or its designees may be designated as author; (iii) the Lottery or its successors, assigns or licensees may make future modifications and adaptations to the Work Product, and may make disclosure and disposal of the Work Product, and any modifications thereof, in the manner that the Lottery or its successors, assigns or licensees see fit; without any right of approval, withdrawal or public renunciation by such persons, and (iv) their remuneration for the Work Product is complete, adequate and reasonable. For any and all such rights in the nature of moral rights or otherwise that are not capable of vesting in or transfer to the Lottery under applicable law, Contractor waives and agrees never to assert such rights against the Lottery or its successors, assigns or licensees.

c. Patent, Design, Trademark Rights. The Lottery will be the sole owner of all rights in and to any inventions, designs, database rights, and marks embodied in the Work Product or developed in the course of creation of the Work Product, including without limitation all utility and design patent rights and equivalent rights in and to such inventions and design rights, and all trade and service mark rights, throughout the world.

d. Exclusive Worldwide License. In the event that by operation of law, notwithstanding Contractor’s execution of any further documents to effectuate the transfer of rights to the Lottery hereunder, Contractor is deemed to have retained rights in any portion of the Work Product, Contractor grants to the Lottery, its successors, assigns, and licensees, an exclusive, irrevocable, perpetual, worldwide, fully-paid, royalty-free license to reproduce, fix, adapt, modify, translate, create derivative works from, manufacture, introduce into circulation, publish, distribute, make available, sell, license, sublicense, transfer, rent, lease, transmit or provide access electronically, broadcast, display, perform, enter into computer memory and use and otherwise exploit the Work Product, all modified and derivative works thereof, all portions and copies thereof in any form, and all inventions, designs and marks embodied therein, throughout the world in all media whether now known or hereafter devised.

e. Rights in Tangible Media. The Lottery will be the sole owner of all tangible and intangible copies, documents, magnetic or optical media, or other materials, chattel or personal property created by or for Contractor in connection with this Contract.
Contractor must maintain the Work Product and other Lottery materials in accordance with the Lottery’s information security requirements and will certify in writing compliance with such requirements upon request. Upon written notice from the Lottery, Contractor must deliver to the Lottery all embodiments of the Work Product, in electronic and tangible formats as specified by the Lottery, and/or destroy and certify destruction of all copies of the Work Product in Contractor’s possession or control.

f. Applications, Renewals, Further Assignments and Transfers. The rights vested in, assigned to, transferred and/or licensed to the Lottery hereunder include without limitation (i) the exclusive right to make and secure applications and registrations of copyright and other intellectual property rights; (ii) the exclusive exercise of such intellectual property rights for the unlimited, entire period of such rights throughout the world; (iii) the exclusive right to renewals, reversions, and extensions of such intellectual property rights; (iv) the exclusive right to authorize, transfer, license, sublicense, deal in, dispose of and assign others to own or exercise such rights, title and interests; and (v) the exclusive right to initiate, pursue, prosecute and settle past, present and future claims of infringements relating to such intellectual property rights. Without limitation, Contractor acknowledges that all rights of every kind and nature whatsoever in the Work Product may be exploited, assigned and licensed by the Lottery to such third parties as it sees fit, and the Work Product is expressly acknowledged to be specially ordered and commissioned by the Lottery.

11.3 Acknowledgments

Contractor acknowledges and agrees that the Lottery is the exclusive holder of all copyright, trademark, patent, and other intellectual property and proprietary rights in the Work Product worldwide and that Contractor has no right to and will not directly or indirectly reproduce, fix, adapt, modify, translate, create derivative works from, manufacture, market, introduce into circulation, publish, distribute, sell, license, sublicense, transfer, rent, lease, transmit or provide access electronically, broadcast, perform, display, enter into computer memory, or use or exploit the Work Product, or any portion or copy thereof in any form, or any such rights, or authorize or assign others to do so, or derive any other work from concepts, information or elements of the Work Product, except as explicitly permitted by this Contract. In the event that the Lottery provides Contractor with technology, software, resource files, tools and other materials with which to prepare the Work Product, Contractor will safeguard and use such materials only for the purpose of preparing the Work Product and will return such materials and all copies thereof at any time upon request of the Lottery.

11.4 Further Assurances

At the Lottery’s expense, but without payment of additional compensation, Contractor will execute all documents and take all actions necessary or reasonably requested by the Lottery to document, obtain, maintain, perfect or assign its rights to the Work Product. Contractor must also cause its employees, agents, and subcontractors to execute such documents and take such actions as described above. If Contractor fails
or refuses to execute any such instruments within ten business days of the Lottery’s request, Contractor hereby appoints the Lottery as its attorney-in-fact (this appointment to be irrevocable and a power coupled with an interest) to act on Contractor’s behalf and to execute such documents. Contractor will not contest the validity of the Lottery’s rights in the Work Product and will cause its employees, agents and subcontractors to comply with the foregoing. All such Work Product will be deemed to be the confidential, proprietary, and trade secret information of the Lottery.

11.5 Third-Party Materials

Contractor will not disclose to the Lottery or use in its work any trade secrets or confidential information of a third party which Contractor is not lawfully entitled to disclose or use in such manner. Contractor will not use any equipment, supplies, facilities, computer code, work product, inventions, materials or intellectual property of any other party (the “Third-Party Materials”) in any Work Product or in Contractor’s performance under this Contract unless: (i) Contractor has the full right and authority to do so without violating any rights of any third party; (ii) Contractor has obtained all necessary rights to enable Contractor to perform its obligations under the Contract and grant the rights granted herein and to permit the Lottery to utilize the Third-Party Materials as contemplated under this Contract at no additional cost to the Lottery; (iii) the Lottery’s use of such Third-Party Materials will not restrict or impair in any manner its use, in perpetuity, of any deliverables or Work Product or subject the Lottery to any obligation or liability; and (iv) such Third-Party Materials are specifically identified to the Lottery in writing in advance of any use and the Lottery has agreed in writing to such use.

11.6 Transfers and Consents

Contractor must secure in writing, in a form satisfactory to the Lottery, all transfers of rights and other consents necessary for Contractor to make the assignments, licenses and other transfers set forth in this subsection and the warranties set forth in this Contract. Without limitation, Contractor must secure written agreements and consents from its employees and contractors that all works created pursuant to this Contract (including the Work Product) fall within the scope of their employment duties or engagement, as applicable, and that all economic rights in such works vest in Contractor as the employer and are fully transferable, and Contractor will secure such written transfers of rights and all other required consents from all other persons or entities whose services were, are or will be rendered in connection with the Work Product. Upon request, Contractor must provide the Lottery with copies of all such contractual documentation and must include the Lottery as a third-party beneficiary of such agreements or cause such parties to execute a further acknowledgment and assignment for the benefit of the Lottery if requested.

12. LIQUIDATED DAMAGES

a. It is mutually agreed that:
(1) If Contractor fails to perform the services and/or provide the goods herein described, damage to the Lottery will result;

(2) Proving such damage would be costly, difficult, and time-consuming;

(3) The damage amounts contained in this section represent a good faith effort to quantify the range of harm that could reasonably be anticipated at the time of the making of this Contract;

(4) The Lottery may, at its discretion, withhold liquidated damages from payments to Contractor, or make demand for repayment of monies advanced to Contractor, said payment to be rendered within 30 days of demand date.

b. Nothing in this section will be construed as relieving Contractor from performing all Contract requirements whether listed herein or not, nor is the Lottery's right to enforce or to seek other remedies from breach of contract of any other duty hereby diminished.

c. This Contract and the documents listed in the Order of Precedence provision will be used by Lottery to monitor Contractor performance and will provide the basis for determining liquidated damages.

d. Contractor will provide all such documentation and any other information deemed by the Lottery pertinent and necessary for the purpose of determining whether liquidated damages are to be assessed.

f. Once the Lottery has determined that liquidated damages are to be assessed, the Lottery will:

(1) Notify Contractor of the assessment(s). The assessment notice will be sent to Contractor by certified mail, return receipt requested, or by any other method which provides evidence of receipt. Contractor will pay the assessment within 30 days of receipt of the assessment notice; or

(2) Determine if Contractor's failure to comply with any of the terms and conditions was caused in whole or in part by factors beyond Contractor's control. The Lottery will reduce any liquidated damages assessment proportionally. The Lottery will make such determination on a case-by-case basis.

g. Any liquidated damages assessment may also be collected, at the Lottery's discretion, by withholding the funds from an administrative payment(s) due Contractor after the date of assessment.

h. As determined appropriate by the Lottery, the following are the conditions under which Contractor may obtain relief from the continued assessment of liquidated damages which have been imposed:

(1) Except as expressly waived by the Lottery, no liquidated damages imposed on Contractor will be terminated or suspended until Contractor issues a written notice of correction of condition(s) for which liquidated damages were imposed.
(2) The necessary level of documentation to verify corrections is determined to be acceptable by the Lottery’s Contract Manager, who is the sole judge of the accuracy of any documentation provided.

