



**INVITATION FOR BID**

**Notice to Prospective Bidders**

December 14, 2020

You are invited to review and respond to this Invitation for Bid (IFB), entitled (IFB Number 50160 Scratchers Ticket Delivery and Return Services). In submitting your bid, you must comply with these instructions.

Note that all agreements entered into with the California State Lottery (Lottery) will include by attachment Terms and Conditions and Contractor Certification Clauses that are hereby included in this solicitation.

In the opinion of the Lottery, this Invitation for Bid is complete and without need of explanation. However, if you have questions, or should you need any clarifying information, the contact person for this IFB is:

Laura Lee Rogers  
California State Lottery  
[lrogers@calottery.com](mailto:lrogers@calottery.com)

Please note that no *verbal* information given will be binding upon the Lottery unless such information is issued in writing as an official addendum.

A handwritten signature in blue ink that reads 'Laura Lee Rogers'. The signature is fluid and cursive.

Laura Lee Rogers  
Procurement Specialist

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## **A) Purpose and Description of Services**

The California State Lottery (Lottery) is inviting responses from qualified bidders to provide Scratchers® ticket delivery and return services to approximately 23,300+ Lottery retailers statewide, as outlined in the Scope of Work, Exhibit A.

The Bidder will provide all material, vehicles, qualified personnel, fuel, logistics, licenses, insurance, financial security, tools, labor, and equipment necessary to perform Scratchers ticket delivery services to Lottery retailer locations statewide, in accordance with this Scope of Work, and the Contract exhibits and Terms and Conditions.

Lottery Distribution Centers process approximately 113,000 Scratchers ticket deliveries per month. Scratchers tickets are typically delivered to Lottery retailers within two business days of receiving shipment.

Scratchers are distributed to retailers in the southern half of the state from the Southern Distribution Center, located in Rancho Cucamonga, and to retailers in the northern half from the Northern Distribution Center, located in West Sacramento (see Scratchers Retailers Count by County, Exhibit D). The weight of ticket pick-up and delivery shipments from each Distribution Center can range from 10,000 to 90,000 pounds.

The Lottery's Scratchers retailer customer base is fluid, resulting in retailers being added or deleted from daily delivery routes. Therefore, the estimates provided in this section are for informational purposes only. The Lottery guarantees neither the number of deliveries nor the weight of material during the term of any contract resulting from this IFB.

The proposed contract term will be five years with the Lottery's option to extend for an additional one-year period.

## **B) Bidder Minimum Qualifications**

This Invitation for Bid (IFB) is open to all Bidders that, at the time of IFB submission, meet the following minimum Bidder qualifications. If a joint venture is submitting a bid, at least one of the Bidders comprising the joint venture must meet all the Minimum Bidder Qualifications. Qualified Bidders must:

1. Have the demonstrated ability to perform delivery services utilizing vehicles capable of performing the work to Lottery facilities and all Lottery retailers throughout California within two business days of receiving a shipment, as outlined in the Scope of Work (Exhibit A).
2. Have the demonstrated ability to provide Bidder-employed or contracted, readily-identifiable personnel. (Exhibit A).
3. Have a minimum of three years of similar delivery experience performing the services specified as outlined in the Scope of Work (Exhibit A). For

purposes of this solicitation document, “similar” is defined as picking up items from a customer and delivering the items to others on a regular basis, within a specified timeframe, and in a secure manner;

4. Have a minimum of six months experience in providing a computerized method for recording and retrieving proof of delivery information;
5. Have processing/distribution centers in both Northern and Southern California with Information Technology and Security personnel;
6. Have a current and valid California Department of Motor Vehicles (DMV) Motor Carrier Operating (MCO) Permit; and
7. Meet the requirements set forth in Section II, Bid Requirements.

**C) Issuing Office and Bidder-Initiated Contact**

This IFB is issued by the Lottery’s Procurement Services and Support office. The issuing office is the sole point of contact regarding this IFB. All notices or questions pertaining to this IFB must be directed to:

California State Lottery  
Procurement Services and Support  
Attention: Laura Lee Rogers  
700 North 10th Street  
Sacramento, California 95811  
Phone: (916) 822-8063  
TDD: (800) 345-4275  
Email: [Lrogers@calottery.com](mailto:Lrogers@calottery.com)

No contact regarding this IFB will be allowed between Bidders or potential Bidders and members of the Lottery Evaluation Team, Lottery Commissioners, or Lottery staff after issuance of the IFB with the exception of the Lottery contact person named above. Any such contact may disqualify a Bidder or potential Bidder from further consideration. Requests for clarification will be allowed, provided such requests are made through the above contact within the Question and Response period as stated in the Proposed Timeline.

## D. Bid Requirements and Information

### 1) Proposed Timeline

Event	Date	Time
IFB available to prospective bidders	December 14, 2020	
Optional Pre-Bid Walkthrough Northern California Distribution Center	December 21, 2020	Appointment Only
Intent to Bid due to Lottery	December 22, 2020	5:00pm PST
Questions due to the Lottery	December 28, 2020	5:00pm PST
Responses to Questions	December 30, 2020	
Final Date for Bid Submission	January 12, 2021	3:00pm PST
Bid Assessments to Begin	January 13, 2021	
Notice of Intent to Award	January 15, 2021	
Lottery Commission Approval	January 2021	
Proposed Award Date	February 1, 2021	

### 2) Optional Pre-Bid Walkthrough.

- a) An optional pre-bid walkthrough is scheduled for December 21, 2020 by appointment only. The purpose of the walkthrough is to provide bidders an opportunity to observe how the Lottery prepares and packages Scratch Ticket orders for delivery to a retail location. No discussion regarding the solicitation process will be allowed. All questions regarding the Scope of Work, Solicitation or Contract Terms and Conditions must be sent to the Lottery in writing by the due date listed in the proposed timeline above. Due to COVID-19 restrictions, all bidders must request an appointment, which will be limited to two persons per Bidder, all persons must wear a mask, and must keep a distance of 6 feet apart from one another. To obtain an appointment time, please contact Laura Lee Rogers via email at [Lrogers@calottery.com](mailto:Lrogers@calottery.com) no later than December 19, 2020.
- b) In the event a potential prime Bidder is unable to attend the optional pre-bid walkthrough, an authorized representative may attend on their behalf. The representative may only sign in for one company. The

representative must follow the above instructions to request an appointment time.

- c) For Bidders who need assistance due to a physical impairment, a reasonable accommodation will be provided by the Lottery upon request for the pre-bid walkthrough. The Bidder must contact Laura Lee Rogers via email at [Lrogers@calottery.com](mailto:Lrogers@calottery.com) no later December 19, 2020, 2:00pm PST to arrange for a reasonable accommodation.

### 3) Submission of Bid

All bids must be submitted to a Lottery Secure File Share site. Bidders must contact Laura Lee Rogers at [lrogers@calottery.com](mailto:lrogers@calottery.com), prior to the IFB due date of January 12, 2021 by 3:00 p.m. PST for written instructions. Hard copies of bids will not be accepted.

Bidders' bid responses are still to be structured in the same format as the IFB, with the same heading, numbering, and bullet format for all sections and subsections, using at least 12-point Arial font, consecutively numbered, and sections clearly marked or labeled.

Attachment 1	Required Attachment Check List
Attachment 2	Cost Sheet
Attachment 3	Bidder References
Attachment 4	Bidder Certification
Attachment 5	Disabled Veteran Business Enterprise Participation Forms and Instructions *
Attachment 6	Small and Micro Business Participation Forms and Instructions
Attachment 7	Payee Data Record (STD 204) (if currently not on file)
Attachment 8	Background Disclosures

IFB Attachments and/or forms that require a signature must be signed by a person who is authorized and identified on the Certification, to contractually bind the Bidder. A pdf signed copy of those documents will be accepted, however the originally-signed document may be requested at a later date.

Bid packages must be received by the Lottery no later than 3 p.m. PST on January 20, 2021. Bid packages received after the above date and time will not be considered. Bidders are solely responsible for ensuring timely receipt of their Bid package.

- a) Bids must be submitted for the performance of all the services described herein. Any deviation from the work specifications may not be considered and may cause a bid to be rejected.
- b) The Lottery reserves the right to reject any or all proposals to this IFB. The Lottery may reject any proposal that is conditional, contains additions not called for, is incomplete, contains erasures or irregularities of any kind, or contains material deviations. Any provisions of this IFB that are defined as requirements will be considered mandatory. In the interest of promoting competition, the Lottery may allow a Bidder to correct an inaccuracy in its proposal. 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 proposal that most closely meets the requirements specified in this IFB.
- c) Costs incurred for developing bids and in anticipation of award of the agreement are entirely the responsibility of the bidder and shall not be charged to the Lottery.
- d) A bidder may modify a bid after its submission by withdrawing its original bid and resubmitting a new bid prior to the bid submission deadline. Bidder modifications offered in any other manner, oral or written, will not be considered.
- e) A bidder may withdraw its bid by submitting a written withdrawal request to the State, signed by the bidder or an authorized agent. A bidder may thereafter submit a new bid prior to the bid submission deadline. Bids may not be withdrawn without cause subsequent to bid submission deadline.
- f) The Lottery may modify the IFB prior to the date fixed for submission of bids by the issuance of an addendum to all parties who received a bid package.
- g) The Lottery reserves the right to reject all bids. The Lottery is not required to award an agreement.
- h) Before submitting a response to this solicitation, bidders should review, correct all errors, and confirm compliance with the IFB requirements.
- i) Where applicable, bidder should carefully examine work sites and specifications. Bidder shall investigate conditions, character, and quality of surface or subsurface materials or obstacles that might be encountered. No additions or increases to the agreement amount will be made due to a lack of careful examination of work sites and specifications.



- j) No oral understanding or agreement shall be binding on either party.

**4) Evaluation and Selection**

- a) At the time of bid opening, each bid will be checked for the presence or absence of required information in conformance with the Submission of Bid requirements of this IFB.
- b) The Lottery will evaluate each bid to determine its responsiveness to the published requirements.
- c) Bids that contain false or misleading statements, or which provide references, which do not support an attribute or condition claimed by the bidder may be rejected.
- d) Award if made, will be to the lowest responsive responsible bidder.

**5) Bid Protests:**

- a) Only an actual bidder may protest a contract award, and only on the following ground:
  - (1) The Lottery did not follow its own written procedures in selecting the apparent successful bidder, and
  - (2) The protestor can demonstrate that had the Lottery followed its procedures, the protesting bidder would have been the successful bidder.
- b) A notice of intent to protest must be received by the Lottery within seven business days after the Lottery posts a notice of intent to award on its website. A timely notice of intent to protest is a prerequisite to any protest.
- c) Provided that a timely notice of intent to protest has been filed with the Lottery, a protest must be filed within 12 business days after the Lottery posts its notice of intent to award on its website. A protest must include a complete and detailed explanation of how the facts support the protest.
- d) All protest documents must be received by the Lottery at its Sacramento headquarters no later than 3:00 p.m. Pacific Time on the last day of the applicable protest period. The envelope containing protest documents or the cover page to a protest must be addressed to the attention of the Director and must be clearly labeled: "Protest to the (title and number of the solicitation), DO NOT OPEN IN MAILROOM." Untimely protests will not be considered.

- e) It is the protestor's responsibility to ensure that the Director has all information and arguments that the protestor deems relevant and necessary to resolve the protest. The Director may request additional information in writing from the protestor or from other sources, including the apparent successful bidder and Lottery staff, as he/she deems appropriate for resolution of the protest.
- f) The Director will issue a written decision within 15 days of completion of his/her review of the record.
- g) In his/her sole discretion, the Director may determine that it is in the best interests of the Lottery to proceed with contract award and performance, while a protest is pending, and may direct a Contractor to commence work.

**6) Disposition of Bids**

Upon bid opening, all documents submitted in response to this IFB will become the property of the Lottery.

**7) Bids are Public Records**

Pursuant to the California Public Records Act, California Government Code §§ 6250 et seq., 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 after the apparent successful Bidder has been announced. 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 bid 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 information as required by law.

