

Contract No. CFOPD-19-C-041
Sports Betting, Lottery Gaming Systems and Related Services

AWARD/CONTRACT		1. Solicitation Number		Page of Pages 1 166 + Attachments			
2. Contract Number CFOPD-19-C-041		3. Effective Date See 20C		4. Requisition/Purchase Request/Project No.			
5. Issued By Office of the Chief Financial Officer Office of Contracts 1100 - 4th Street, SW., Suite E610 Washington, DC 20024		Code		6. Administered By (If other than line 5) Office of the Chief Financial Officer Office of Lottery and Gaming 2235 Shannon Place, SE Washington, DC 20020			
7. Name and Address of Contractor (No. Street, city, country, state and ZIP Code) Intralot, Inc. 11360 Technology Circle Duluth, GA 30097 Contact: Nick Papadoglou, email: nick.papadoglou@intralot.us Tel: 202 649 1000		8. Delivery <input type="checkbox"/> FOB Destination <input type="checkbox"/> Other (See Schedule Section F)		9. Discount for prompt payment			
Code		Facility		10. Submit Invoices in accordance with Section G.3 Item			
11. Ship to/Mark For Office of the Chief Financial Officer Office of Logistics and Support Services Suite W1636 1101 4th Street, S.W. Washington, DC 20024 202-442-6930		Code		12. Payment will be made by Office of the Chief Financial Officer Office of Lottery and Gaming 2235 Shannon Place, SE Washington, DC 20020			
13. Contract Type Requirements with NTE Ceiling		14. Accounting and Appropriation Data					
15A. Item	15B. Supplies/Services	15C. Qty	15D. Unit	15E. Unit Price	15F. Amount		
1	Sports Wagering, Lottery Gaming Systems and Related Services	1	Lot	NTE \$215,000,000	NTE \$215,000,000		
Total Amount of Contract				NTE \$215,000,000			
16. Table of Contents							
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Contracting Officer will Complete Item 17 or 18 as Applicable							
17 <input checked="" type="checkbox"/> CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return 1 pdf copies to issuing office) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein (Attachments are listed herein)			18 <input type="checkbox"/> AWARD (Contractor is not required to sign this document) Your offer on Solicitation Number _____ including the additions or changes made by you which additions or changes are set forth in full above, is hereby accepted as to the items listed above and on any continuation sheets. This award consummates the contract which consists of the following documents: (a) the Government's solicitation and your offer, and (b) this award/contract. No further contractual document is necessary.				
19A. Name and Title of Signer (Type or print) <i>Byron E Beathe Jr, Interim CEO</i>			20A. Name of Contracting Officer Drakus Wiggins				
19B. Name of Contractor <i>Intralot Inc</i> <i>Byron E Beathe Jr</i> (Signature of person authorized to sign)		19C. Date Signed <i>6/7/19</i>	20B. District of Columbia <i>[Signature]</i> (Signature of Contracting Officer)		20C. Date Signed <i>07/16/19</i>		

SECTION B

CONTRACT TYPE, SUPPLIES OR SERVICES AND PRICE

B.1 GENERAL INFORMATION

- B.1.1 The District of Columbia, Office of the Chief Financial Officer, Office of Lottery and Gaming (the “OCFO”, “OLG” or “District”) hereby enters into this contract with Intralot, Inc. (the “Contractor”) to provide sports wagering, lottery gaming systems and related services (“the Contract”).
- B.1.2 Pursuant to the Sports Wagering Procurement Practices Reform Exemption Act of 2019, effective April 18, 2019 (D.C. Law 23-1; 66 DCR 5539), this Contract is exempt from the Procurement Practices Reform Act of 2010 (D.C. Law 18-371; D.C. Official Code §§ 2-351.01 et seq. Pursuant to Financial Management and Control Order No. 19-02, dated February 26, 2019, the OCFO Contracting Procedures for the Exempt Gaming Contract shall govern this Contract.

B.2 CONTRACT TYPE

- B.2.1 The District hereby awards a requirements contract.

B.3 ALL-INCLUSIVE PRICING

- B.3.1 The stated Price Per Unit shall be fixed, inclusive of all of the Contractor’s direct cost, indirect cost, and profit; including travel, material, and delivery costs. The price shall include all cost associated with the services described in and required by the Contract.
- B.3.2 The total not-to-exceed amount of the Contract for the Base Period is \$215,000,000.

B.4 PRICING SCHEDULE

- B.4.1 The District will purchase its requirements of the items and services included herein from the Contractor. The estimated quantities, to derive the not-to-exceed amount, reflect the best estimates available. The estimate shall not be construed as a representation that the estimated quantity will be required or that conditions affecting requirements will be stable. The estimated quantities shall not be construed to limit the quantities which may be required from the Contractor by the District or to relieve the Contractor of its obligation to fill all such requirements.
- B.4.1.1 Any supplies and services to be furnished in conjunction with this contract under a provision that the supplies or services must be ordered will be ordered in accordance with Section G.7, Ordering Clause.