(3) A Contractor notice of correction will not accepted until correction is verified.

(4) Unless otherwise specified by the Lottery’s Contract Manager, corrections must be sustained for a period of at least 90 days from Lottery acceptance; otherwise, liquidated damages may be re-imposed without a succeeding grace period (in those cases where one is allowed) within which to correct.

(5) Contractor’s correction of defects must not create new defects.

(6) Contractor must certify that each defect so identified is corrected.

i. If any portion of this liquidated damages provision is determined to be unenforceable in one or more of its applications, the portion remains in effect in all applications not determined to be invalid that are severable from the invalid application. If any portion of this liquidated damages provision is determined to be unenforceable in total, the other portions of this provision will remain in full force and effect.

j. Specific Instances:

The following are examples of specific instances where Contractor’s failure to meet the Contract requirements could cause damage to the Lottery and subject Contractor to liquidated damages, in addition to any other damages or remedies available to the Lottery. The Lottery has the complete and sole discretion to determine whether to assess liquidated damages and its discretion in this regard is not limited to the specific instances set forth below by way of example. Upon Contract award, the Lottery will determine specific incidents and damages.

(1) Information Security Breach

**Condition**

An information security breach is defined as the unauthorized acquisition of information or computerized data that compromises the security, integrity, confidentiality, privacy, or availability of information associated with the Lottery Contract and maintained by Contractor. Contractor must ensure information or computerized data associated with this Contract and maintained by Contractor are protected as required and further defined by the terms and conditions of the California Lottery’s Information Security Standards as specified herein.

**Damages**

The failure of Contractor to protect information or computerized data as required by the terms and conditions of the California Lottery’s Information Security Standards as specified herein may result in the assessment of
liquidated damages in the amount of five thousand dollars ($5000) per breach to the Lottery and credit protection services per individual for two years. Contractor is also responsible for all costs associated with a mandatory breach notification, as required by federal or state law.

(2) **Failure to Provide Information Security Breach Notifications**

**Condition**

Contractor must notify the Lottery Contract Manager and the Lottery Deputy Director of Security/Law Enforcement (SLED) within two hours of any confirmed or suspected information security incident or breach as required by and further defined by the terms and conditions of the California Lottery’s Information Security Standards as specified herein.

**Damages**

The failure of Contractor to provide information security breach notifications as required by and further defined by the terms and conditions of the California Lottery’s Information Security Standards as specified herein may result in the assessment of liquidated damages in the amount of $500 for each failure to provide the requested notification.
EXHIBIT E – TASK ORDER PROCESS

Consultative, creative, and support services will be billed at hourly rates according to the agreed-upon hourly rates for the appropriate staff involved. Project work arising from these services will be billed as defined in this task order process.

The Lottery’s Task Order Process (TOP), including the Lottery’s requirements for deliverable acceptance and quality assurance, is set forth below:

I. GENERAL

**Deliverable** – Tangible or intangible Contractor requirement to be produced during the term of the Contract. Deliverables may be either an outcome to be achieved or an output to be provided.

Contractor will complete all deliverables in accordance with the terms of this Contract. In each instance, the Lottery will determine whether deliverables are acceptable according to the TOP described herein. The Lottery will notify Contractor of any deliverable deficiencies found during the performance of this Contract, and Contractor will have the opportunity to cure such deficiency or errors in accordance with the process herein.

II. DELIVERABLE EXPECTATIONS

Prior to starting work on each deliverable, the parties will mutually agree on the deliverable acceptance criteria that will be used for each deliverable. The criteria will be incorporated into the Task Order (TO) which will be the specification for acceptance of each deliverable. For a sample of the TO see Exhibit F Task Order Form. However, if the acceptance criteria cannot be established upon approval of the TO, acceptance criteria will be agreed to by both parties via email before the completion of the final deliverable.

III. ACCEPTANCE

The Lottery will verify that the deliverable is in conformity with the TO (or revised TO). The Lottery will mark the TO as follows:

a) Accept

b) Accept with Noted Deviations

*(Accepted with Noted Deviations)* is defined as a deliverable that did not meet the Deliverable Acceptance Criteria (DAC) identified on the TO, but has been accepted by the Lottery with the acknowledgement that the DAC was not met.
c) Reject

The Lottery will notify Contractor if any portion of the deliverable is disputed using the TO form and will specify the reason for dispute of the Deliverable.

IV. CURE PERIOD

Within five business days (or an otherwise mutually agreed upon number of days) from the date of Contractor’s receipt of notification of dispute of a deliverable, Contractor must correct the deficiency(s) and bring the deliverable into compliance. In all cases, and at no additional cost to the Lottery, Contractor must timely and diligently pursue a cure for any deficiencies and must take all reasonable steps, including allocating additional resources if necessary, to cure any and all deficiencies as promptly as practicable. Nothing herein will affect, alter, or relieve Contractor of its obligations to correct deficiencies or errors in the TO, in accordance with the time response standards set forth herein.

V. FAILURE TO CORRECT DEFICIENCY

If Contractor fails to correct deficiencies in accordance with a cure period, the Lottery may, without prejudice to any other remedy: 1) cure or make good any such deficiencies, including securing the services of third parties, at Contractor’s sole expense; and 2) require Contractor to suspend services immediately with regard to the deliverable until the deficiency has been cured. As appropriate, a revised estimate will be issued deducting from the payments then or thereafter due Contractor for the cost of correcting or finishing such deficiencies, including the cost of additional services and third-party services. Any additional cost in the revised TO will be borne by Contractor.

VI. RESUBMISSION OF DELIVERABLE

Once Contractor has corrected a deficiency, Contractor must re-submit the invoice to the Lottery for approval. Upon receipt of such invoice, the Lottery will determine whether the deficiency specified in the rejection notice has been corrected. This subsequent review will be limited to the original deficiencies and the portions of the deliverable that were dependent on the deficiencies.

If the deliverable is again found to be unacceptable, the process described herein will be repeated until:

- Acceptance by the Lottery; or
- The Lottery terminates the Contract or TO for cause, as specified within the Contract or TO; or
- The Lottery and Contractor mutually agree to revise a TO created under this Contract.
VII. PAYMENT FOR ACCEPTED DELIVERABLES

No invoice will be honored by the Lottery until the related deliverable is accepted by the Lottery in accordance with the Lottery’s TOP. This does not preclude Contractor from providing documentation that supports invoices. An approved and signed TO must be on file at the Lottery for all invoices received. Information for all sections on the TO form (Exhibit F) must be completed. If the information is provided with any additional attachment(s), the attachment(s) must be referenced on the TO.
EXHIBIT F – SAMPLE LOTTERY TASK ORDER FORM

TASK ORDER NUMBER: Provide Task Order #

TASK ORDER NOT TO EXCEED AMOUNT: $XXX,XXX

CONTRACT NUMBER: Provide Contract #

TASK ORDER DATE: Provide date that the task order is issued

1. **BACKGROUND:**
   Provide the background information that provides a high level description of the task order.

2. **SCOPE:**
   Describe the type of work (range of tasks) the task order will support.

3. **DELIVERABLES:**
   Describe the deliverables Contractor will provide in support of this task order in the table below:

<table>
<thead>
<tr>
<th>(1) DELIVERABLE NAME</th>
<th>(2) DELIVERABLE DESCRIPTION</th>
<th>(3) DUE DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4. **ACCEPTANCE CRITERIA**
   Acceptance criteria specify the criteria to be fulfilled by Contractor in order to meet the required deliverables.

5. **ADDITIONAL CONSIDERATIONS:**
   Identify any other issues/requirements that are relevant to the task order.