**8) Agreement Execution and Performance**

- a) Performance shall start not later than 10 days, or on the express date set by the Lottery and the Contractor, after all approvals have been obtained and the agreement is fully executed. Should the Contractor fail to commence work at the agreed upon time, the Lottery, upon five (5) days written notice to the Contractor, reserves the right to terminate the agreement. In addition, the Contractor shall be liable to the Lottery for the difference between Contractor's bid cost and the actual cost of performing work by the second lowest bidder or by another contractor.
- b) All performance under the agreement shall be completed on or before the termination date of the agreement.

**9) Disabled Veteran Business Enterprise Participation (DVBE)  
If applicable (Attachment 5)**

If applicable, Bidders must complete Attachment 5, Disabled Veteran Business Enterprise Participation in their bid package.

**10) Small and Microbusiness Participation (SMP) – If applicable  
(Attachment 6)**

If applicable, Bidders must complete and submit Attachment 6, Small and Microbusiness Participation forms in their bid package. Based upon the nature of the goods and services to be utilized under this solicitation (as outlined in the Scope of Work, 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 IFB.

**11) General Contractor Disclosure (Attachment 8)**

Bidders must complete and submit forms in Attachment 8, Major Contractor Disclosure in their bid package. Bidders are required to disclose certain information pursuant to California Government Code section 8880.57. Any individual or entity in an agency's organizational chain and any of the agency's subcontractors may also be required to disclose similar information. The Lottery may refuse to enter into 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 Bidders. This may include fingerprinting and 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 other disclosure requirements during the term of the contract.

The disclosures provided in these forms will be considered confidential.

## **EXHIBIT A – SCOPE OF WORK**

The Contractor will provide all material, vehicles, qualified personnel, fuel, logistics, licenses, insurance, financial security, tools, labor, and equipment necessary to perform Scratchers® Ticket Delivery Services to Lottery retailer locations statewide, in accordance with this scope of work, and the Contract exhibits and terms and conditions. The Lottery does not guarantee the number of deliveries or the weight of delivered material during the term of this Contract.

### **A. Delivery Services**

#### **1. Retailer Delivery Services**

The number of packs delivered to a retailer on each delivery varies depending on the retailer's volume of sales at that location. The Contractor will be required to maintain the current schedule of delivery to each retailer. Additionally, new game deliveries (called Auto-Ship) occur monthly. All retailers must receive their delivery within two business days of Auto-Ship release. This is in addition to the regular maintenance order.

The Contractor must provide delivery services of Lottery Scratchers according to the following requirements:

- a. Delivery services must be performed by employees of the Contractor operating vehicles capable of delivering parcels safely and securely to retail locations. Subcontractors, independent contractors, and non-employee personnel are not considered direct employees of a Contractor, but they may perform Scratchers ticket delivery services so long as they meet the background requirements outlined in Section 6, Contract Oversight, of the Terms and Conditions.
- b. Deliveries must be made to retailer establishments Monday through Friday during normal business hours (8:00 a.m. to 5:00 p.m.).
- c. Deliveries must be made within two business days of receiving shipments.
- d. Return of refused orders or undeliverable items must be accepted by courier and processed at the time of delivery. These orders will be returned to the respective Distribution Center within two business days of the attempted delivery.
- e. The Contractor will provide an internet-based system to track packages and provide proof of delivery for at least a 120-day period. Proof of delivery must be available by the next business day. All tracking capabilities must allow the Lottery Contract Manager to track packages at a minimum by the Lottery's invoice number, retailer identification number, and zip code. Access to this information must

be available to multiple users, including the Lottery's Security and Law Enforcement and Sales & Marketing Divisions.

2. Lottery Sales Employee Return Services

The Contractor will provide return services from retailer locations to the Lottery Northern Distribution Center. The Lottery may add or delete receiving locations. The Contractor will accept packaged and labeled packages from Lottery Sales Employees. Lottery Sales Employees will perform the following tasks:

- a. Place return merchandise into carton or shipping bag;
- b. Seal carton or shipping bag, remove or cross out old labels;
- c. Provide package to any of Contractor's drivers making a regular pickup or delivery.

3. Other Lottery Deliveries

The Contractor must provide Scratchers ticket and Point of Sale and other marketing material delivery services to Lottery District Offices and Distribution Centers (see Exhibit E, District Offices and Distribution Centers, for locations).

4. Unless otherwise authorized or required by the Lottery Contract Manager, the Contractor will pick up each day's ticket shipment, excluding weekends and state holidays from the Lottery's Distribution Centers (West Sacramento and Rancho Cucamonga, or other Lottery-designated substitute warehouse) by use of a single vehicle at each location and deliver each order to the retailers. Lottery designation of a substitute warehouse will not require a contract amendment and will not change the Cost per delivery. The Contractor must provide at least four full-time staff who will scan, produce address labels, sort, and palletize Scratchers, and Auto-Ship orders Monday through Friday, excluding state holidays, at each Distribution Center.

5. The Contractor must provide account managers to assist the Lottery with customer service, including delivery issue resolution, technical support, training, and reports, as needed. In addition, the Contractor will provide toll-free telephone support (Monday through Friday from 8 a.m. to 5 p.m. PST), with knowledgeable customer service representatives available to research, track orders, and coordinate redeliveries, as needed. Access to delivery information must be available to multiple users including the Lottery's Security and Law Enforcement Division, Scratchers Inventory Management Center, and Lottery Distribution Centers. The Lottery will not incur any additional charges for utilizing these services.

6. The Lottery will create retailer orders for packs of Scratchers tickets. The Contractor's onsite personnel will ensure that each day's orders will be available for pickup by the Contractor's delivery personnel during the afternoon for delivery. Deliveries must be made within two business days of receiving shipment. The Lottery Contract Manager will determine the pick-up times after consulting with the Contractor. The clock will begin at 5:00 p.m. on the day of receiving shipment. At the written request of the Contractor, the Lottery Contract Manager may, at the Contract Manager's sole discretion, allow the Contractor additional delivery time in remote areas under unique and unusual circumstances.

7. **Delivery Security**

The Contractor must provide security to protect all Lottery tickets from damage and theft. At a minimum, the Contractor's security will include the utilization of the following requirements:

- a. Communication links – all drivers performing deliveries under this Contract must be in contact with dispatcher on a regular basis. The Contractor will provide personnel assigned for both Northern and Southern California Distribution Centers who can respond to Lottery personnel regarding onsite issues within one to two hours of an issue being escalated to the Contractor.
- b. Company name affixed on uniform or visible identification badge, which includes courier's name, picture, company name or identification number(s).
- c. Tracking system which provides, at a minimum, the following information: Scratchers location, date and time of deliveries, refusals, returns, etc.

## **B. System Capabilities**

1. At no additional cost to the Lottery, the Contractor must provide a system that will provide the following capabilities:
  - a. The system must provide an electronic list of delivery receipt numbers for easy retrieval, viewing and delivery verification by Lottery personnel on a contractor owned Intel-based PC which meets the Lottery's compatibility standards outlined in subsection E, "Hardware and Software". The system must provide for the ability to search proof of delivery information by either Retailer ID, invoice number; account name and address; view and print the certification required by the Contractor for every billing invoice; and print all proof of delivery information. The following information provides the amount of characters for each field when searches are performed:

*Invoice Number = 12 characters Retailer ID = 7 characters*

- b. The delivery receipt information can be electronically transmitted to the Lottery via the data exchange method outlined in subsection D, "Data Exchange"; however, the data may not be transmitted directly to any mainframe platform within the Lottery. The Lottery currently has an Intel-based PC that is being used for the purpose of transmitting the delivery manifest data.
- c. Upon the Lottery Contract Manager's request, the Contractor will execute a certification or declaration under penalty of perjury to be used by the Lottery for court purposes, as needed. The certification or declaration is intended to verify the accuracy and truthfulness of the information provided to the Lottery for ticket delivery receipts, state that the information was entered during the normal course of the Contractor's business, and that it can be relied-upon as evidence in a court of law. This provision must remain in effect for four years beyond the termination or expiration date of the contract and any extension.
- d. The Contractor must be able to provide the Lottery Contract Manager with access to delivery information, including Proof of Delivery, for audit purposes for up to 18 "rolling" months (for "look-up" delivery information).

## 2. Training

Upon request by the Lottery Contact Manager, the Contractor will provide training for software and hardware updates to Lottery employees at the Lottery Headquarters located at 700 North 10th Street, Sacramento, California 95811. At a minimum the training will include instruction on the general functionality of any hardware or software package proposed and any customization functionality. The Contractor must provide all training material including any documentation for customization. The training materials must include the Contractor problem reporting contact name, phone number(s) and procedures for problem reporting.

## C. Data Exchange

The Contractor will send and receive all data transfers through an email address provided to the Contractor. The Contractor must interface with the Scratchers Automated System using the following exchange: The Lottery Contract Manager or designee will provide the Contractor with a daily (Monday through Friday) delivery manifest file for orders to be delivered to the retailers.

#### **D. Hardware and Software**

The Contractor will be responsible for generating address labels and routing information through the use of its own equipment. The Contractor's hardware/software must be compatible and able to interface with the Lottery's systems, as needed. The Lottery's hardware and software currently is Dell 2 in 1 Laptop Model Number 7400 and Dell Desktop Model Number 3431(Government Edition E5).

The Contractor's software must work under the conditions outlined below and must be capable of customization, if necessary, by the Contractor or subcontractor to meet the Lottery's needs. The Contractor will be responsible for full support of their operating system, application software and hardware, including customization, implementation, maintenance, training and help desk assistance.

If the Contractor's software requirements exceed the available storage or capabilities of the hardware requirements stated above, the Contractor will be responsible for providing a personal computer that meets Lottery system requirements at no additional cost to the Lottery. The Contractor must provide on-site maintenance for the Contractor-owned hardware and software failures or upgrades for the life of the contract and any extensions exercised by the Lottery.

The Lottery requires the Contractor's software to use a four-digit year and two-digit month and day and will include, but not be limited to, century recognition of dates, calculations that correctly compute same century and multi-century formulas and date values, and interface values that reflect the date issues arising between now and the next one hundred years into the future. If any changes are required, the Contractor will make the changes at no additional cost to the Lottery and in a time frame acceptable to the Lottery Contract Manager.

#### **E. Hardware/Software Documentation and Operating Instructions**

The Contractor must provide comprehensive hardware and software documentation and operating instructions for any equipment used at Lottery sites or the Contractor's Data Processing facility. The documentation must include at a minimum:

- a. Instructions on the operation of hardware.
- b. Instructions on the operation of software.
- c. Basic hardware and software troubleshooting procedures.

The documentation and operating instructions must be provided to the Lottery Contract Manager within 30 days of receiving the fully approved contract. The Contractor is responsible for providing any revised or updated documentation and operating instructions to the Lottery Contract Manager as changes take place or at the request of the Lottery Contract Manager.



**F. Acceptance Testing**

Upon completion of installation of the system and training of Lottery staff, the Lottery will conduct acceptance testing of the system as outlined in Acceptance Testing, Exhibit B.

## **EXHIBIT B – ACCEPTANCE TESTING**

The computerized method of Proof of Delivery will be delivered to the Lottery and installed by the Contractor within 30 calendar days of the contract effective date. Upon completion of installation, the Lottery will commence acceptance testing. Following completion of acceptance testing, the Contractor will commence Lottery staff training. The following criteria will apply to acceptance testing:

1. Acceptance testing will be deemed complete when the Lottery has successfully validated that the system meets the mandatory requirements set forth in Scope of Work, Exhibit A, to the satisfaction of the Lottery. The Lottery will maintain a record of the validation process during the acceptance testing period.
2. Acceptance testing will be completed in five working days after installation. If the Lottery deems it necessary for the Contractor to provide on-site assistance, such assistance will be provided at no additional charge to the Lottery by the Contractor.
3. During the acceptance test period, the Contractor must provide maintenance and support, as set forth in Scope of Work, Exhibit A, at no additional charge.
4. Immediately upon successful completion of acceptance testing, the Lottery will notify the Contractor in writing of acceptance of the system.

**EXHIBIT D – SCRATCHERS© RETAILERS COUNT BY COUNTY**

County Name	Total	County Name	Total
ALAMEDA	826	PLACER	199
ALPINE	1	PLUMAS	15
AMADOR	27	RIVERSIDE	1153
BUTTE	127	SACRAMENTO	845
CALAVERAS	39	SAN BENITO	33
COLUSA	17	SAN BERNARDINO	1360
CONTRA COSTA	521	SAN DIEGO	1763
DEL NORTE	10	SAN FRANCISCO	399
EL DORADO	113	SAN JOAQUIN	444
FRESNO	685	SAN LUIS OBISPO	170
GLENN	22	SAN MATEO	320
HUMBOLDT	86	SANTA BARBARA	256
IMPERIAL	102	SANTA CLARA	936
INYO	18	SANTA CRUZ	144
KERN	597	SHASTA	129
KINGS	87	SIERRA	1
LAKE	50	SISKIYOU	39
LASSEN	18	SOLANO	269
LOS ANGELES	6395	SONOMA	291
MADERA	111	STANISLAUS	367
MARIN	110	SUTTER	61
MARIPOSA	12	TEHAMA	45
MENDOCINO	76	TRINITY	12
MERCED	174	TULARE	305
MODOC	4	TUOLUMNE	28
MONO	9	VENTURA	544
MONTEREY	254	YOLO	112
NAPA	73	YUBA	51
NEVADA	58		
ORANGE	1763		

**\*Note:** The grand total of Lottery retailers by county is accurate as of November 24, 2020. The actual number of Lottery retailers by county may vary during the contract period.

**EXHIBIT E – DISTRICT OFFICES AND DISTRIBUTION CENTERS**

**Distribution Center – North**

2920 Ramco Street, Suite 110  
West Sacramento, CA 95691

**Distribution Center – South**

9109 E. 8th Street  
Rancho Cucamonga, CA 91730

**Chatsworth Office**

9710 Topanga Canyon Blvd  
Chatsworth, CA 91311

**Costa Mesa Office**

235 Baker Street East  
Costa Mesa, CA 92626

**Milpitas**

900 Hanson Court  
Milpitas, CA 95035

**Fresno Office**

7620 North Del Mar Avenue  
Fresno, CA 93711

**Rancho Cucamonga Office**

11138 Elm Avenue  
Rancho Cucamonga, CA 91730

**Richmond Office**

618 South 8th Street, Suite 300A  
Richmond, CA 94804

**Sacramento Office**

4106 East Commerce Way  
Sacramento, CA 95834

**San Diego Office**

5656 Ruffin Road  
San Diego, CA 92123

**Santa Fe Springs Office**

9807 Bell Ranch Drive  
Santa Fe Springs, CA 90670

**EXHIBIT F – PACKING INVOICE**

**CALIFORNIA STATE LOTTERY**

INVOICE NUMBER: 01-13120013-01      DATE: 03/18/2019  
CHAIN ID: 0

1038856 OAKS MINI MART  
1720 E DINUBA AVE  
REEDLEY, CA  
93654

WHS: 119 Distribution Center—North  
DSR: 031016 GLENN FRANZ  
LTSS: DELACUESTA, JUSTIN

ORDER DETAIL

GAME	PACK COST	# OF PACKS	AMOUNT
1319 TRIPLING BONUS XWORD	300.00	1	300.00
1323 FAST PLAY BINGO	300.00	1	300.00
1324 JOKER'S WILD POKER	400.00	1	400.00
1329 MYSTERY CROSSWORD	500.00	2	1,000.00
1332 TRIPLE 777	400.00	2	800.00
1342 CALIFORNIA MILLIONS	900.00	2	1,800.00
1344 LOTERIA	300.00	1	300.00
1349 MONOPOLY	400.00	3	1,200.00
1351 MONOPOLY	600.00	2	1,200.00
<b>TOTAL</b>		<b>15</b>	<b>7,300.00</b>

INVENTORY SHIPPED

1319-1290768	1323-1229062	1324-1305963	1329-2164401
1329-2164402	1332-1292114	1332-1292115	1342-1138864
1342-1138865	1344-1085570	1349-1098592	1349-1098593
1349-1098594	1351-1090367	1351-1090368	

COMMENT: When calling to order Scratchers tickets, call  
1-855-395-6886.

MESSAGE:

INVOICE NUMBER  
01-13120013-01



**CALIFORNIA STATE LOTTERY**

INVOICE NUMBER: 01-13120013-01      DATE: 03/18/2019

1038856 OAKS MINI MART  
1720 E DINUBA AVE  
REEDLEY, CA  
93654

WHS: 119 Distribution Center—North  
DSR: 031016 GLENN FRANZ  
LTSS: DELACUESTA, JUSTIN

INVOICE NUMBER  
01-13120013-01



RETAILER ID # 1038856



ORDER DETAIL

GAME	PACK COST	# OF PACKS	AMOUNT
1319 TRIPLING BONUS XWORD	300.00	1	300.00
1323 FAST PLAY BINGO	300.00	1	300.00
1324 JOKER'S WILD POKER	400.00	1	400.00
1329 MYSTERY CROSSWORD	500.00	2	1,000.00
1332 TRIPLE 777	400.00	2	800.00
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<b>TOTAL</b>		<b>15</b>	<b>7,300.00</b>

INVENTORY SHIPPED

1319-1290768	1323-1229062	1324-1305963	1329-2164401
1329-2164402	1332-1292114	1332-1292115	1342-1138864
1342-1138865	1344-1085570	1349-1098592	1349-1098593
1349-1098594	1351-1090367	1351-1090368	

## EXHIBIT G – BUDGET AND PAYMENT PROVISIONS

### 1. COST SHEET

- 1.1 Provide pricing schedule for services outlined on Cost Sheet (Attachment 2).

### 2. FISCAL PROVISIONS

#### 2.1 Reduction of Funds

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

#### 2.2 Frequency of Payment

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

#### 2.3 Payment and Invoicing

##### A. Payment

The Contractor will be paid in accordance with Attachment 2, Cost Sheet. 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 the 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 the Contractor is a nonprofit organization and the value of the contract is less than \$500,000, or if the Contractor is certified with the California Department of General Services as a small business, interest will accrue at a rate of 10% above the U.S. Prime Rate on June 30<sup>th</sup> 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 30<sup>th</sup> 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.

B. Invoicing

The Contractor will submit invoices on a monthly basis by the 15th day of the following month after goods or services have been provided. Invoices must identify the Lottery Contract number and list the services rendered, goods provided, and reimbursements claimed and include the certification required in Exhibit A, Scope of Work, section B. The Lottery Contract Manager will review each invoice for completeness and accuracy and either approve or dispute it. 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 the Contractor of a disputed invoice within 15 calendar days of receipt of the invoice or delivery of goods or services, whichever is later. Unless disputed, payment will be made after goods and services are received.

Invoices of 10 pages or less (including supporting documentation) may be emailed as an attachment to [AccountingOps@calottery.com](mailto:AccountingOps@calottery.com). The Contractor must include the Contractor's name, invoice number, and Contract number in the email subject line.

If the invoice is more than 10 pages, or if the Contractor elects not to submit eligible invoices by email, invoices must be mailed in triplicate to:

California State Lottery  
Accounting Operations  
700 North 10th Street MS: 4-3  
Sacramento, CA 95811

The Contractor is required to mark "Final Invoice" on the last invoice submitted to the Lottery for payment. The Contractor waives the right to receive any further payments under the Contract if no final invoice is received by the Lottery within 180 calendar days after the Contract is terminated or expires by its own terms.

2.4 Full Compensation

The compensation to be paid to the Contractor, except as otherwise provided herein, is in consideration for all of the Contractor's services and administrative expenses and all applicable taxes, known or unknown.

2.5 Notice of Monies Due

The Lottery will notify the Contractor in writing when and if any monies are due the Lottery. Any monies the Contractor owes the Lottery must be paid to the Lottery within 30 days after the postmark of the notice of the amount due or the amount

due will be deducted from compensation otherwise due the Contractor by the Lottery.

## 2.6 Tax Reporting

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

## 2.7 Withholds

- A. The Lottery has the right to withhold or delay payments to the Contractor, in whole or in part, if the Contractor fails to perform its material obligations under the Contract.
- B. Should the Contractor cure the performance failure giving rise to the withheld or delayed payment, the Lottery will review the matter with the Contractor and determine, within its discretion, whether the Lottery will continue to withhold payment or otherwise offset money due the Contractor.



## **EXHIBIT G – DRAFT CONTRACT TERMS AND CONDITIONS**

### **1. GENERAL PROVISIONS**

#### **1.1 Parties and Authorization**

The parties to this contract (Contract) are the California State Lottery (Lottery) and \_\_\_\_\_ (Contractor). Each party acknowledges that it has read the Contract, understands it, and agrees to be bound by its terms. The person signing this Contract on behalf of the Contractor further warrants that he/she is an agent of the Contractor and is duly authorized to enter into this Contract on its behalf.

#### **1.2 Initial Term of Contract**

The initial Contract term is for a 5-year period with the Lottery's option to extend for an additional one-year period.

#### **1.3 Emergency Extended Service**

In the event of an urgent and compelling need, the Contractor agrees to provide up to 12 months of additional emergency extended services at the Lottery's request, under the same terms and conditions, including pricing, upon expiration of the Contract term and any extensions.

#### **1.4 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. The Contractor agrees to maintain the service in a state of readiness for any such periods after the completion of the Contract.

#### **1.5 Full Force and Effect**

This Contract is of no force or effect until it is signed by all parties and all approvals are secured ("execution"). The Contractor operates at its own risk if it commences performance before execution. Each party's signature hereon constitutes a representation that all necessary approvals have been obtained by that party.

#### **1.6 Amendment**

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

## 1.7 Contractor Consideration

As consideration for the compensation paid to the Contractor under this Contract, the Contractor agrees to perform all services and to fulfill all responsibilities as duly authorized by the Lottery and as detailed in Exhibit A, Scope of Work.

## 2. RELATIONSHIP AND AUTHORITY

### 2.1 Governing Law

This Contract is governed by and will be interpreted in accordance with California law. The Contractor acknowledges that the California State Lottery Commission (Commission) has the sole authority to exercise all powers necessary to effectuate the Lottery's purpose, and that the Commission retains all such authority under the Contract, but only to the extent such audits and oversight, in the auditor's opinion, do not violate applicable professional standards or undermine the integrity of the audit. The Contractor understands and agrees that its performance is subject to Lottery audit and oversight. Subject to these limitations, the Contractor has the power, authority, and discretion to act as may be necessary or desirable to properly, efficiently, fully, and completely perform the Contract.

### 2.2 Jurisdiction and Venue

The bid 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, the 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, the 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 parties' 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 parties in connection with the Contract. Any change in the Contractor's Contract Manager is subject to Lottery approval.

### 3.2 Licenses and Permits

The Contractor must be licensed to do business in California and must obtain, at the Contractor's expense, all licenses and permits required by law for accomplishing any work required in connection with this Contract. The 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, the Contractor agrees to renew and provide the Lottery, upon request, with copies of the renewed licenses or permits.

### 3.3 News Releases

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

### 3.4 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 and must not disclose any such information or materials to third parties unless such disclosure is approved in writing by the Lottery, specifically required by court subpoena or order, or applicable professional standards, or otherwise specifically permitted by the Contract.
- 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 the 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. Under no circumstance will the Lottery be liable to the Contractor or to any other person or entity for disclosing any Contractor material, regardless of its designation by the Contractor as trade secret or confidential information.
- C. The Contractor uses the services of the Contractor-controlled entities, the Contractor member firms and/or third-party service providers to provide administrative and clerical support to the Contractor. These parties may have access to certain of the Lottery's information with the understanding that the confidential information will be maintained under information controls providing equivalent protection as the Contractor's information controls.

#### **4. GENERAL WARRANTIES AND REPRESENTATIONS**

Contractor warrants and represents the following:

**A. Authority**

The Contractor is authorized and prepared to enter into and fully perform the terms and conditions of the Contract. The Contractor has secured, or will have secured, at its own 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**

The 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 the Contractor's knowledge, infringe any copyright, trademark, or other third-party owned intellectual property;

**D. Performance Standards**

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

#### **5. LOSS PREVENTION**

- A.** The 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 thereto, and copies certificates of insurance, 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 that are rated A-minus or better by the AM Best Company or meet the approval of the Lottery. If the Contractor's Coverage provider cancels any required policy or other Coverage, the 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. The Contractor may not perform services or incur expenses until proof of Coverage, including certificates of insurance for the required policies, are received by the Lottery.
- C. The Contractor may request adjustment to Coverage requirements by submitting a request in writing to the Lottery Contract Manager. The Contractor may not adjust Coverage amounts or insurance liability limits below the amounts listed in this Contract without prior written approval of the Lottery.