6. **COST BREAKDOWN/PRICE:**
   Provide a detailed breakdown of the task order costs and/or fixed price.
7. CONTACT INFORMATION:

<table>
<thead>
<tr>
<th>LOTTERY</th>
<th>CONTRACTOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name:</td>
<td>Name:</td>
</tr>
<tr>
<td>Address:</td>
<td>Address:</td>
</tr>
<tr>
<td>Phone:</td>
<td>Phone:</td>
</tr>
<tr>
<td>Email:</td>
<td>Email:</td>
</tr>
</tbody>
</table>

By signing below, both parties agree that all terms and conditions of Lottery Contract #_______ and of Task Order #________ will be in full force and effect. The amount invoiced for this task order will not exceed the “Task Order Not to Exceed Amount” as listed above.

____________________________________________________________
Name, Lottery Contract Manager                      Date

____________________________________________________________
Name, Authorized Representative for Contractor      Date
8. **INSPECTION AND ACCEPTANCE:**

<table>
<thead>
<tr>
<th>Acceptance Status:</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Accept that the Deliverables are in conformance with the approved Task Order</td>
</tr>
<tr>
<td>☐ Accept with noted deviations</td>
</tr>
<tr>
<td>☐ Reject</td>
</tr>
</tbody>
</table>

____________________________________________________________

Name, Lottery Contract Manager          Date

Date Accepted/Rejected: _________  Date Rejected Deliverable Accepted: ________

Reason for rejection or deviation from approved deliverable requirements, if applicable:
I. BIDDER INFORMATION

Name of Bidder: _____________________________________________________________

Address: ___________________________________________________________________

State/City/Zip Code:  __________________________________________________________

Contact Person: _____________________________ Telephone: _____________________

Email: _____________________________________

List person(s) legally authorized to contractually bind the Bidder.

1. __________________________________________________
   (Name)     (Title)
   __________________________________________________
   (Address)

2. __________________________________________________
   (Name)     (Title)
   __________________________________________________
   (Address)

(Attach additional pages if needed.)

II. BIDDER CERTIFICATION

By executing this Certification, the Bidder acknowledges that failure to comply with any of this Certification’s terms may result in disqualification from participation in the solicitation process. The Bidder has reviewed, agrees to, and certifies the following:

   a. The Bidder meets all minimum qualifications specified in the section entitled “Minimum Bidder Qualifications.”

   b. The Bidder agrees the Lottery will not be liable for any of the costs incurred by Bidder in preparing, submitting, or otherwise participating in a response to this solicitation.
c. The Bidder's response to the solicitation constitutes an irrevocable offer for 180 days following the date proposals are due to the Lottery.

d. The Bidder has made no attempt to induce any other person or entity to submit or not to submit a proposal.

e. The prices in the proposal have been developed and calculated independently, without consultation, communication or agreement on any matter relating to such prices with any other Bidder or competitor for the purpose of restricting competition or providing a competitive advantage.

f. The Bidder has read the solicitation, understands it and agrees to comply with all Terms and Conditions.

g. The Bidder agrees to provide insurance/bond coverage as described in the Contract Terms and Conditions.

h. Recognizing that initial payments to Contractor may be delayed approximately 45 days, the Bidder has sufficient resources to meet his/her obligations during this period.

III. CONTRACTOR CERTIFICATION CLAUSES

By executing this Certification, the prospective Contractor or its authorized representative certifies under penalty of perjury that the prospective Contractor has reviewed and agrees to be bound to the Contract Terms and Conditions and the following Contractor Certification Clauses.

A. NONDISCRIMINATION CLAUSE: During the performance of this Contract, Contractor and its subcontractors will not unlawfully discriminate, harass or allow harassment, against any employee or applicant for employment because of sex, sexual orientation, race, color, ancestry, religious creed, national origin, disability (including HIV and AIDS), medical condition (cancer), age, marital status, and denial of family care leave. Contractor and subcontractors will insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Contractor and subcontractors will comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12990 et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285.0 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations are incorporated.
into the Contract by reference and made a part thereof as if set forth in full. Contractor and its subcontractors will give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. Contractor will include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Contract.

B. DRUG-FREE WORKPLACE REQUIREMENTS: Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

1. Publish a statement notifying employees that unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.

2. Establish a Drug-Free Awareness Program to inform employees about:
   a. the dangers of drug abuse in the workplace;
   b. Contractor’s policy of maintaining a drug-free workplace;
   c. any available counseling, rehabilitation and employee assistance programs; and,
   d. penalties that may be imposed upon employees for drug abuse violations.

3. Every employee who performs work under the Contract must receive a copy of Contractor’s drug-free workplace policy statement and agree to abide by the terms of Contractor’s statement.

4. Failure to comply with these requirements may result in suspension of payments under the Contract or termination of the Contract, and Contractor may be ineligible for award of any future state contracts if Contractor has made false certification, or violated the certification by failing to carry out the requirements as noted above.

C. NATIONAL LABOR RELATIONS BOARD CERTIFICATION: Contractor certifies that no more than one final unappealable finding of contempt of court by a federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor’s failure to abide by a federal court order to comply with a directive of the National Labor Relations Board.
D. **DOMESTIC PARTNERS:** For contracts executed or amended after July 1, 2004, Contractor may elect to offer domestic partner benefits to Contractor’s employees. Contractor cannot require an employee, on the basis of marital or domestic partner status, to cover the costs of providing any benefits which have otherwise been provided to all employees.

**IV. DOING BUSINESS WITH THE STATE OF CALIFORNIA**

The following laws apply to persons or entities doing business with the State of California.

A. **CONFLICT OF INTEREST:** Contractor is aware of the following provisions regarding current or former state employees. If Contractor has any questions about the status of any person rendering services or involved with the Contract, the Lottery must be contacted immediately for clarification.

**Current State Employees:**

1. No state officer or employee may engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity, or enterprise is required as a condition of regular state employment.

2. No state officer or employee may contract as an independent contractor with any state agency to provide goods or services.

**Former State Employees:**

1. For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the Contract while employed in any capacity by any state agency.

2. For the 12-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

3. If Contractor violates any of the above provisions, such action by Contractor will render this Contract void.
4. Members of boards and commissions are exempt from this section if they do not receive payment other than payment for each meeting of the board or commission, payment for preparatory time, and payment for per diem.

B. LABOR CODE/WORKERS' COMPENSATION: Contractor is aware of the provisions which require every employer to be insured against liability for Worker's Compensation and Contractor agrees to comply with such provisions before commencing work on this Contract.

C. AMERICANS WITH DISABILITIES ACT: Contractor assures the Lottery that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA and all California accessibility statutes and regulations.

D. CORPORATE QUALIFICATIONS TO DO BUSINESS IN CALIFORNIA:

1. Contractor certifies it is currently qualified to do business in California.

2. Contractor certifies that it is in good standing with the California Secretary of State’s Office.

E. AIR OR WATER POLLUTION VIOLATION: Contractor will not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

F. PAYEE DATA RECORD FORM STD. 204: This form will be completed by all Contractors except state agencies or other governmental entities.
V. CONFIDENTIALITY STATEMENT

A. I warrant that neither Contractor nor its employees will disclose any document, diagram, or information made available to it by the Lottery. I warrant that only those employees who are authorized and required to use such information will have access to it.

B. I further warrant that all materials provided by the Lottery will be returned promptly after use and all copies or derivations of the materials will be physically and/or electronically destroyed. I will include with the returned materials a letter attesting to the complete return of materials and documenting the destruction of copies and derivations. Failure to comply may subject Contractor to criminal and civil liability. I authorize the Lottery to inspect and verify the above.

C. I further warrant that if awarded the Contract, Contractor will not disclose to any third party information pertaining to the Contract prior to receiving the written consent of the Lottery.

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the Bidder and prospective Contractor to the clause(s) above and that the signature affixed below and dated constitutes a certification that all information provided by the Bidder and prospective Contractor is true and correct.

<table>
<thead>
<tr>
<th>Contractor/Bidder Firm Name (Printed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>By (Authorized Signature)</td>
</tr>
<tr>
<td>Printed Name and Title of Person Signing</td>
</tr>
<tr>
<td>Date Executed</td>
</tr>
</tbody>
</table>
This guaranty is to be completed by the Bidder or parent company of Bidder. Check one of the boxes (A or B) below. The Bidder or parent company must sign the guaranty as appropriate and submit this guaranty with its proposal package.

☐ A. In the event that the Bidder is not a subsidiary corporation, it will be deemed that the Bidder guarantees performance under any Contract resulting from this RFP with the full force and credit of all its assets.

☐ B. If the Bidder is a subsidiary corporation, it must have this guaranty completed by the parent corporation to guaranty the full and prompt performance of all covenants and terms and conditions of this RFP and any resulting Contract.