#### 5.1 Workers' Compensation

The 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 the California Labor Code.

#### 5.2 Commercial General Liability Insurance

The Contractor must maintain Commercial General Liability insurance with limits of at least \$1,000,000 for any one person and \$2,000,000 for any one occurrence for death or bodily injury, and \$1,000,000 for any one occurrence for property damage. The insurance policy must also include coverage for liabilities for premises, operations, products, advertising injury, and subcontractor operations. The policy must include the Lottery, Commission members, and Lottery officers and employees as additional insured, insofar as operations under the Contract are concerned.

#### 5.3 Commercial Automobile Insurance

Contractor will maintain Commercial Automobile Liability insurance with limits of not less than two million dollars (\$2,000,000) per accident. Insurance will cover liability arising out of a motor vehicle including owned, hired, and non-owned motor vehicles. Coverage will include the Lottery as Loss Payee.

#### 5.4 Cargo Insurance

Contractor must secure and maintain at all times during the term of the contract and any extensions thereto, a policy of cargo insurance which must pay to the Lottery replacement value of any items which are harmed, damaged, lost, stolen, defaced, vandalized, or tampered with in any way whatsoever and for any reason while in the possession of the Contractor until they are actually delivered FOB destination as provided herein. The policy must be payable regardless of the reason or cause for the loss. In addition, the policy must pay to the Lottery any other costs, including lost profits, loss of good will, and administrative and

attorney's fees and costs, associated with Contractor's performance relating to the items covered by the cargo insurance.

#### 5.5 Crime/Employee Dishonesty Insurance

Contractor will maintain Fidelity Bond or Crime/Employee Dishonesty Insurance, with limits of not less than the total contract amount, to cover any loss to the Lottery due to any fraudulent or dishonest act by anyone providing direct service in performance of contract, including but not limited to, Contractor, its agents, employees, or subcontractor(s). The Contractor will name the Lottery as a loss payee, as its interests may appear.

#### 5.6 Financial Security for Lottery

The 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, deed of trust on Contractor's real property, 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 will 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.

#### 5.7 Indemnification

A. The Contractor shall indemnify and hold harmless, at the Contractor's expense, the State of California, the Lottery, the Commission, and all Lottery officers and employees and their respective successors, heirs, representatives, administrators and assigns, from and against any and all responsibilities, suits, judgments, awards, costs, damages, claims, demands, actions, losses, settlements, costs, expenses (including attorneys' fees and expenses), for death, bodily injury, or damage to tangible property to the extent caused by the willful or negligent acts or omissions of the Contractor or any of its officers, employees, subcontractors, or agents. The provisions of this section shall survive the termination or expiration of the Contract. The Contractor's obligation to indemnify shall not extend or apply to any claim alleging that the Lottery's financial statements are inaccurate or incomplete or were not prepared in accordance with generally accepted accounting principles. The Contractor has no obligation to indemnify the Lottery from any claims resulting from the acts or omissions of the Lottery, and in no event would any indemnification

provided under this section be effected by the Contractor if doing so would violate the AICPA or other independence obligations.

- B. The Contractor shall provide the Lottery Contract Manager with prompt written notice of any action or suit threatened or filed against the Contractor that is related in any way to the Contract.
- C. The indemnities set forth herein are in addition to, and not in lieu of, any other indemnities provided hereunder or by law.

## **6. CONTRACT OVERSIGHT**

### **6.1 Background Investigations and Approval of Contractor Staffing**

- A. The Lottery may conduct background investigations of the Contractor, its officers, directors, principals, investors, owners, employees, or other associates, and the officers, directors, principals, investors, owners, employees, and other associates of the Contractor's parent entity, affiliates, subsidiaries, and subcontractors at any time during the life of the Contract, at the discretion of the Lottery Director. The 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.
- B. The Contractor may be required to reimburse the Lottery for necessary and reasonable costs incurred by the Lottery in conducting background investigations, including travel, lodging, per diem, document procurement, site inspections, and fingerprinting.
- C. The Lottery may disapprove any the Contractor or subcontractor personnel to be assigned to the Lottery Contract for any reason, and all subcontracts must include a provision implementing this right.
- D. The Contractor personnel, including, but not limited to employees, subcontractors, independent contractors, and non-employee personnel, must not be assigned to work on the Lottery Contract if they have ever been convicted of a felony, gambling-related offense, or a crime involving dishonesty.
- E. Pursuant to California law, the Lottery may terminate the Contract based on the results of its investigations.

### **6.2 Contractor Evaluation**

The parties' Contract Managers may meet as often as necessary, upon the Lottery's request, to review and evaluate progress and performance. Review and

evaluation criteria will be established by the Lottery Contract Manager and may include a review of problem areas, future performance, and any other subject relating to completion of tasks under the Contract.

### 6.3 Disabled Veteran Business Enterprise/Small Business Participation Monitoring

Where applicable, the Lottery will monitor the Contractor's disabled veteran business enterprise and small business participation. Documentation may be requested from the Contractor at any time.

### 6.4 Access to Financial and Accounting Records

The Contractor and its subcontractors must maintain and make available for Lottery inspection all Contract-related financial and accounting records and other documentation pertaining to the fulfillment of Contract obligations in accordance with generally accepted accounting principles. The Contractor must make these records and documents available to the Lottery upon request during the Contract term and for four years after the Contract expires.

### 6.5 Audit Provisions

#### A. Records Audit

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

#### B. Right to Audit Contractor's Operations

The Lottery may audit the Contractor's 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 inspection of place(s) where duties under the Contract are being performed, review of physical or logical security controls, and review of information concerning any software provided under this Contract. The Lottery's auditors or authorized representatives may conduct the audits.

The Contractor must ensure that any subcontractors providing services under the Contract fully comply with the Lottery's inspections and on-site audits.

### 6.6 Dispute Resolution

A. If a dispute arises out of the Contract that remains unresolved after good faith negotiations between the Lottery and the 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, the 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 will be final and binding and will be provided in the proper form to be entered as a judgment in a court of competent jurisdiction in Sacramento County.
- C. In the event that 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 upon by the parties will be considered final and binding on both parties, and no further process will be permitted.

#### 6.7 Notice of Delay

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

### 7. EXPIRATION OR TERMINATION OF CONTRACT

#### 7.1 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).

#### 7.2 Termination for Default

- A. The Lottery may, by written notice of default to the Contractor, terminate the Contract in whole or in part, at the Lottery's sole discretion, if any of the following occur:
  - 1. The Contractor fails to deliver material products within the time specified in the Contract or any extension;
  - 2. The Contractor fails to make progress, such that it endangers performance of the Contract;

3. The Contractor fails to perform any material provision of the Contract;
  4. The Contractor fails to sustain a level of economic viability in its overall operations such that the Lottery can reasonably be assured of the Contractor's ability to continue to comply with all operational requirements of the Contract, including those provisions relating to loss prevention;
  5. A court of competent jurisdiction finds that the Contractor, its principals, or its assigned personnel has failed to adhere to any law, ordinance, rule, regulation, or order, where such failure may call into question the security, integrity, or competence of the Contractor to serve as a Lottery contractor;
  6. The Contractor fails to communicate with the Lottery on material matters such that performance of the Contract is endangered;
  7. The Contractor breaches the Contract's standard of confidentiality;
  8. The Contractor engages in conduct that is likely to create a negative public impression or that creates the appearance of impropriety with respect to the Lottery, the Contractor, or the State of California;
  9. The Contractor has knowingly or with reckless disregard for the truth furnished any material statement, representation, warranty, or certification to the Lottery that is false, deceptive, or incomplete.
- B. The Lottery may exercise its right to terminate the Contract under this subsection if the Lottery Contract Manager notifies the Contractor of the breach and The Contractor does not cure it within the Lottery's established timeline, which shall be not less than 30 calendar days. In that event, the Lottery may obtain a replacement contractor on an emergency or interim basis to provide the services and/or goods which the Contractor agreed to provide under this Contract. The Lottery will collect from the Contractor the difference between the compensation stated in this Contract and the actual cost to the Lottery of obtaining and utilizing an interim replacement contractor. The Lottery will also collect actual costs, including administrative expenses and re-procurement costs, incurred to process and procure a permanent replacement contractor. The Lottery may collect monies it is due by offsetting the amount from any payments due the Contractor, by perfecting and executing on any security interest provided under the Contract, or by any other available means.
- C. The Contractor must protect and preserve property in its possession in which the Lottery has an interest. Where specified, the Lottery will pay the Contract cost for any work performed prior to the date of termination. Where payment amount is not specified in the Contract, the Contractor and the Lottery will agree on a reasonable amount of payment for goods, materials,

and license rights delivered to, and accepted by, the Lottery. Failure to agree will be a dispute subject to the section herein entitled Dispute Resolution. The Lottery may withhold from any amounts due the 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 set forth in this subsection are in addition to any other rights and remedies provided by law or under the Contract.

### 7.3 Termination Based on Determination of Illegality

The Lottery may terminate the Contract, in whole or in part, and reduce the 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, the Contractor will immediately cease performance of such activity or operation and mitigate its damages. The Contractor will submit, within 90 calendar days of the receipt of a notice of termination or reduction pursuant to this subsection, a compensation reduction proposal. If the Contractor and the Lottery fail to agree on the amount of compensation reduction, the Lottery will reduce the compensation as reasonably determined by its calculations.

### 7.4 Termination for Convenience

The Lottery retains the option to immediately terminate the Contract for the Lottery's convenience upon advance written notice (Notice of Termination) to the Contractor of no fewer than 30 days. The Notice of Termination shall contain the effective date of termination. On the date of termination set forth in the Notice of Termination, the Contractor will cease performance and mitigate damages. The Contractor will be entitled to compensation, upon submission of invoices and proper proof of claim, for the portion of the Contract that was rendered or provided in conformity with the contract before the effective date of termination. The Lottery may also compensate the Contractor for expenses incurred as a result of binding commitments made in connection with the Contractor's performance of the Contract, provided that the commitments were incurred prior to receipt of Notice of Termination and only with the written approval of the Lottery Contract Manager. Compensation for such expenses lies within the sole discretion of the Lottery. The Contractor must submit proof of such expenses incurred to the Lottery's satisfaction.

### 7.5 Parties' Responsibilities upon Termination and Transfer to New Contractor

Upon termination or expiration of the Contract, the Contractor shall return to the Lottery all original documents and informational materials provided by the Lottery

to the Contractor, as well as all completed deliverables, if any. The Contractor may retain a single copy of information in its work papers, to the extent necessary to comply with applicable professional standards. Prior to the termination of this agreement, each party will, to the extent consistent with applicable professional standards, reasonably assist the other in the orderly termination of the Contract and the migration of contract services to a new contractor, provided that nothing herein shall be construed to require the Contractor from disclosing to the successor contractor any information beyond what is specified in the first sentence of this paragraph. Fees associated with any such transition shall not exceed \$2,000, and any outstanding invoices shall be paid prior to such transition. Migration efforts will be completed within 60 days after Contract termination.

## **8. MISCELLANEOUS PROVISIONS**

### **8.1 Force Majeure**

Neither the 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 the Contractor uses reasonably diligent efforts to avoid or otherwise minimize the impact of an event of Force Majeure on the 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 Contract Manager.

For purposes of this Contract, "Force Majeure" means an act of God or public enemy, earthquake, fire, flood, explosion, epidemic, pandemic, 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.

### **8.2 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.

### **8.3 Order of Precedence**

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

- A. This Contract, with all exhibits, attachments, addenda, and other incorporated documents, and all amendments thereto;
- B. The Lottery's IFB #50160, with all exhibits, attachments, addenda, and other incorporated documents, and all amendments thereto;
- C. The Contractor's response to IFB #50160 and any clarifications submitted in response to requests made by the Lottery.

8.4 Notices in General

Any notice, request, demand, consent, waiver, or other item required or permitted under the Contract or under applicable law must be in writing and will be deemed duly given or made only if: (a) it is personally served upon the party intended to receive it, in which case it is effective when delivered; (b) it is sent by certified mail, return receipt requested, postage prepaid, addressed to the receiving party at the address set forth below, in which case it is effective upon receipt at that address by any agent or employee of the receiving party; (c) it is sent by FAX with a copy also 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; or (d) it is transmitted by email to the Lottery Contract Manager before 5:00 p.m. Pacific Time on a business day, in which case it is effective as of the date the email is sent - if transmitted after 5:00 p.m. Pacific Time or on a non-business day, notice will be effective as of the next business day. A party may change its contact information for purposes of receiving notice only by giving written notice to the other party in the manner set forth herein.

LOTTERY

CONTRACTOR

Name: California State Lottery  
 Address: 700 North 10th Street  
 Sacramento, CA 95811  
 Phone #: (916)  
 FAX #: (916)  
 Attention:  
 Email:

8.5 Invalidity in Whole or in Part/Severability

If any provision of this Contract is found to be 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 provision, and the invalid provision will be deemed severable.

8.6 Execution of Counterparts

The parties agree that an executed copy of this Contract has the same force and effect as the original.

## 8.7 Sections and Subsection Headings

The section and subsection headings contained herein are for convenience of reference only. They will not be used to interpret or define the scope of any provision of the Contract.

## 8.8 Assignment

- A. The 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, which may be withheld at the Lottery's sole discretion. Any attempt by the 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. All assignment requests must be submitted in writing to the Lottery Contract Manager.
- C. In addition to obtaining the prior written consent of Lottery, any attempt to assign performance of the Contract, or any portion of the Contract, is void unless all of the following conditions have been met: (1) the terms of the Contract are included in the assignment and agreed to by the assignee; (2) the Lottery has reviewed and approved all pertinent disclosure information; and (3) the Lottery has reviewed and approved the final written assignment.

## 8.9 Subcontracting

- A. Contractor subcontracting for ticket delivery services, ticket return services, ticket delivery processing services, security, or information technology support services, directly linked to the services delineated in Exhibit A, Scope of Work. However, under certain specific circumstances and upon written approval from the Lottery Contract Manager, the Lottery may agree to allow the Contractor to enter subcontracts for non-delivery services (i.e. fleet and/or uniform maintenance). The Contractor must submit a written request to the Lottery's Contract Manager of its intent to enter each subcontract. The Contractor's written request must be received by the Lottery Contract Manager at least fifteen (15) 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. However, nothing contained in this Contract creates any contractual relationship, third party or otherwise, between the Lottery and any subcontractors. Furthermore, the 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 them

as it is for the acts and omissions of persons directly employed by the Contractor.

- B. The Contractor must follow the Lottery's requirements for procuring goods and services if the estimated subcontracted amount is over \$100,000. The requirements may be found at [www.calottery.com](http://www.calottery.com).
- C. For each proposed subcontract, the Contractor must submit a written request for approval to the Lottery Contract Manager. The Lottery Contract Manager may disapprove a subcontractor at any time, in which case the subcontractor must immediately be removed from the Contract assignment and all Lottery facilities.
- D. The Contractor's obligation to pay its subcontractors is independent from the Lottery's obligation to make payment to the Contractor. The Lottery will not make direct payment to subcontractors, nor will it be responsible for monies owed by the Contractor to subcontractors.

#### 8.10 Independent Contractor

The Contractor will be an independent contractor of the Lottery. The Contractor will have 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.

#### 8.11 Travel and Expenses

The Contractor will not be compensated separately by the Lottery for travel time, mileage, meals, or incidentals.

#### 8.12 Standards of Conduct

The Contractor is responsible for maintaining satisfactory standards of employee competency, conduct, appearance, and integrity. The Contractor is responsible for ensuring that, while on Lottery premises, the Contractor employees do not disturb papers on desks, open desk drawers or cabinets, or use Lottery equipment except as authorized.

#### 8.13 Nonexclusive Rights

The Contractor understands and agrees that the Lottery does not grant the Contractor exclusive rights to provide to Lottery those services listed in the Scope of Work for this Contract. The Lottery reserves the right to acquire any services through another contractor at any time. The Lottery's good faith exercise of this right will not constitute a breach of the Contract.

#### 8.14 Audit of Contractor Procedures

The Lottery reserves the right to audit any and all Contractor and Lottery-approved subcontractor procedures using Lottery employees, Lottery designees, or other State agencies as provided by law.

#### 8.15 Geographic Boundaries

Ticket packs may not leave the boundaries of the State of California at any time during the delivery process without prior written agreement with and approval by the Lottery Contract Manager.

#### 8.16. Warranty

The Contractor will provide a one-year warranty on all hardware and software provided under this contract. The Contractor will be responsible for all maintenance of hardware and software after the warranty expires, at its expense, including parts, and any associated taxes for the life of the contract and any extensions.

#### 8.17 Delivery Verification

The Contractor must provide at no additional cost to the Lottery, an internet-based system to track packages and provide proof of delivery for the last 120 days. All tracking capabilities must allow the Lottery Contract Manager to track packages at a minimum by the Lottery's invoice number, retailer identification number, and zip code. Access to this information must be available to multiple users, including the Lottery Security and Sales and Marketing Divisions. Shipping and delivery documentation and software with on-line tracking capabilities must be provided at no additional cost to the Lottery.

#### 8.18 Security

The Contractor will maintain all Scratchers tickets in a secure manner as approved by the Lottery. The Lottery reserves the right to make unannounced inspections of any link in the Contractor's distribution system.

#### 8.19 Financial Responsibility

Once the Contractor has picked up tickets from either the Lottery or a retailer, the Contractor will assume financial responsibility for those tickets until their delivery is completed. For purposes of this section, "financial responsibility" is defined as the face value of the Scratchers tickets if they were sold to the public, or such lesser amount as the Director determines is appropriate to compensate the Lottery for loss. The Director's determination of any lesser amount of loss will be within the Director's sole discretion and will be final.



## 8.20 Missing Tickets

- A. Contractor will notify the Lottery within 24 hours from the scheduled date of delivery of any missing, lost, or stolen tickets or ticket packs. Contractor will be financially liable for the actual amount of any prizes paid against unreported lost, stolen, or missing tickets prior to Contractor's notice to the Lottery.
- B. No later than 30 days from the date that Contractor notified the Lottery of the missing, lost, or stolen tickets (if recovered). Contractor will and return to the Lottery the missing lost, or stolen tickets or packs.

## 8.21 California Department of Motor Vehicles Licenses and Permits

- A. Contractor's employees must, both at the time of bid submission and at all times during the life of this contract, possess valid California Department of Motor Vehicles (DMV) licenses and permits for the type of work covered by this contract. Contractor and its employees will, at all times during the life of this contract, fully comply with all applicable DMV statutes, rules, and regulations.
- B. At the request of the Lottery Contract Manager, the Contractor will provide a copy of all correspondence or documents issued by the DMV to the holder of any license or permit required under this agreement.

## 8.22 Vehicles

Contractor, subcontractors, independent contractors, and non-employee personnel must use vehicles capable of delivering parcels safely and securely to retail locations.

## 8.23 Treatment of State Property

Title to all property furnished by the Lottery will remain with the Lottery. Any property of the Lottery furnished to the Contractor will, unless otherwise provided herein, or approved by the Director, be used only for the performance of this contract.

The Contractor will be responsible for any loss or damage to property of the Lottery which results from the negligence or willful acts of the Contractor or which results from the failure on the part of the Contractor to maintain and administer that property in accordance with sound management practices. Upon the Contractor becoming aware, while exercising reasonable diligence, of the happening to, loss of, destruction of, or damage to any Lottery property, the Contractor will notify the Lottery and will take all reasonable steps to protect that property from further damage.

The Contractor will surrender to the Lottery all property of the Lottery prior to settlement upon completion, termination, or cancellation of this contract.

All reference to the Contractor under this clause will include any of the Contractor's employees, agents, or Lottery-approved subcontractors.

#### 8.24 Transition Period

The Lottery will assist the Contractor to ensure a smooth transition from the current method of delivery, verification, and transmission of manifest data to the Contractor's method during the Transition Period. The Lottery will establish a team to meet and assist the Contractor with the transition to the proposed system.

### 9. CALIFORNIA LOTTERY INFORMATION SECURITY STANDARDS

#### 9.1 Information Security

The Contractor acknowledges and agrees that it may, in its performance of the Contract, collect, generate, and/or have access to information and data pertaining to or provided by the Lottery and/or its customers (collectively, "Lottery Data"). The Contractor also acknowledges and agrees that proper information security requires protecting the integrity, availability, and confidentiality of confidential, sensitive, and personal information and the resources used to enter, store, process and communicate such information.

To this end, in performing the Contract, the Contractor must establish and maintain adequate security controls, policies, standards, and procedures to prevent unauthorized access to, and protect the confidentiality, integrity, and availability of, Lottery Data, assets and services.

The Contractor must operate in accordance with California state and federal laws, and all other applicable laws, regulations, and rules, as well as best industry practices, related to the protection of information assets and the timely and efficient management of security incidents, including corrective action.

#### 9.2 Data Confidentiality, Integrity, Availability and Management

Lottery Data will be collected and retained by the Contractor only for legitimate business purposes associated with the Contract. All electronic Lottery Data, whether at rest or in transit, must be encrypted with an approved FIPS 140-2 or higher compliant encryption solution. The Contractor's data handling processes must, throughout the term of the Contract, comply with the Lottery's Information Security policies and meet or exceed the required level of protection. Copies of the applicable policies will be provided by the Lottery.

Upon Contract expiration or termination, or as directed by the Lottery during the term of the Contract, all Lottery Data in the Contractor's possession must be returned to Lottery or destroyed, at the Lottery's option. Such data destruction or

return must be completed, at Contractor's cost and expense, within a mutually agreed upon timeframe, but in no case later 90 days after Contract expiration/termination.

### 9.3 Contractor Responsibilities

Information security must be ensured by the Contractor, as the Contractor may have physical or electronic access to the Lottery's confidential, sensitive, or personal information. This information may be contained in systems that directly support the Lottery's business operations. 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.

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

### 9.4 Security Plan

The Contractor must provide, within 10 days after the execution of the Contract, and shall maintain and follow throughout the term of the Contract, a Security Plan that identifies implemented organizational, physical, and technical 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

The Contractor's handling of Lottery Data must be consistent with the foregoing standards and guidelines and with all of the Lottery's obligations thereunder. After the Contractor has submitted its initial Security Plan, the Contractor will be responsible for submitting updated Security Plans on an annual basis, within 30 days after the anniversary of the Contract start date. The Security Plan must be submitted to the Lottery for approval, identifying the security considerations and controls, and naming a designated Information Security Systems Officer (ISSO) for the operations of the Contractor under the Contract. For the duration of the Contract term, the Lottery may also require the Contractor to update the Security Plan at any time and submit it to the Lottery for approval, if the Lottery determines that a significant change to the deliverables necessitates an update to Contractor's security controls.

If the Contractor has engaged services from a subcontractor or uses the services of a subsidiary as part of the Contract, it is the Contractor's responsibility to ensure that these parties also provide to the Lottery a Security Plan consistent with the Lottery's Information Security requirements and comply with such plan.

## 9.5 Security Plan Requirements

The Security Plan must designate Contractor personnel and staffing profiles to ensure that there is a clear "separation of duties" throughout the Contract Term. Separation of duties is the principle of not allowing one person to be responsible for completing or controlling a task, or set of tasks, from beginning to end when the potential for fraud, abuse or other harm exists.

The Security Plan must also demonstrate how the Contractor complies with the concepts of "least privilege" and "need to know;" an individual Contractor or Contractor group must only have access to the systems and information required for their tasks, access must be limited to only the information required to perform their role, and broad system privileges that may put Lottery information at undue risk must not be 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 the Contractor and Contractor personnel provide the following:

1. Protection from unauthorized access, alteration, disclosure, misuse of information processed, stored, or transmitted, and misuse of administrative privileges.
2. An organizational continuity of operations plans 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.

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

#### 9.6 Physical Security

The Contractor must take appropriate measures, including without limitation those set forth below, to prevent the loss, theft, damage, and misuse of all equipment associated with the Lottery Contract.

The 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 system providing service to the Contractor.

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

The Contractor must safeguard all information systems and data center facilities against high temperatures and inappropriate humidity. Temperature and humidity must be maintained within the range specified by the manufacturer.