1. The parent company ________________________________ (guarantor) has the financial ability to meaningfully support such guaranty;

2. The official signing of this guaranty is authorized to bind the guarantor corporation;

3. The guarantor accepts unconditional responsibility for all performance and financial requirements and obligations of the Contract;

4. For good and valuable consideration, receipt of which is hereby acknowledged, the guarantor is making the guaranty;

5. The guarantor stipulates that if the Contract is ultimately awarded to the subsidiary, the Lottery will make such award in reliance upon the guaranty;

6. The undersigned corporate officer warrants (1) that he or she has personally reviewed all pertinent corporate documents, including but not limited to articles of incorporation, bylaws, and agreements between the parent and the subsidiary; and (2) that nothing in these documents in any way limits the capacity of the parent to enter into the Contract or guaranty;
7. The Lottery need not take any action against the Bidder, any other guarantor, or any other person, firm, or corporation, or resort to any security held by it at any time before proceeding against the guarantor and the guarantor hereby waives any and all notices and demands which may be required to be given by any other statute or rule of law and agrees that its liability hereunder will be in no way affected, diminished, or released by any extension of time, forbearance, or waiver which may be granted the Bidder, its successor, or assignee, and that this guaranty will extend to and include all future amendments, modifications, and extensions of the Contract and all future supplemental and other agreements with respect to matters covered by the Contract which the Lottery and Bidder may enter into, with or without notice to or knowledge of guarantor but guarantor will have the benefit of any such extension, forbearance, waiver, amendment, modifications, or supplemental obligations of guarantor hereunder will be coextensive with but not in excess of the obligations of its successor or assignee under the Contract.

The Guarantor agrees that unless otherwise agreed to by the Lottery the guaranty must continue in full force and effect despite any change in the legal or corporate status of the subsidiary, including but not limited to its sale, reorganization, dissolution, or bankruptcy.

I, __________________________, certify that I am authorized to sign and bind my company to this guaranty.

______________________________________  ______________________________
Signature of Representative Authorized to  Date
Contractually Bind Bidder OR Parent Company

______________________________________
Company Name
ATTACHMENT 3 - DISABLED VETERAN BUSINESS ENTERPRISE PARTICIPATION INCENTIVE PROGRAM

(Optional)

(Page 1 of 5)

Request for Proposal

#50026

Digital Agency Services
ATTACHMENT 3 – DISABLED VETERAN BUSINESS ENTERPRISE PARTICIPATION INCENTIVE PROGRAM

The Lottery recognizes disabled veterans for their service by establishing a Disabled Veteran Business Enterprise (DVBE) Participation Program. The program is intended to further veterans’ participation in Lottery contracting, promote competition and encourage greater economic opportunity.

The Lottery has established participation goals for DVBEs, as defined in Military and Veterans Code, of at least 3% of overall dollars expended for Lottery contracts annually. The Lottery determines whether to include DVBE participation requirements in specific solicitations based on the availability of contracting or subcontracting opportunities within the scope of services of the particular contract.

While the Lottery has not established a DVBE participation requirement for this solicitation, in order to encourage DVBE participation, the Lottery has applied a DVBE incentive as follows:

<table>
<thead>
<tr>
<th>Confirmed DVBE Participation</th>
<th>DVBE Incentive</th>
</tr>
</thead>
<tbody>
<tr>
<td>5% or Over</td>
<td>5%</td>
</tr>
<tr>
<td>4% to 4.99%</td>
<td>4%</td>
</tr>
<tr>
<td>3% to 3.99%</td>
<td>3%</td>
</tr>
<tr>
<td>2% to 2.99%</td>
<td>2%</td>
</tr>
<tr>
<td>1% to 1.99%</td>
<td>1%</td>
</tr>
</tbody>
</table>

A Bidder may achieve participation by qualifying as a DVBE and/or by contracting with DVBE subcontractors. **DVBEs must perform a commercially useful function related to the bid specifications as required by Military and Veterans Code section 999 (b)(5)(B).** The Lottery will determine whether Bidders have achieved qualifying levels of participation by comparing each Bidder’s verified DVBE percentage to the Bidder’s Price Sheet.

The incentive is applied in determining the lowest monetary bid or best value by reducing the qualified Bidder’s price by the amount of the incentive as computed based on the lowest price submitted by a responsive Bidder. This reduction is applied solely for evaluation purposes. However, where the Bidder with the lowest monetary bid or best value, prior to application of the incentive, is a California certified small business, only other certified small businesses will be eligible to receive the incentive bonus. If after application of incentives, two or more responsive bids tie for lowest monetary bid or best value, the contract will be awarded to the Bidder with the highest level of DVBE participation.

A DVBE may also qualify as a small business if it independently meets the Small Business Participation Program requirements. (See Attachment 4)

For certification purposes, a “disabled veteran” must be a veteran of the U.S. military, naval, or air service, have a service-connected disability of 10% or more, and reside in California.
To be eligible for certification as a Disabled Veteran Business Enterprise:

- At least 51% of the business must be owned by one or more disabled veterans;
- Daily business operations must be managed and controlled by one or more disabled veterans; and
- The home office must be located in the United States. (The home office cannot be a branch or subsidiary of a foreign corporation, foreign firm, or other foreign-based business.)

In order to count toward DVBE participation, DVBEs must be certified as such by the Department of General Services at the time the bid is submitted to the Lottery. Bidders must submit with their bids (1) a copy of the DVBE certification for each DVBE and (2) the attached DVBE forms, completed and signed as indicated. Contact the Department of General Services, Office of Small Business and DVBE Services with certification questions, or visit DGS’s Website at www.dgs.ca.gov.

During the term of the contract, the successful Bidder (Contractor) must provide annual DVBE reports to the Lottery’s Contract Development Services Section showing DVBE participation at the levels committed to in the bid documents. In addition, the successful Bidder must provide a final report at the end of the Contract.

**Instructions:**

Bidders must complete DVBE Attachment 3 “DVBE Subcontracts to be Utilized,” for each DVBE subcontractor to be counted toward DVBE participation and include the form as part of their bids. [Please duplicate this page for additional DVBE businesses.] Any Bidder, who is a certified DVBE and wishes to be counted toward DVBE participation, must complete DVBE Attachment 3 “DVBE-Bidder” and submit it as part of its bid.

For questions regarding these instructions or attachments, please contact the Lottery’s Small and DVBE Program Specialist at (916) 822-8069.
This form must be completed and signed by the Bidder and the DVBE subcontractor to be utilized. Please duplicate this page for additional DVBE businesses.

Name of DVBE__________________________ Contact Person______________________________

DVBE Certification #________________

DVBE Address________________________________________

City/State/Zip____________________________________ Email________________________________

Telephone___________________________ Fax___________________________________________

Goods/Services to be provided________________________________________________________

Percentage Participation______________% (percent of the total contract price to be paid to the DVBE subcontractor for goods and/or services identified above)

By signing below, the Bidder indicates its intent to utilize the DVBE identified above as a supplier/subcontractor of the goods and/or services indicated, for the dollar amount represented by the percentage set forth above. The Bidder also certifies that all information contained herein is true and correct. This form must be signed by a person legally authorized to contractually bind the Bidder.

________________________________                 _____________________________
Bidder’s Authorized Signature             Date

_________________________________               _____________________________
Printed Name                Company Name

By signing below, the DVBE certifies it has submitted a bid to the above-referenced Bidder and is ready, willing and able to provide the goods and/or services identified above. This form must be signed by a person legally authorized to contractually bind the DVBE.

____________________________________          _________________________
DVBE’s Authorized Signature   Date

____________________________________           ________________________
Printed Name                 Company Name

CSL 1175 (R8/2014)
Bidder must complete and sign this form if the Bidder is a DVBE and intends to count goods and/or services it provides towards DVBE participation on this contract.

<table>
<thead>
<tr>
<th>Bidders Name</th>
<th>Contact Person</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Bidder’s DVBE Certification # ______

Goods/Services to be provided

Percentage Participation ______ % (percent of the total contract price represented by the goods/services to be provided by the DVBE Bidder (pass-through goods and/or services do not count))

By signing below, the Bidder indicates that it will provide the goods and/or services indicated for the dollar amount represented by the percentage set forth above. The Bidder also certifies that all information contained herein is true and correct. This form must be signed by a person legally authorized to contractually bind the Bidder.