#### 9.7 Business Continuity and Disaster Recovery Planning

The Contractor must maintain data backup and recovery processes for all critical Lottery Data as defined by the Lottery, according to the specifications provided by the Lottery. The specifications will include, without limitation, the applicable Recovery Time Objectives (RTO) for the 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 least once per month, 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.

The 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.

#### 9.8 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.

The Contractor must disclose to the Lottery any confirmed or suspected information security breach. The Contractor must notify the Lottery Contract Manager, the Lottery Deputy Director of Security/Law Enforcement (SLED), and the Lottery Information Security Office within two hours after discovery of the confirmed or suspected breach.

To the extent that the information security breach includes or is reasonably believed to include the acquisition of personal information, as defined in California Civil Code section 1798.29, by an unauthorized person, Contractor must notify the Lottery Contract Manager, the Lottery Deputy Director of Security/Law Enforcement (SLED), and the Lottery Information Security Office immediately following discovery.

If the Lottery determines that disclosure of an information security breach is required under section 1798.29, or any other applicable law or regulation, Contractor will diligently assist the Lottery in gathering all necessary information for the Lottery to comply with the disclosure requirements set forth therein. In addition, if the information security breach arises from the negligence or willful misconduct of the Contractor, or its agents, employees, or subcontractors, Contractor will reimburse the Lottery for any costs incurred in connection with the breach; such costs may include, but will not be limited to, the cost of preparing and delivering required notifications and up to 12 months of identity theft prevention

and mitigation services for any California residents whose personal information may have been compromised, if the Lottery determines that such notifications and/or services are required by applicable law, consistent with industry standards or otherwise reasonably necessary to safeguard the Lottery's business standing or reputation.

**Information Security Breach Contact Information:**

Lottery Contract Manager

Name:

Email:

Phone:

Lottery Deputy Director, Security and Law Enforcement Division

Name:

Email:

Phone:

Lottery Information Security Office

Email: [iso@calottery.com](mailto:iso@calottery.com)

9.9 Information Security Audit

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

9.10 Rights to Lottery Data

The parties agree that as between them, all rights, including all intellectual property rights, in and to Lottery Data (including but not limited to any information, formulae, algorithms, or other content uploaded, created, collected, provided, transmitted or modified by the Lottery, its employees, agents, or end users, or by the Contractor on behalf of the Lottery, in connection with the Contract) shall remain the exclusive property of the Lottery; Contractor has a limited, non-exclusive license to access and use the Lottery Data as provided to Contractor solely for performing its obligations under the Contract. Nothing herein shall be construed to confer any license or right to the data, including user tracking and exception data within the system, by implication, estoppel or otherwise, under copyright or other intellectual property rights, to any third party. Unauthorized use of data by Contractor or third parties is prohibited. For the purposes of this requirement, the phrase "unauthorized use" includes the data mining or processing of data stored or transmitted by the Contractor for unrelated commercial purposes, advertising, or advertising-related purposes, or for any other purpose that is not explicitly authorized by the Lottery.

**ATTACHMENT – 1 REQUIRED ATTACHMENT CHECK LIST**

A complete bid or bid package will consist of the items identified below.

Complete this checklist to confirm the items in your bid. Place a check mark or “X” next to each item that you are submitting to the State. For your bid to be responsive, all required attachments must be returned. This checklist should be returned with your bid package also.

- \_\_\_\_\_ Bidders Name
- Attachment 1 Required Attachment Check List
  - Attachment 2 Cost Sheet
  - Attachment 3 Bidder References
  - Attachment 4 Bidder Certification
  - Attachment 5 Disabled Veteran Business Enterprise Participation Forms and Instructions \*
  - Attachment 6 Disabled Veteran Business Enterprise Participation Forms and Instructions \*
  - Attachment 7 Payee Data Record (STD 204) (if currently not on file)
  - Attachment 8 Background Disclosures

\*If applicable



## ATTACHMENT 2 – COST SHEET

(Page 1 of 2)

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### Bidder

The Bidder's proposed costs listed below are inclusive of all costs associated with performing the services specified in Exhibit A, Scope of Work, excluding the fuel surcharge, for the duration of the contract term and any extensions exercised by the Lottery. **Do not include fuel surcharge in the proposed pricing. Indicate "N/A" next to a specific section, if you don't intend to bid on that specific section.**

- A. Cost per delivery address of maintenance orders for deliveries and/or unaccepted deliveries:
  - 1. Include pricing schedule for first year Contract.
  - 2. Include pricing schedule for second year Contract.
  - 3. Include pricing schedule for third year Contract.
  - 4. Include pricing schedule for fourth year Contract.
  - 5. Include pricing schedule for fifth year Contract.
  - 6. Include pricing schedule for first option year extension
  
- B. Cost per of delivery address of Auto Ship orders, including unaccepted deliveries:
  - 1. Include pricing schedule for first year Contract.
  - 2. Include pricing schedule for second year Contract.
  - 3. Include pricing schedule for third year Contract.
  - 4. Include pricing schedule for fourth year Contract.
  - 5. Include pricing schedule for fifth year Contract.
  - 6. Include pricing schedule for first option year extension
  
- C. Cost per delivery address to and from Distribution Centers and District Offices:
  - 1. Include pricing schedule for first year Contract.
  - 2. Include pricing schedule for second year Contract.
  - 3. Include pricing schedule for third year Contract.
  - 4. Include pricing schedule for fourth year Contract.
  - 5. Include pricing schedule for fifth year Contract.
  - 6. Include pricing schedule for first option year extension

ATTACHMENT 4 - COST SHEET

(Page 2 of 2)

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Bidder

D. Cost per delivery address for return service:

1. Include pricing schedule for first year Contract.
2. Include pricing schedule for second year Contract.
3. Include pricing schedule for third year Contract.
4. Include pricing schedule for fourth year Contract.
5. Include pricing schedule for fifth year Contract.
6. Include pricing schedule for first option year extension

E. Cost per delivery address for on-call pick up:

1. Include pricing schedule for first year Contract.
2. Include pricing schedule for second year Contract.
3. Include pricing schedule for third year Contract.
4. Include pricing schedule for fourth year Contract.
5. Include pricing schedule for fifth year Contract.
6. Include pricing schedule for first option year extension

This Cost Sheet must be signed by the representative identified on Attachment 4, Certification, as legally authorized to contractually bind the Bidder.

I, \_\_\_\_\_, certify that I am authorized to sign this cost sheet and to warrant that costs set forth are accurate and unconditional. I further certify that these costs constitute an irrevocable offer which the Lottery may, at its option, accept or reject at any time within 180 days from the day after the date that responses to the IFB were due.

---

Signature of Authorized Representative

---

Date

---

Printed Name Title



**BIDDER REFERENCES**

**ATTACHMENT 3 – BIDDER REFERENCES**

(Optional)

**BIDDER REFERENCES**

Submission of this attachment is optional. Failure to complete and return this attachment with your bid will not cause your bid to be rejected and deemed nonresponsive.

List below three references for services performed within the last five years, which are similar to the scope of work to be performed in this contract.

<b>REFERENCE 1</b>			
Name of Firm			
Street Address	City	State	Zip
Contact Person		Telephone Number	
Dates of Service		Value or Cost of Service	
Brief Description of Service Provided			
<b>REFERENCE 2</b>			
Name of Firm			
Street Address	City	State	Zip
Contact Person		Telephone Number	
Dates of Service		Value or Cost of Service	
Brief Description of Service Provided			
<b>REFERENCE 3</b>			
Name of Firm			
Street Address	City	State	Zip
Contact Person		Telephone Number	
Dates of Service		Value or Cost of Service	
Brief Description of Service Provided			



**BIDDER CERTIFICATION**

**ATTACHMENT 4 – BIDDER CERTIFICATION**

**I. BIDDER INFORMATION**

Bidder’s Name: \_\_\_\_\_

Street Address: \_\_\_\_\_

City/State/ZipCode: \_\_\_\_\_

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 bids 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 bid.
- e. The costs in the bid have been developed and calculated independently, without consultation, communication or agreement on any matter relating to such costs with any



## **BIDDER CERTIFICATION**

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 the 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, age, marital status, and denial of family care leave. Contractor and subcontractors will ensure 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. The 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:



## **BIDDER CERTIFICATION**

- a. the dangers of drug abuse in the workplace;
  - b. the 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 the Contractor's drug-free workplace policy statement and agree to abide by the terms of the 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 the Contractor may be ineligible for award of any future state contracts if the 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:** The Contractor certifies that no more than one final unappealable finding of contempt of court by a federal court has been issued against the Contractor within the immediately preceding two-year period because of the 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, the Contractor may elect to offer domestic partner benefits to the Contractor's employees. The 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:** The Contractor is aware of the following provisions regarding current or former state employees. If the Contractor has any questions about the status of any person rendering services or involved with the Contract, the Lottery will 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.



## **BIDDER CERTIFICATION**

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

**C. AMERICANS WITH DISABILITIES ACT:** The 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. The Contractor certifies it is currently qualified to do business in California.
2. The Contractor certifies that it is in good standing with the California Secretary of State's Office.

**E. AIR OR WATER POLLUTION VIOLATION:** The 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.



**BIDDER CERTIFICATION**

**V. CONFIDENTIALITY STATEMENT**

- A. I warrant that neither the 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 the 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, the 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.

Contractor/Bidder Firm Name: \_\_\_\_\_

By (*Authorized Signature*): \_\_\_\_\_

Name of Person Signing: \_\_\_\_\_

Title of Person Signing: \_\_\_\_\_

Date Executed: \_\_\_\_\_





**DISABLED VETERAN BUSINESS ENTERPRISE PARTICIPATION**

**ATTACHMENT 5 – 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 the California 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 work 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:

<u>Confirmed DVBE Participation</u>	<u>DVBE Incentive</u>
5% or Over	5%
4% to 4.99%	4%
3% to 3.99%	3%
2% to 2.99%	2%
1% to 1.99%	1%

A Bidder may achieve participation by qualifying as a DVBE and/or by contracting with DVBE subcontractors. DVBEs must perform a commercially useful function, excluding media placement costs, 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 Cost Sheet.

The incentive is applied in determining the lowest monetary bid or best value by reducing the qualified Bidder’s cost by the amount of the incentive as computed based on the lowest cost 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.



## **DISABLED VETERAN BUSINESS ENTERPRISE PARTICIPATION**

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

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](http://www.dgs.ca.gov).

During the term of the Contract, the successful Bidder 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 “Subcontractors to be Utilized” section for each DVBE subcontractor to be counted toward DVBE participation and include the form as part of their bids. [Please duplicate the page for additional DVBE businesses.] Any Bidder that is a certified DVBE and wishes to be counted toward DVBE participation must complete “DVBE Bidder” section 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.



**DISABLED VETERAN BUSINESS ENTERPRISE PARTICIPATION**

**DISABLED VETERAN BUSINESS ENTERPRISE PARTICIPATION  
Incentive Program**

**SUBCONTRACTORS TO BE UTILIZED**

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:** \_\_\_\_\_

**DVBE Certification: #** \_\_\_\_\_

**DVBE Contact Person:** \_\_\_\_\_

**DVBE Street Address:** \_\_\_\_\_

**City/State/Zip:** \_\_\_\_\_

**Email:** \_\_\_\_\_

**Telephone:** \_\_\_\_\_ **Fax:** \_\_\_\_\_

**Goods/Services to be provided:** \_\_\_\_\_

**Percentage Participation:** \_\_\_\_\_% (percent of the total contract cost 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:** \_\_\_\_\_

**Name of Person Signing:** \_\_\_\_\_

**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:** \_\_\_\_\_



**DISABLED VETERAN BUSINESS ENTERPRISE PARTICIPATION**

**Name of Person Signing:** \_\_\_\_\_

**Company Name:** \_\_\_\_\_

**DVBE BIDDER**

Bidder must complete and sign this form if Bidder is a DVBE and intends to count goods and/or services it provides towards DVBE participation on this contract.

**Bidder's Name:** \_\_\_\_\_

**DVBE Certification: #** \_\_\_\_\_

**Contact Person** \_\_\_\_\_

**Goods/Services to be provided:** \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

**Percentage Participation:** \_\_\_\_\_% (percent of the total contract cost 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.