<table>
<thead>
<tr>
<th>Bidder’s Authorized Signature</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Printed Name

Company Name
ATTACHMENT 4 - SMALL AND MICRO BUSINESS PARTICIPATION (SMP)

(Optional)

(Page 1 of 7)

Request for Proposal

#50026

Digital Agency Services

SMP Goal 25%
Small Business Preferences/Definition

The Small Business Procurement and Contract Act (Gov. Code Section 14835 et seq.) requires that a fair share of the state's purchases and contracts for goods, information technology, services and construction be placed with small business or microbusiness. In order to facilitate the participation of these businesses, the Act requires state agencies to: (1) establish small business participation goals, (2) provide a 5% small business preference; and (3) provide a non-small business preference of up to a maximum of 5% for Agencies utilizing small business or microbusiness as subcontractors.

SMP Goal and Preference

Based upon the nature of the goods/services to be utilized under this solicitation (as outlined in the Scope of Services, Exhibit A), the Lottery has set a SMP Goal of 25%. Bidders who qualify as a small or microbusiness have met this participation goal by virtue of their small business status.

For bid evaluation purposes, where there is at least one non-small business Bidder subcontracting at least 25% of its bid amount to one or more small businesses, the Lottery will calculate the preference by computing an amount not to exceed 5% from the lowest, responsible bid of a non-small business Bidder that is not subcontracting to a small business. The preference amount will be deducted from the bids of the non-small business Bidder's subcontracting at least 25% of their bid amounts to small businesses, as referenced above. Bidder's that subcontract less than 25% will receive a prorated preference.

For bid evaluation purposes, where there is at least one small business Bidder, the Lottery will calculate the preference by computing an amount of up to 5% of the lowest, responsible bid of a non-small business Bidder that is not subcontracting to a small business. The preference amount will not exceed $50,000 and will be deducted from the small business' bid amount as referenced above.

During the Contract term, the Bidder’s SMP compliance will be calculated based on the Bidder’s completed work as verified by an audit of Bidder’s invoices and Bidder's payments to designated subcontractors.

Definition

To be eligible for the SMP Preference as a "small business", a company must be an independently owned and operated business, not dominant in its field of operation, with its principal place of business located in California and officers domiciled in California, and which together with affiliates is:
ATTACHMENT 4 – SMALL AND MICROBUSINESS PARTICIPATION (SMP)
(Page 3 of 7)

- A business with 100 or fewer employees and average annual gross receipts of $14,000,000 or less over the previous three years, or
- A manufacturer with 100 or fewer employees. A manufacturer is a business that is both:
  1. Primarily engaged in the chemical or mechanical transformation of raw materials or processed substances into new products; and

To be eligible for the SMP Preference as a "microbusiness," a company must be a small business that, together with affiliates, has average annual gross receipts of $3,500,000 or less over the previous three years, or is a manufacturer, as defined above, with 25 or fewer employees.

If a proposing Bidder is currently certified as a small or microbusiness by the Department of General Services, Office of Small Business and DVBE Services, or any city, county, federal, etc. certifying office, only a copy of that certification is required (to be certified small or microbusiness, visit the DGS website at www.pd.dgs.ca.gov/pd/Programs/OSDS.aspx). The successful Bidder will be required to provide this information for the small or microbusiness enterprises to be utilized as subcontractors.

The successful Bidder's SMP Goal will become part of the Contract resulting from this solicitation with the Lottery. The Lottery will monitor Bidder’s compliance by requiring annual reports.

Bidders requesting either of the SMP Preferences are required to complete and submit the required forms.

(Revised 07/14)
INSTRUCTIONS/FORMS

All Bidders must complete this page and the “Declaration of Compliance for Small Business and Microbusiness Subcontractor Participation” form. Non-small Bidders that are subcontracting with small or microbusinesses must also complete the “Small and Microbusiness Subcontractor” form, and Bidders that are small businesses or microbusinesses must complete the “Small Business and Microbusiness Program” form. All forms are included in Attachment 4.

**General Information**

Bidder's Name____________________________________________________

Contact Person_________________Telephone_________ Fax__________

Address_________________________________________________________

City/State/Zip_____________________________________________________

**Declaration of Compliance for SMP Participation Form**

Complete and sign this form certifying all the information is true and correct. This form must be signed by the person legally authorized to contractually bind the Bidder.

**Small Business and Microbusiness Subcontractor Form**

Complete and sign this form for all small business and microbusiness subcontractor that you plan to utilize as part of your small business participation goal. Please duplicate this page for additional companies.

**Small Business and Microbusiness Program Form**

Complete and sign this form if your company is a certified small or microbusiness.

*(Revised 07/14)*
DECLARATION OF COMPLIANCE
FOR SMP PARTICIPATION
(Page 5 of 7)

Complete and sign this form certifying all the information is true and correct. This form must be signed by the person legally authorized to contractually bind the Bidder.

Bidder's Name:__________________________________________________________

Contact Person:_____________________________________Telephone:____________________

Address:__________________________________Fax:______________________________

City:_____________________________________Email______________________________

Declaration
I declare under penalty of perjury that the information provided in this Attachment is true and correct. (Please check one)

_______ Our firm is a small business or microbusiness Bidder.

_______ Our firm is not a small business or microbusiness, but guarantees that a minimum of ____% of the total cost will be paid to small business and microbusiness subcontractors for work performed under the Contract.

_______ Our firm will not participate in the SMP Participation Program.

Executed on ____________________________
Month/Date/Year

In the city of_________________________ State of______________________

Signature________________________________________________________

Authorized Representative

Printed Name_____________________________________________________

Title____________________________________________________________

Telephone________________________Fax____________________________

CSL 1178 (R07/14)
Complete and sign this form for all small business and microbusiness subcontractor that you plan to utilize as part of your small business participation goal. Please duplicate this page for additional companies.

Name of Subcontractor: _________________________________________________
Contact Person_________________________________________________________
Address_______________________________________________________________
City/State/Zip___________________________________________________________
Telephone_____________________________Fax_____________________________
Goods/Services to be provided_____________________________________________
______________________________________________________________________
Business Category ___Small    __Micro       Percentage of Contract_______________%
Certifying Agency______________________________ Certification #_____________

By signing below, the Bidder indicates its intent to utilize the small business or microbusiness identified above as part of the Contract associated with this solicitation, as applicable; and also certifies that all information contained herein is true and correct.

Bidder’s Authorized Signature                  Date

Printed Name          Company Name

By signing below, the small business or microbusiness certifies it has been contacted, and has expressed interest in participating in the Contract in the area of work identified; and also certifies that all information contained herein is true and correct.

Subcontractor’s Authorized Signature                  Date

Printed Name              Company Name

CSL 1177 (R07/14)
## Small Business and Microbusiness Program Form

<table>
<thead>
<tr>
<th>Business Name</th>
<th>Business Address</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>City</th>
<th>State</th>
<th>Zip Code</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Name of Owner</th>
<th>Telephone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name of Contact Person</th>
<th>Telephone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Business Category:</th>
<th>Business Certified with:</th>
<th>Agency Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Small Business</td>
<td>________________________</td>
<td></td>
</tr>
<tr>
<td>☐ Microbusiness</td>
<td>Certification #:_________</td>
<td></td>
</tr>
</tbody>
</table>

Check one that applies:

_____ Services

_____ Goods

_____ Information Technology

_____ Construction

<table>
<thead>
<tr>
<th>Services/Goods, etc. Provided:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

By signing below, Contractor certifies that the company above is a small business or microbusiness as defined in this attachment.

---

__Signature of Authorized Representative__  Date

---

__Title__

*CSL 0718(R7/14)*
ATTACHMENT 5 – KEY PERSONNEL ASSIGNED TO THE LOTTERY

The Bidder must provide a staffing plan that describes each staff member’s role and responsibility.

1. The staffing plan must include an organizational chart indicating reporting relationships, physical location of staff assigned, what percentage of time each is designated to the Lottery account – including but not limited to, identifying key roles such as Project Managers, Operations Manager, and Technical Lead.

2. Also include an Account Liaison/Contract Manager who will become familiar with the Lottery’s day-to-day business, and who will serve as the primary point of contact to the Lottery.

3. Given the proposed individuals, describe the level to which this group has worked together in the past. Include the type of project, length of involvement, outcomes, etc.