**Bidder's Authorized Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Name of Person Signing:** \_\_\_\_\_

**Company Name:** \_\_\_\_\_



## **SMALL AND MICRO BUSINESS PARTICIPATION (SMP)**

### **ATTACHMENT 6 – SMALL AND MICRO BUSINESS PARTICIPATION**

#### **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 businesses or micro businesses. 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 businesses or micro businesses 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 Work), the Lottery has set a SMP Goal of 25%.** Bidders that qualify as a small or micro business 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. Agencies 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:



## **DISABLED VETERAN BUSINESS ENTERPRISE PARTICIPATION**

- 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
  - 2) Classified between Codes 31 to 339999, inclusive, of the North American Industrial Classification System (NAICS) Manual, published by the United States Census Bureau, 2007 edition.

To be eligible for the SMP Preference as a "micro business," 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 micro business 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 micro business, visit the DGS website at [www.pd.dgs.ca.gov/pd/Programs/OSDS.aspx](http://www.pd.dgs.ca.gov/pd/Programs/OSDS.aspx)). The successful Bidder will be required to provide this information for the small or micro business 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.

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

(Revised 11/19)



## **SMALL AND MICRO BUSINESS PARTICIPATION (SMP) INSTRUCTIONS**

### **INSTRUCTIONS/FORMS**

All agencies must complete this page and the “Declaration of Compliance for Small and Micro Business Subcontractor Participation” form. Non-small agencies that are subcontracting with small or micro businesses must also complete the “Small and Micro Business Subcontractor” form, and agencies that are small businesses or micro businesses must complete the “Small and Micro Business Program” form. All forms are included in this package.

---

#### **General Information**

**Bidder’s Name:** \_\_\_\_\_

**Street Address:** \_\_\_\_\_

**City/State/Zip Code:** \_\_\_\_\_

**Contact Person:** \_\_\_\_\_

**Telephone:** \_\_\_\_\_ **Fax:** \_\_\_\_\_

**Email:** \_\_\_\_\_

#### **SMP Program Form CSL 1180**

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

#### **SMP Declaration of Compliance Form CSL 1178**

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 as stated in the Certification.

#### **SMP Subcontractor Form CSL 1177**

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

#### **Small and Micro Business & DVBE Program Form CSL 0718**

Complete and sign this form if your business is participating in this program.



**SMALL AND MICRO BUSINESS PARTICIPATION (SMP)**

**DECLARATION OF COMPLIANCE**

***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 as stated in the Certification.***

**Bidder's Name:** \_\_\_\_\_

**Street Address:** \_\_\_\_\_

**City/State/Zip Code:** \_\_\_\_\_

**Contact Person:** \_\_\_\_\_

**Telephone:** \_\_\_\_\_ **Fax:** \_\_\_\_\_

**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 micro business.

\_\_\_\_\_ Our firm is not a small business or micro business, but guarantees that a minimum of \_\_\_\_\_% of the total cost will be paid to small business and micro business 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 \_\_\_\_\_

**Bidder's Authorized Signature:** \_\_\_\_\_

**Name of Person Signing:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Telephone:** \_\_\_\_\_ **Fax:** \_\_\_\_\_





**SMALL AND MICRO BUSINESS PARTICIPATION (SMP)**

**SUBCONTRACTOR FORM**

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

**Name of Subcontractor:** \_\_\_\_\_

**Street Address:** \_\_\_\_\_

**City/State/Zip Code:** \_\_\_\_\_

**Contact Person:** \_\_\_\_\_

**Telephone:** \_\_\_\_\_ **Fax:** \_\_\_\_\_

**Email:** \_\_\_\_\_

**Goods/Services to be provided:** \_\_\_\_\_

**Business Category** \_\_\_\_\_ **Percentage of Contract** \_\_\_\_\_ %

**Certifying Bidder:** \_\_\_\_\_ **Certification #:** \_\_\_\_\_

By signing below, the Bidder indicates its intent to utilize the small business or micro business 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:** \_\_\_\_\_

**Name of Person Signing:** \_\_\_\_\_

**Company Name:** \_\_\_\_\_

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

**Subcontractor's Authorized Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Name of Person Signing:** \_\_\_\_\_

**Company Name:** \_\_\_\_\_



**SMALL AND MICRO BUSINESS AND DVBE PROGRAM FORM**

**Business Name:** \_\_\_\_\_  
**Street Address:** \_\_\_\_\_  
**City:** \_\_\_\_\_ **State:** \_\_\_\_ **Zip Code:** \_\_\_\_\_

**Name of Owner:** \_\_\_\_\_  
**Telephone:** \_\_\_\_\_ **Email:** \_\_\_\_\_

**Name of Contact Person:** \_\_\_\_\_  
**Telephone:** \_\_\_\_\_ **Email:** \_\_\_\_\_

**Business Category:** \_\_\_\_\_  
**Business Certified with (Agency Name):** \_\_\_\_\_  
**Certification #:** \_\_\_\_\_

**Select one that applies:** \_\_\_\_\_  
**Goods/Services, etc. to be provided:** \_\_\_\_\_  
\_\_\_\_\_

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

**Signature of Authorized Representative:** \_\_\_\_\_  
**Date:** \_\_\_\_\_  
**Title:** \_\_\_\_\_

**PAYEE DATA RECORD**

(Required when receiving payment from the State of California in lieu of IRS W-9 or W-7)

STD 204 (Rev. 10/2019)

<b>1</b>	<b>INSTRUCTIONS:</b> Type or print the information. Complete all information on this form. Sign, date, and return to the state agency (department/office) address shown in Box 6. Prompt return of this <b>fully completed</b> form will prevent delays when processing payments. Information provided in this form will be used by California state agencies to prepare Information Returns (Form1099). See next page for more information and Privacy Statement. <b>NOTE:</b> Governmental entities, i.e. federal, state, and local (including school districts), are not required to submit this form.					
<b>2</b>	<b>BUSINESS NAME</b> <i>(As shown on your income tax return)</i>					
	<b>SOLE PROPRIETOR, SINGLE MEMBER LLC, INDIVIDUAL</b> <i>(Name as shown on SSN or ITIN) Last, First, MI</i>				<b>E-MAIL ADDRESS</b>	
	<b>MAILING ADDRESS</b>			<b>BUSINESS ADDRESS</b>		
	<b>CITY</b>	<b>STATE</b>	<b>ZIP CODE</b>	<b>CITY</b>	<b>STATE</b>	<b>ZIP CODE</b>
<b>3</b>	<b>ENTER FEDERAL EMPLOYER IDENTIFICATION NUMBER (FEIN):</b> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>					<b>NOTE:</b> Payment will not be processed without an accompanying taxpayer identification number.
<b>PAYEE ENTITY TYPE</b>  <b>CHECK ONE BOX ONLY</b>	<input type="checkbox"/> <b>PARTNERSHIP</b> <input type="checkbox"/> <b>ESTATE OR TRUST</b> <b>CORPORATION:</b> <input type="radio"/> <b>MEDICAL</b> <i>(e.g., dentistry, psychotherapy, chiropractic, etc.)</i> <input type="radio"/> <b>LEGAL</b> <i>(e.g., attorney services)</i> <input type="radio"/> <b>EXEMPT</b> <i>(nonprofit)</i> <input type="radio"/> <b>ALL OTHERS</b>					
	<input type="checkbox"/> <b>SOLE PROPRIETOR, INDIVIDUAL, OR SINGLE MEMBER LLC</b> <i>(Disregarded Entity)</i>					
	<b>ENTER SSN OR ITIN:</b> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>					
<b>4</b>	<input type="checkbox"/> <b>CALIFORNIA RESIDENT</b> - Qualified to do business in California or maintains a permanent place of business in California. <input type="checkbox"/> <b>CALIFORNIA NON RESIDENT</b> <i>(see next page for more information)</i> - Payments to nonresidents for services may be subject to state income tax withholding. <input type="radio"/> No services performed in California. <input type="radio"/> Copy of Franchise Tax Board waiver of state withholding attached.					
<b>5</b>	<b>I hereby certify under penalty of perjury that the information provided on this document is true and correct. Should my residency status change, I will promptly notify the state agency below.</b>					
	<b>AUTHORIZED PAYEE REPRESENTATIVE'S NAME</b> <i>(Type or Print)</i>			<b>TITLE</b>		<b>TELEPHONE</b> <i>(include area code)</i>
	<b>SIGNATURE</b>			<b>DATE</b>		<b>E-MAIL ADDRESS</b>
<b>6</b>	<b>Please return completed form to:</b>					
	<b>DEPARTMENT/OFFICE</b>			<b>UNIT/SECTION</b>		
	<b>MAILING ADDRESS</b>			<b>TELEPHONE</b> <i>(include area code)</i>		<b>FAX</b>
	<b>CITY</b>	<b>STATE</b>	<b>ZIP CODE</b>	<b>E-MAIL ADDRESS</b>		

**PAYEE DATA RECORD**

(Required when receiving payment from the State of California in lieu of IRS W-9 or W-7)

STD 204 (Rev. 10/2019)

<b>1</b>	<p><b>Requirement to Complete the Payee Data Record, STD 204</b></p> <p>A completed Payee Data Record, STD 204 form, is required for all payees (non-governmental entities or individuals) entering into a transaction that may lead to a payment from the state. Each state agency requires a completed, signed, and dated STD 204 on file; therefore, it is possible for you to receive this form from multiple state agencies with which you do business.</p> <p>Payees who do not wish to complete the STD 204 may elect not to do business with the state. If the payee does not complete the STD 204 and the required payee data is not otherwise provided, payment may be reduced for federal and state backup withholding. Amounts reported on Information Returns (Form 1099) are in accordance with the Internal Revenue Code (IRC) and the California Revenue and Taxation Code (R&amp;TC).</p>
<b>2</b>	<p>Enter the payee's legal business name. The name must match the name on the payee's tax return as filed with the federal Internal Revenue Service. Sole proprietorships and single member limited liability companies (LLCs) must also include the owner's full name. An individual must list his/her full name as shown on the SSN or as entered on the W-7 form for ITIN. The mailing address should be the address at which the payee chooses to receive correspondence. The business address is the address of the business' physical location.</p>
<b>3</b>	<p>Check only <b>one</b> box that corresponds to the payee business type. Corporations must check the box that identifies the type of corporation.</p> <p>The State of California requires that all parties entering into business transactions that may lead to payment(s) from the state provide their Taxpayer Identification Number (TIN). The TIN is required by the R&amp;TC sections 18646 and 18661 to facilitate tax compliance enforcement activities and the preparation of Form 1099 and other information returns as required by the IRC section 6109(a) and R&amp;TC section 18662 and its regulations.</p> <p>Payees must provide <b>one</b> of the following TINs on this form: social security number (SSN), individual taxpayer identification number (ITIN), or federal employer identification number (FEIN). The TIN for sole proprietorships, single member LLC (disregarded entities), and individuals is the SSN or ITIN. Only partnerships, estates, trusts, corporations, and LLCs (taxed as partnerships or corporations) will enter their FEIN.</p>
<b>4</b>	<p><b>Are you a California resident or nonresident?</b></p> <p>A corporation will be defined as a "resident" if it has a permanent place of business in California or is qualified through the Secretary of State to do business in California.</p> <p>A partnership is considered a resident partnership if it has a permanent place of business in California. An estate is a resident if the decedent was a California resident at time of death. A trust is a resident if at least one trustee is a California resident.</p> <p>For individuals and sole proprietors, the term "resident" includes every individual who is in California for other than a temporary or transitory purpose and any individual domiciled in California who is absent for a temporary or transitory purpose. Generally, an individual who comes to California for a purpose that will extend over a long or indefinite period will be considered a resident. However, an individual who comes to perform a particular contract of short duration will be considered a nonresident.</p> <p>Payments to all nonresidents may be subject to withholding. Nonresident payees performing services in California or receiving rent, lease, or royalty payments from property (real or personal) located in California will have 7% of their total payments withheld for state income taxes. However, no withholding is required if total payments to the payee are \$1,500 or less for the calendar year.</p> <p>For information on Nonresident Withholding, contact the Franchise Tax Board at the numbers listed below:</p> <p style="text-align: center;">Withholding Services and Compliance Section: 1-888-792-4900      E-mail address: <a href="mailto:wscs.gen@ftb.ca.gov">wscs.gen@ftb.ca.gov</a>  For hearing impaired with TDD, call: 1-800-822-6268      Website: <a href="http://www.ftb.ca.gov">www.ftb.ca.gov</a></p>
<b>5</b>	<p>Provide the name, title, email address, signature, and telephone number of the individual completing this form. Provide the date the form was completed.</p>
<b>6</b>	<p>This section must be completed by the state agency requesting the STD 204.</p>

**Privacy Statement**

Section 7(b) of the Privacy Act of 1974 (Public Law 93-579) requires that any federal, state, or local governmental agency, which requests an individual to disclose their social security account number, shall inform that individual whether that disclosure is mandatory or voluntary, by which statutory or other authority such number is solicited, and what uses will be made of it.