<table>
<thead>
<tr>
<th>Title</th>
<th>Name</th>
<th>Role and Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

NOTE: This form may be reproduced electronically; however, the Bidder must use the same format.
**ATTACHMENT 6 – KEY PERSONNEL RÉSUMÉ FORM**

<table>
<thead>
<tr>
<th>Name:</th>
<th>Title:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Education/School:</th>
<th>Major:</th>
<th>Degree/Year:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Client Date Start and End</th>
<th>Services Provided</th>
<th>Level of Responsibility and Relevant Experience to this Project</th>
<th>Full Time Equivalency</th>
<th>C/P*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Indicate ‘C’ for current clients and ‘P’ for previous clients

NOTE: This form may be reproduced electronically; however, the same format is to be used.
The Bidder’s proposed hourly rates will include all administrative overhead/support costs, applicable taxes, direct and indirect costs (excluding Lottery-requested travel costs), and profit needed to perform the specified services in Exhibit A, Scope of Services.

In the following table, Bidders must provide their hourly rates and a brief description of services to be performed by the following Key Personnel:

<table>
<thead>
<tr>
<th>Key Personnel &amp; Services</th>
<th>Hourly Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key Personnel</td>
<td></td>
</tr>
<tr>
<td>Account Manager/Description of Services</td>
<td>$</td>
</tr>
<tr>
<td>Project Manager/Description of Services</td>
<td>$</td>
</tr>
</tbody>
</table>

Utilizing the format in the following table, Bidders must provide a list of all additional roles, description of services each role performs, and hourly rates for each role that the Bidder will utilize to perform specified services in Exhibit A, Scope of Services, for the entirety of the Contract term. Bidders may include as many additional rows as necessary to document the roles and services needed to perform the Scope of Services as described in Exhibit A.

<table>
<thead>
<tr>
<th>A. Digital Communication Client Services</th>
<th>Hourly Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Role 1: Description of Services</td>
<td>$</td>
</tr>
<tr>
<td>Role 2:</td>
<td>$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>B. Design and Development Services</th>
<th>Hourly Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Role 1: Description of Services</td>
<td>$</td>
</tr>
<tr>
<td>Role 2:</td>
<td>$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>C. Maintenance and Support Services</th>
<th>Hourly Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Role 1: Description of Services</td>
<td>$</td>
</tr>
<tr>
<td>Role 2:</td>
<td>$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>D. Technical Services</th>
<th>Hourly Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Role 1: Description of Services</td>
<td>$</td>
</tr>
<tr>
<td>Role 2:</td>
<td>$</td>
</tr>
</tbody>
</table>
## ATTACHMENT 7 – PRICE SHEET

### E. Optional Associated Services*

<table>
<thead>
<tr>
<th>Role 1 : Description of Services</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Role 2……</td>
<td>$</td>
</tr>
</tbody>
</table>

*Roles for Optional Associated Services are those roles for services proposed by Bidder in support of the Scope of Services as described in Exhibit A.

---

I, ________________________________, certify that I am authorized to sign this Price Sheet (type or print name) and that the prices set forth are accurate, competitive, and unconditional. I further certify these prices constitute an irrevocable offer which the Lottery may, at its option, accept or reject at any time up to 180 days from the date that responses to this RFP are due, and that these prices will remain effective for the entirety of the contract term.

______________________________
Signature

______________________________
Date

______________________________
Title

______________________________
Company Name

---

RFP #50026

95 of 111

March 2, 2015
**CONTRACTOR DISCLOSURE**

**INTRODUCTION**

Government Code Section 8880.38 requires the Director, Security/Law Enforcement Division, to assure the integrity, honesty, and fairness in the operation and administration of the California Lottery.

To accomplish this, the Director, Security/Law Enforcement Division, has the authority to conduct an examination of the qualifications of all prospective and current employees, prospective and current Lottery Game Retailers, and prospective and current Lottery suppliers as defined in the Government Code Section 8880.57. This includes the ability to access criminal history records and require fingerprinting.

This informational form is designed to fulfill this requirement, and provide the Director, Security/Law Enforcement Division, the ability to adequately determine the contractor’s or prospective contractor’s qualifications.

Completion of this form is a mandatory condition of contracting. Unless otherwise indicated, failure to provide all of the information requested on this questionnaire may prevent you from contracting with the California Lottery.

**INSTRUCTIONS**

Read each question carefully before answering. Type or neatly print an answer to each question. If a question does not apply, enter “N/A”. If the space provided is insufficient, enter the information requested on a separate piece of paper and include it with the disclosure package. Be sure to reference the number of the question you are answering.

Do not misstate or omit any material fact(s). The applicant is hereby advised they are seeking the granting of a contract with the California Lottery, and that the burden of providing favorable qualification, is on the applicant at all times.

Each page of this questionnaire, including attachments, must be initialed by the applicant or by a representative who has the authority to act on the applicant’s behalf and can attest to the accuracy of the information. The disclosure must be signed by the same person. This form must also be notarized.

All applicants are advised this Contractor Disclosure Form is an official document of the California Lottery, Security/Law Enforcement Division. Any misrepresentation or failure to reveal information may be deemed sufficient cause for the refusal or revocation of a contract with the California Lottery.

**PRIVACY NOTICE**

The California Information Practices Act of 1977 requires that this notice be provided on all state agency forms, which collect personal information.

This information is being requested in order to examine your qualifications to be a contractor for the California Lottery as required by Government Code Section 8880.38 to ensure compliance with Government Code Section 8880.57.

The Information you provide will only be disclosed to those persons(s) who are authorized by law to have access. Confidentiality will be observed. The information you provide may be disclosed to other government and law enforcement agencies including, but not limited to: The State Controller’s Office, Department of Motor Vehicles (DMV), Department of Justice (DOJ), Federal Bureau of Investigation (FBI), and other federal, state and local law enforcement agencies. You have the right of restricted access to your background investigation records pursuant to Civil Code Sections 1798.38 and 1798.40 of the Information Practices Act and California Penal Code Sections 11080, 11081, 11105, and 11142. For further information on accessing your record, please contact the Lottery’s Public Records Act Coordinator, 600 North 10th Street, Sacramento, CA, 95811.
### BUSINESS INFORMATION

<table>
<thead>
<tr>
<th>NAME OF BUSINESS</th>
<th>TRADE NAME/DBA</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>STREET ADDRESS OF BUSINESS</th>
<th>CITY</th>
<th>STATE</th>
<th>ZIP CODE</th>
<th>TELEPHONE</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>STREET ADDRESS OF BUSINESS RECORDS</th>
<th>CITY</th>
<th>STATE</th>
<th>ZIP CODE</th>
<th>TELEPHONE</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>TYPE OF BUSINESS</th>
<th>SOLE PROPRIETORSHIP</th>
<th>CORPORATION (CORP)</th>
<th>TRUST</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>JOINT VENTURE</td>
<td>GENERAL PARTNERSHIP</td>
<td>LIMITED PARTNERSHIP</td>
</tr>
<tr>
<td></td>
<td>LIMITED LIABILITY PARTNERSHIP (LLP)</td>
<td>LIMITED LIABILITY COMPANY (LLC)</td>
<td>OTHER</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PRINCIPAL BUSINESS ACTIVITY</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>STATE OF INCORPORATION</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>IF BUSINESS IS FORMED IN A STATE OTHER THAN CALIFORNIA, HAS THE BUSINESS REGISTERED AS A FOREIGN ENTITY WITH THE CALIFORNIA SECRETARY OF STATE?</th>
</tr>
</thead>
<tbody>
<tr>
<td>YES</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NAME OF PARENT COMPANY</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>STREET ADDRESS OF PARENT COMPANY</th>
<th>CITY</th>
<th>STATE</th>
<th>ZIP CODE</th>
<th>TELEPHONE</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>NAME(S) AND ADDRESS(ES) OF ANY SUBSIDIARY OF THIS BUSINESS</th>
<th>NAME</th>
<th>STREET ADDRESS</th>
<th>CITY</th>
<th>STATE</th>
<th>ZIP CODE</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>IS COMPANY:</th>
<th>CLOSELY HELD</th>
</tr>
</thead>
<tbody>
<tr>
<td>PUBLICLY HELD</td>
<td><em><strong>IF PUBLICLY HELD, ATTACH MOST RECENT REPORT (10K, 10Q)</strong></em></td>
</tr>
</tbody>
</table>

**BUSINESS ORGANIZATIONAL CHARTS:**

ATTACH A DIAGRAM DEPICTING DIRECT AND INDIRECT BUSINESS RELATIONSHIPS BETWEEN THE BUSINESS AND PARENT COMPANIES. DIAGRAM MUST IDENTIFY ALL COMPANIES UNTIL ULTIMATE OWNERSHIP HAS BEEN IDENTIFIED.
<table>
<thead>
<tr>
<th>NAME</th>
<th>DATE OF BIRTH</th>
<th>SOCIAL SECURITY NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>RESIDENCE STREET ADDRESS</td>
<td>CITY</td>
<td>STATE ZIP CODE TELEPHONE</td>
</tr>
<tr>
<td>BUSINESS STREET ADDRESS</td>
<td>CITY</td>
<td>STATE ZIP CODE TELEPHONE</td>
</tr>
<tr>
<td>POSITION HELD</td>
<td></td>
<td>PERCENTAGE OF STOCK HELD</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NAME</th>
<th>DATE OF BIRTH</th>
<th>SOCIAL SECURITY NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>RESIDENCE STREET ADDRESS</td>
<td>CITY</td>
<td>STATE ZIP CODE TELEPHONE</td>
</tr>
<tr>
<td>BUSINESS STREET ADDRESS</td>
<td>CITY</td>
<td>STATE ZIP CODE TELEPHONE</td>
</tr>
<tr>
<td>POSITION HELD</td>
<td></td>
<td>PERCENTAGE OF STOCK HELD</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NAME</th>
<th>DATE OF BIRTH</th>
<th>SOCIAL SECURITY NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>RESIDENCE STREET ADDRESS</td>
<td>CITY</td>
<td>STATE ZIP CODE TELEPHONE</td>
</tr>
<tr>
<td>BUSINESS STREET ADDRESS</td>
<td>CITY</td>
<td>STATE ZIP CODE TELEPHONE</td>
</tr>
<tr>
<td>POSITION HELD</td>
<td></td>
<td>PERCENTAGE OF STOCK HELD</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NAME</th>
<th>DATE OF BIRTH</th>
<th>SOCIAL SECURITY NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>RESIDENCE STREET ADDRESS</td>
<td>CITY</td>
<td>STATE ZIP CODE TELEPHONE</td>
</tr>
<tr>
<td>BUSINESS STREET ADDRESS</td>
<td>CITY</td>
<td>STATE ZIP CODE TELEPHONE</td>
</tr>
<tr>
<td>POSITION HELD</td>
<td></td>
<td>PERCENTAGE OF STOCK HELD</td>
</tr>
</tbody>
</table>
LIST ALL OWNERS-PARTNERS-STOCKHOLDERS WHO HOLD INTEREST IN THE BUSINESS OR CORPORATE STOCK. IF A PUBLICLY HELD CORPORATION, LIST THE STOCKHOLDERS KNOWN TO OWN 5% OR MORE OF THE CORPORATE STOCK. A COMPLETE CONTRACTOR DISCLOSURE MAY BE REQUIRED FOR EACH ENTITY THAT HOLDS A CONTROLLING INTEREST IN THE BUSINESS. GOVERNMENT CODE SECTION 8880.57(a)(1)

IF YOU NEED ADDITIONAL SPACE, PLEASE MAKE PHOTOCOPIES OF THIS BLANK PAGE AND ATTACH ADDITIONAL PAGES TO THE BACK OF THIS FORM. INDICATE NUMBER OF DUPLICATED PAGES: PAGE _____ OF _____

<table>
<thead>
<tr>
<th>NAME</th>
<th>DATE OF BIRTH</th>
<th>SOCIAL SECURITY NUMBER</th>
<th>RESIDENCE STREET ADDRESS</th>
<th>CITY</th>
<th>STATE</th>
<th>ZIP CODE</th>
<th>TELEPHONE</th>
<th>BUSINESS STREET ADDRESS</th>
<th>CITY</th>
<th>STATE</th>
<th>ZIP CODE</th>
<th>TELEPHONE</th>
<th>POSITION HELD</th>
<th>PERCENTAGE OF STOCK HELD</th>
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CSL 0829A (R 05/12/08) (310.1.4)
DOES THE BUSINESS, ANY OWNER, OFFICER, DIRECTOR, OR STOCKHOLDER ANTICIPATE BEING A PARTY TO A LAWSUIT? IN THE EVENT OF A PUBLICLY HELD CORPORATION, LIST ONLY THOSE STOCKHOLDERS KNOWN TO OWN 5% OR MORE OF THE CORPORATE STOCK.  
GOVERNMENT CODE SECTION 8880.57(b)(10)

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<td>YES</td>
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IF YES, PROVIDE THE INFORMATION REQUESTED BELOW. PROVIDE, ON A SEPARATE PIECE OF PAPER, A DETAILED EXPLANATION OF THE ALLEGATIONS. INCLUDE SPECIFICS AS TO THE CURRENT, KNOWN STATUS OF THE LAWSUIT.

<table>
<thead>
<tr>
<th>DATE</th>
<th>DEFENDANT(S) NAME, POSITION HELD IN BUSINESS</th>
<th>PLAINTIFF’S NAME, ADDRESS OF PRESIDING COURT</th>
<th>NATURE OF PROCEEDINGS, PROVIDE DOCKET #/CASE/FILE/OTHER IDENTIFIER</th>
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HAS THE BUSINESS OR ANY OWNER, OFFICER, DIRECTOR OR STOCKHOLDER OF THE BUSINESS OR, IN THE EVENT OF A PUBLICLY HELD CORPORATION, THOSE STOCKHOLDERS OWNING 5% OR MORE OF THE CORPORATE STOCK, EVER BEEN SUBPOENNAED AND/OR TESTIFIED BEFORE ANY MUNICIPAL COURT, PROVINCIAL, STATE, FEDERAL, OR NATIONAL COURT, AGENCY, COMMITTEE, GRAND JURY OR INVESTIGATORY OR REGULATORY BODY, OTHER THAN IN RESPONSE TO A TRAFFIC SUMMONS?  
GOVERNMENT CODE SECTION 8880.57(b)(10)

| YES | NO |

IF YES, PROVIDE THE INFORMATION REQUESTED BELOW. PROVIDE, ON A SEPARATE PIECE OF PAPER, A DETAILED EXPLANATION OF THE PROCEEDINGS. INCLUDE SPECIFICS AS TO THE CURRENT, KNOWN STATUS OF THE PROCEEDINGS.

<table>
<thead>
<tr>
<th>DATE</th>
<th>DEFENDANT(S) NAME, HELD IN BUSINESS (IF APPLICABLE)</th>
<th>NAME, ADDRESS OF PRESIDING COURT</th>
<th>NATURE OF PROCEEDINGS, PROVIDE DOCKET #/CASE/FILE/OTHER IDENTIFIER</th>
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INITIALS: __________

CSL 0829A (R 05/12/08) (310.1.4)
HAS THE BUSINESS, ANY OWNER, OFFICER, DIRECTOR OR STOCKHOLDER OF THE BUSINESS, OR, IN THE EVENT OF A PUBLICLY HELD CORPORATION, THOSE STOCKHOLDERS OWNING 5% OR MORE OF THE CORPORATE STOCK, EVER BEEN THE SUBJECT OF AN INVESTIGATION CONDUCTED BY A GOVERNMENTAL INVESTIGATORY AGENCY FOR ANY REASON? GOVERNMENT CODE SECTION 8880.57(b)(10)

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IF YES, PROVIDE THE INFORMATION REQUESTED BELOW. PROVIDE, ON A SEPARATE PIECE OF PAPER, A DETAILED EXPLANATION OF THE ALLEGATIONS. INCLUDE SPECIFICS AS TO THE CURRENT, KNOWN STATUS OF THE INVESTIGATION.

<table>
<thead>
<tr>
<th>DATE</th>
<th>DEFENDANT(S) NAME, POSITION HELD IN BUSINESS</th>
<th>NAME, ADDRESS OF GOVERNMENT AGENCY</th>
<th>NATURE OF PROCEEDINGS</th>
<th>PROVIDE DOCKET #/CASE/FILE/OTHER IDENTIFIER</th>
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HAS THE BUSINESS ENTITY, OR ANY OWNER, OFFICER, DIRECTOR OR STOCKHOLDER OF THE BUSINESS ENTITY, OR, IN THE EVENT OF A PUBLICLY HELD CORPORATION, THOSE STOCKHOLDERS OWNING 5% OR MORE OF THE CORPORATE STOCK, EVER BEEN NAMED AS A DEFENDANT OR CO-CONSPIRATOR IN ANY CRIMINAL PROCEEDING IN THIS STATE OR ANY OTHER JURISDICTION? GOVERNMENT CODE SECTION 8880.57(b)(10)

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IF YES, PROVIDE THE INFORMATION REQUESTED BELOW. PROVIDE, ON A SEPARATE PIECE OF PAPER, A DETAILED EXPLANATION OF THE ORIGINAL CHARGE/ALLEGATIONS AS WELL AS ANY AMENDED CHARGES. INCLUDE SPECIFICS AS TO THE CURRENT, KNOWN, STATUS OF THE CRIMINAL PROCEEDINGS.