It is mandatory to furnish the information requested. Federal law requires that payment for which the requested information is not provided is subject to federal backup withholding and state law imposes noncompliance penalties of up to \$20,000.

You have the right to access records containing your personal information, such as your SSN. To exercise that right, please contact the business services unit or the accounts payable unit of the state agency(ies) with which you transact that business.

All questions should be referred to the requesting state agency listed on the bottom front of this form.

Attachment: \_\_\_\_\_

**CONFIDENTIAL**

*CALIFORNIA LOTTERY*  
*Security/Law Enforcement Division*



**GENERAL CONTRACTOR  
DISCLOSURE**

## CONTRACTOR DISCLOSURE

### INTRODUCTION

Section 8880.38 of the California Lottery Act 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 all prospective and current employees, prospective and current Lottery Game Retailers, and prospective and current Lottery suppliers as defined in Section 8880.57 of the California Lottery Act. 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 and 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 special 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 regular 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 Section 8880.38 of the California Lottery Act, and to ensure compliance with Section 8880.57 of the California Lottery Act.

The information you provide will only be disclosed to those person(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 Sections 1798.38 and 1798.40 of the Information Practices Act, and Sections 11080, 11081, 11105 and 11131 of the California Penal Code. For further information on accessing your record, please contact the Lottery's Privacy Coordinator, Information Security Office, Security and Law Enforcement Division, 700 North 10th Street, Sacramento, CA 95811. The Privacy Coordinator can also be reached at 916-822-8800 or [privacy@calottery.com](mailto:privacy@calottery.com).

**CONTRACTOR DISCLOSURE****BUSINESS INFORMATION**

NAME OF BUSINESS

TRADE NAME/DBA

STREET ADDRESS OF BUSINESS

CITY

STATE

ZIP CODE

TELEPHONE

STREET ADDRESS OF BUSINESS RECORDS

CITY

STATE

ZIP CODE

TELEPHONE

TYPE OF BUSINESS

- Sole Proprietorship       Corporation       Trust       Limited Liability Company (LLC)  
 General Partnership       Limited Partnership       Joint Venture       Limited Liability Partnership (LLP)  
 Other \_\_\_\_\_

PRINCIPAL BUSINESS ACTIVITY

STATE OF INCORPORATION

IF BUSINESS IS FORMED IN A STATE OTHER THAN CALIFORNIA, HAS THE BUSINESS QUALIFIED AS A FOREIGN ENTITY WITH THE CALIFORNIA SECRETARY OF STATE?

YES       NO      IF YES, ENTER FILE NUMBER HERE \_\_\_\_\_

NAME OF PARENT COMPANY

STREET ADDRESS OF PARENT COMPANY

CITY

STATE

ZIP CODE

TELEPHONE

IS COMPANY

- CLOSELY HELD  
 PUBLICLY HELD (If publicly held, attach most recent report 10K, 10Q)

BUSINESS ORGANIZATION 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.

Initials: \_\_\_\_\_

**CONTRACTOR DISCLOSURE****DIRECTOR - OFFICER LIST**

IF BUSINESS IS A CORPORATION, LIST EACH DIRECTOR-OFFICER. IF YOU NEED ADDITIONAL SPACE, PLEASE MAKE COPIES OF THIS BLANK PAGE AND ATTACH ADDITIONAL PAGES TO THE BACK OF THIS FORM. INDICATE NUMBER OF DUPLICATED PAGES: PAGE \_\_\_\_\_ OF \_\_\_\_\_  
 § 8880.57(a)(1)

NAME		DATE OF BIRTH		SOCIAL SECURITY NUMBER	
RESIDENCE STREET ADDRESS		CITY	STATE	ZIP CODE	TELEPHONE
BUSINESS STREET ADDRESS		CITY	STATE	ZIP CODE	TELEPHONE
POSITION HELD				PERCENTAGE OF STOCK HELD	

NAME		DATE OF BIRTH		SOCIAL SECURITY NUMBER	
RESIDENCE STREET ADDRESS		CITY	STATE	ZIP CODE	TELEPHONE
BUSINESS STREET ADDRESS		CITY	STATE	ZIP CODE	TELEPHONE
POSITION HELD				PERCENTAGE OF STOCK HELD	

NAME		DATE OF BIRTH		SOCIAL SECURITY NUMBER	
RESIDENCE STREET ADDRESS		CITY	STATE	ZIP CODE	TELEPHONE
BUSINESS STREET ADDRESS		CITY	STATE	ZIP CODE	TELEPHONE
POSITION HELD				PERCENTAGE OF STOCK HELD	

NAME		DATE OF BIRTH		SOCIAL SECURITY NUMBER	
RESIDENCE STREET ADDRESS		CITY	STATE	ZIP CODE	TELEPHONE
BUSINESS STREET ADDRESS		CITY	STATE	ZIP CODE	TELEPHONE
POSITION HELD				PERCENTAGE OF STOCK HELD	

Initials: \_\_\_\_\_



**CONTRACTOR DISCLOSURE****OWNERS - PARTNERS - STOCKHOLDERS**

LIST ALL OWNERS-PARTNERS-STOCKHOLDERS WHO HOLD INTEREST IN THE BUSINESS OR CORPORATE STOCK. IF A PUBLICILY 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. (§ 8880.57(a)(1).

IF YOU NEED ADDITIONAL SPACE, PLEASE MAKE COPIES OF THIS BLANK PAGE AND ATTACH ADDITIONAL PAGES TO THE BACK OF THIS FORM. INDICTE NUMBER OF DUPLICATED PAGES: PAGE \_\_\_\_\_ OF \_\_\_\_\_.

NAME		DATE OF BIRTH		SOCIAL SECURITY NUMBER	
RESIDENCE STREET ADDRESS	CITY	STATE	ZIP CODE	TELEPHONE	
BUSINESS STREET ADDRESS	CITY	STATE	ZIP CODE	TELEPHONE	
POSITION HELD			PERCENTAGE OF STOCK HELD		

NAME		DATE OF BIRTH		SOCIAL SECURITY NUMBER	
RESIDENCE STREET ADDRESS	CITY	STATE	ZIP CODE	TELEPHONE	
BUSINESS STREET ADDRESS	CITY	STATE	ZIP CODE	TELEPHONE	
POSITION HELD			PERCENTAGE OF STOCK HELD		

NAME		DATE OF BIRTH		SOCIAL SECURITY NUMBER	
RESIDENCE STREET ADDRESS	CITY	STATE	ZIP CODE	TELEPHONE	
BUSINESS STREET ADDRESS	CITY	STATE	ZIP CODE	TELEPHONE	
POSITION HELD			PERCENTAGE OF STOCK HELD		

NAME		DATE OF BIRTH		SOCIAL SECURITY NUMBER	
RESIDENCE STREET ADDRESS	CITY	STATE	ZIP CODE	TELEPHONE	
BUSINESS STREET ADDRESS	CITY	STATE	ZIP CODE	TELEPHONE	
POSITION HELD			PERCENTAGE OF STOCK HELD		

Initials: \_\_\_\_\_

**CONTRACTOR DISCLOSURE****GAMING GOODS/SERVICES**

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? (§ 8880.57(B)(8))

YES     NO

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

	DATE	STATE/JURISDICTION	GOODS/SERVICES PROVIDED	TERM OF CONTRACT
A				
B				
C				
D				
E				
F				

**LEGAL PROCEEDINGS**

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 CONVICTED IN A STATE OR FEDERAL COURT OF ANY GAMBLING RELATED OFFENSE OR CRIMINAL OFFENSE OTHER THAN A TRAFFIC VIOLATION? (§ 8880.57(B)(4))

YES     NO

	DATE	DEFENDANT(S) NAME, POSITION HELD IN BUSINESS	COURT LOCATION, CITY & STATE	NATURE OF PROCEEDINGS PROVIDE DOCKET #, CASE/FILE OTHER IDENTIFIER
A				
B				
C				
D				
E				
F				

Initials: \_\_\_\_\_

Attachment: \_\_\_\_\_

## CONTRACTOR DISCLOSURE

### LEGAL PROCEEDINGS

HAS THE BUSINESS EVER BEEN A DEFENDANT OR RESPONDENT IN ANY OF THE FOLLOWING (§ 8880.57(b)(10)):

YES     NO

IF YES, PROVIDE SPECIFICS OF EACH INCIDENT AS WELL AS THE CURRENT STATUS/DISPOSITION.

- |   |  |
|---|--|
| <input type="checkbox"/> ANTI-TRUST CASE    | <input type="checkbox"/> TRADE REGULATION VIOLATIONS                         |
| <input type="checkbox"/> SECURITY JUDGMENTS | <input type="checkbox"/> LICENSE DENIALS, SUSPENSIONS OR DISCIPLINARY ACTION |
| <input type="checkbox"/> ANY TAX LIENS      | <input type="checkbox"/> FRANCHISE TAX BOARD SUSPENSIONS                     |

HAS THE BUSINESS EVER BEEN THE SUBJECT OF A BANKRUPTCY, INSOLVENCY OR REORGANIZATION OF ANY JUDGMENT OR PENDING LITIGATION INVOLVING FRAUD OR DECEIT? (§ 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 PROCEEDING.

	DATE	DOCKET #	NAME, ADDRESS OF PRESIDING COURT	NAME, ADDRESS OF FILING PARTY	NAME, ADDRESS OF TRUSTEE
A					
B					
C					
D					
E					
F					

Initials: \_\_\_\_\_

Attachment: \_\_\_\_\_

## CONTRACTOR DISCLOSURE

### 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. (§ 8880.57(b)(7))

	CANDIDATES NAME	CANDIDATE'S OFFICE/JURISDICTION	DATE OF CONTRIBUTION	AMOUNT CONTRIBUTED
A				
B				
C				
D				
E				
F				

### SUBCONTRACTORS

LIST ALL KNOWN SUBCONTRACTORS THE BUSINESS INTENDS TO UTILIZE WITH THE LOTTERY CONTRACT IF AWARDED THE CONTRACT. 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 THIS SUB-CONTRACT. ALSO PROVIDE COPIES OF PERTINENT AGREEMENTS MADE WITH EACH SUBCONTRACTOR. (§ 8880.57(a)(7))

Initials: \_\_\_\_\_

Attachment: \_\_\_\_\_

**CONTRACTOR DISCLOSURE****ATTACHMENT CHECKLIST**

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.

- All Amendment Documents
- Annual Statement of Information - Corp or LLC Only  
(Last change and current, if current reports no change of information)
- Initial Formation/Registration Documents  
(Articles of Incorporation/Organization, Certificates of Limited Partnership, LLP Registration, etc...)
- Corporate Disclosure Statement (Publicly Traded Corp)
- Partnership Agreement (Limited and General Partnership)
- Trust Agreement
- Joint Venture Agreement
- Charter
- By Laws
- Organization Chart
- Annual Reports
- Quarterly Reports
- Interim Reports
- Financial Reports (last 3 years)
- Bankruptcy Filings, Receivership Proceedings

Initials: \_\_\_\_\_

Attachment: \_\_\_\_\_

### CONTRACTOR DISCLOSURE

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 for 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, which law 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 that the foregoing is true and correct.

\_\_\_\_\_  
Signature of Applicant

State of \_\_\_\_\_

County of \_\_\_\_\_

Subscribed and sworn to (or affirmed) before me on this \_\_\_\_\_ day of \_\_\_\_\_,

20\_\_\_\_\_, by \_\_\_\_\_, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

\_\_\_\_\_  
Signature of Notary

(seal)

Initials: \_\_\_\_\_