<table>
<thead>
<tr>
<th>DATE</th>
<th>DEFENDANT(S) NAME, POSITION HELD IN BUSINESS</th>
<th>NAME, ADDRESS OF PRESIDING COURT</th>
<th>NATURE OF PROCEEDINGS</th>
<th>PROVIDE DOCKET #/CASE/FILE/OTHER IDENTIFIER</th>
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INITIALS: __________
**CONTRACTOR DISCLOSURE**

**LEGAL PROCEEDINGS**

Has the business, or any owner, officer, director or stockholder of the business, or, in the event of a publicly held corporation, those stockholders owning 5% or more of the corporate stock or any subsidiary, ever been a defendant or respondent in any of the following: Government Code Section 8880.57(b)(10)

- [ ] YES
- [ ] NO

If yes, provide specifics of each incident as well as the current status/disposition.

- [ ] ANTI-TRUST CASE
- [ ] TRADE REGULATION VIOLATIONS
- [ ] SECURITY JUDGEMENTS
- [ ] LICENSE DENIALS, SUSPENSIONS OR DISCIPLINARY ACTION
- [ ] ANY TAX LIENS
- [ ] FRANCHISE TAX BOARD SUSPENSIONS

Has the business, or any owner, officer, director or stockholder of the business, or, in the event of a publicly held corporation, those stockholders owning 5% or more of the corporate stock, ever been deemed legally bankrupt or filed a petition for any type of bankruptcy or insolvency, under any bankruptcy or insolvency law? Government Code Section 8880.57(b)(5)

- [ ] YES
- [ ] NO

If yes, provide the information requested below. Provide, on a separate piece of paper, a detailed explanation of the allegations. Include specifics as to the current, known status of the investigation.

<table>
<thead>
<tr>
<th>DATE</th>
<th>DOCKET #</th>
<th>NAME, ADDRESS</th>
<th>PRESIDING COURT</th>
<th>NAME, ADDRESS</th>
<th>FILING PARTY</th>
<th>NAME, ADDRESS</th>
<th>TRUSTEE</th>
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CSL 0829A (R.05/12/08) (310.1.4)

**INITIALS:** _________
HAS THE BUSINESS EVER ENTERED INTO A JOINT VENTURE OR OTHER CONTRACTUAL ARRANGEMENT TO SUPPLY ANY STATE OR JURISDICTION WITH GAMING GOODS OR SERVICES, INCLUDING, BUT NOT LIMITED TO, LOTTERY GOODS AND SERVICES. GOVERNMENT CODE SECTION 8880.57(b)(8)

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IF YES, PROVIDE A LIST OF THE STATE(S) OR JURISDICTION(S) IN WHICH THE GOODS OR SERVICES WERE PROVIDED, INCLUDING A DESCRIPTION OF THE GOODS OR SERVICES PROVIDED AND THE DATES.

<table>
<thead>
<tr>
<th>DATE</th>
<th>STATE/JURISDICTION</th>
<th>GOODS AND SERVICES PROVIDED</th>
<th>TERM OF CONTRACT</th>
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CSL 0829A (R 05/12/08) (310.1.4)
LIST ALL FINANCIAL INSTITUTIONS WITH WHICH YOUR BUSINESS OR SUBSIDIARIES DO BUSINESS.

<table>
<thead>
<tr>
<th>BUSINESS/SUBSIDIARY NAME</th>
<th>NAME, ADDRESS FINANCIAL INSTITUTION</th>
<th>LENGTH WITH INSTITUTION</th>
<th>AUTHORIZED SIGNATURE</th>
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<tbody>
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</table>

LIST ALL MORTGAGES OR OTHER HOLDERS OF LONG-TERM DEBT THAT THE BUSINESS OR ANY SUBSIDIARY HAS OUTSTANDING.

<table>
<thead>
<tr>
<th>BUSINESS/SUBSIDIARY NAME</th>
<th>NAME, ADDRESS OF HOLDER</th>
<th>MORTGAGE OR DEBT</th>
<th>MORTGAGE/DEBT AMOUNT</th>
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<tbody>
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INITIALS: __________

CSL 0829A (R 05/12/08) (310.1.4)
### DONATIONS

List all reportable contributions by the business to any local, state or federal political committee in California for the past five years that is reportable under any existing state or federal law. Government Code Section 8880.57(b)(7)

<table>
<thead>
<tr>
<th>Candidate’s Name</th>
<th>Candidate’s Office/Jurisdiction</th>
<th>Date of Contribution</th>
<th>Amount Contributed</th>
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</thead>
<tbody>
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### SUBCONTRACTORS

List all known subcontractors the business intends to utilize with the California Lottery contract if awarded. List the name(s), address(es), and contact person(s) for each subcontractor. Identify in detail the service each subcontractor is to provide, including the monetary value of the sub-contract. Also provide copies of pertinent agreements made with each subcontractor. Government Code Section 8880.57(a)(7)

---

CSL 0829A (R 05/12/08) (310.1.4)
### ATTACHMENT CHECK LIST

PLEASE ATTACH COPIES OF THE BELOW LISTED DOCUMENTS TO YOUR DISCLOSURE PACKAGE. PLACE “N/A” TO THE LEFT OF THE DOCUMENT NAME IF THE DOCUMENT DOES NOT APPLY. FAILURE TO PROVIDE A REQUIRED DOCUMENT MAY BE DEEMED SUFFICIENT CAUSE FOR REJECTING A BID.

<table>
<thead>
<tr>
<th>Document Type</th>
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<tbody>
<tr>
<td>__ Initial Formation/Registration Documents</td>
</tr>
<tr>
<td>(Articles of Incorp/Org, Certificate of Limited Partnership, LLP Registration, etc…)</td>
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<tr>
<td>__ All Amendment Documents</td>
</tr>
<tr>
<td>__ Annual Statement of Information</td>
</tr>
<tr>
<td>(last change and current, if current reports no change of information) (Corp or LLC Only)</td>
</tr>
<tr>
<td>__ Corporate Disclosure Statement (Publicly Traded Corp)</td>
</tr>
<tr>
<td>__ Partnership Agreement (Limited and General Partnerships)</td>
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<td>__ Trust Agreement</td>
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<tr>
<td>__ Joint Venture Agreement</td>
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<tr>
<td>__ Charter</td>
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<tr>
<td>__ By Laws</td>
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<tr>
<td>__ Organization Chart</td>
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<td>__ Annual Reports</td>
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<td>__ Quarterly Reports</td>
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<td>__ Interim Reports</td>
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<td>__ Financial Reports (last 3 years)</td>
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<td>__ Bankruptcy Filings, Receivership Proceedings</td>
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</table>
STATE OF: _____________________________
COUNTY OF: ___________________________

I, _________________________________, have read the foregoing disclosure documentation and know the contents thereof; that the statements contained herein are true and correct and contain a full and true account of information requested; that this statement is executed with the knowledge that misrepresentation or failure to reveal information requested may be deemed sufficient cause for rejecting the submitted bid. Further, that I am aware that later discovery of an omission or misrepresentation made in the above statements may be grounds for denying or canceling a contract. I also understand that public disclosure of this application is governed by the California Public Records Act and Government Code Section 6250, et seq., which mandates disclosure of this application, upon request, except for information concerning personal worth, personal financial data, criminal history, military discipline, and personal information such as home telephone number, home address, social security number, driver’s license number, etc.

I swear under penalty of perjury and the laws of the State of California that the foregoing is true and correct.

__________________________________
Signature of Applicant

Subscribed and Sworn to before me this ________________day

Of____________________, 20__________.

______________________________________________________                       (SEAL)
Notary Public
<table>
<thead>
<tr>
<th>DATE FILED DISPOSITION</th>
<th>DOCKET NUMBER</th>
<th>NAME, ADDRESS OF COURT</th>
<th>DEFENDANT</th>
<th>PLAINTIFF(S)</th>
<th>NATURE OF SUIT</th>
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