B.4.2 Price as a Percentage of Sales for Lottery Vertical

1. Delivery or performance shall be made only as authorized by the Contract. The Contractor shall furnish to the District, when and if ordered, the supplies or services specified in the Schedule C, Description/Specifications/Work Statement up to the not-to-exceed amount for the Contract period (base and option years). The Contractor shall not receive compensation until October 01, 2019.
2. The Contractor shall be compensated at the rate of 2.8999% on the total Gross sales for all sales at or below \$260 million of Lottery annual Gross sales, and shall be compensated at the rate of 2.5999% on the total Gross sales for all Gross Sales above \$260 million of Lottery annual Gross sales, as calculated by the OLG, for the base period (5 years) and for the additional option years. In the event that sales, and any other factors, causes the District to anticipate to exceed the "Not to Exceed" amount during the Contract term, the District will seek D.C. Council approval for an increased "Not to Exceed" amount that shall be reflective of revised sales calculations, and any other factors. Upon the receipt of such D.C. Council approval, the District shall enter into a bi-lateral agreement amending the Contract in accordance with such approval, provided however, the Contractor shall have the right to suspend performance that will exceed beyond the "Not to Exceed" amount until such time as the appropriate and required additional authorizations are obtained by the District to increase the amount.

B.4.3 Price as a Percentage of Sales for iLottery Vertical

1. iLottery internet sales will launch based on a signed specification and project plan agreed to by all parties, but no sooner than June 2020. The Contractor will be paid a net win (defined as sales minus prizes) fee of thirty (30%) percent for not traditional games (defined as any game or game designed for fast play, characterized by higher payouts, and that reveals in less than four and a half minutes in an electronic format) and eighteen (18%) percent of gross draw game sales for traditional games (defined as any game or game design currently provided on the lottery central system and designed to be played with a play slip in paper or electronic form with a reveal of four and a half minutes or longer) throughout the term of the new contract and any extensions thereto.
2. In the event the District is permitted to conduct wagering at Federal Enclave locations then the Contractor will be paid a net win (defined as sales minus prizes) fee of twenty-eight (28.6%) percent for not traditional games (defined as any game or game designed for fast play, characterized by higher payouts, and that reveals in less than four and a half minutes in an electronic format) and fifteen (15%) percent of gross draw game sales for traditional games (defined as any game or game design currently provided on the lottery central system and designed to be played with a play slip in paper or electronic form with a reveal of four and a half minutes or longer)

B.4.4 Kiosk Terminals

The Contractor shall supply and install and maintain Thirty (30) New Winstation 30 and Six (6) Dreamtouch Smart devices within the base price of the Contract to DC Lottery.

B.4.5 WINSTATION SELF SERVICE VENDING MACHINE

In respect of the current inventory of 200 Winstation Self Service Vending Machines the monthly fee per machine shall remain at \$327.00 per terminal per month. The monthly fee will include hardware and software, maintenance and service. Additionally, the Contractor shall also re-condition, to include new wraps, and maintain the equipment in a working order of the duration of the Contract including extensions.

B.4.6 MPNG SELF SERVICE ONLINE TERMINAL

1. The Contractor shall replace the existing 105 MP SELF SERVICE ONLINE TERMINAL with MPNG terminals and included therewith is hardware and software, installation and service:
 - a. Monthly Fee per machine: \$200.00 commencing delivery or sixty (60) days after the order date.
2. Additional MPNG terminal acquisitions Per Unit Cost When Ordered in Batches of at least twenty (20) shall be \$ 200.00 per machine per month.
3. The replacement exchange shall commence no earlier than September 2020 and shall proceed in accordance with a mutually agreed upon deployment plan.

B.4.7 Retail Equipment

1. The Contractor shall offer 500 new Photon terminals, printers, barcode readers, CDU's, Player Advertisement Display's (PAD) included within the base price of the Contract and its extensions.
2. Race2Riches content will be updated based upon mutual agreement between the parties on the specification of the revised game. The Contractor will be compensated with 14% on the Gross Gaming revenues produced from the revised Race to Riches game or any new content added as part of the wider category of games.

B.4.8 Sports Betting

The System shall be capable of selling sports wagering either six months from the Contract Effective date or January 2020, whichever is later. The Contractor shall, in accordance with its Proposal incorporated into the Contract by reference, provide (install, operate and maintain) its Sports Betting platform for both the retail network as well as online and mobile. The Contractor shall also provide all risk and trading managed services for the smooth operation of the sportsbook product. The Contractor shall also undertake the task to integrate with any 3rd party payment providers thereby providing the capability to the Lottery players to debit and credit their Sport Betting electronic wallet.

1. The Contractor shall seek approval from the OLG on an annual basis (1 year in advance) the payout of the sportsbook product to be offered both in retail and online channels and agrees that the reconciliation of the payout will be on biennial basis. The Contractor shall guarantee the payout as a percentage (%) of revenues and any differences in the reconciliation will be credited to OLG from the Contractor.

2. The Contractor, as part of its Sports Betting managed services offer, shall provide OLG with a new customer care center (Call Center or CC) separate to the one that it operates currently for the Lottery games. The new CC will handle both end customers/players as well as any retailers request.
3. The Contractor shall also offer marketing services to OLG for the daily operation of its Sports Book product. The Contractor shall employ a team of experts to carry out Acquisition, Retention and other CRM related activities.
4. For its part, the OLG agrees to cover all costs/expenses related to the operation of the Sports Betting that fall outside the Contractor’s responsibilities set forth above, and more specifically, Bonuses and promotions to any or all products during operations for both retail, web and mobile channels, consumables in retail , retailer and affiliate network commission in the online channel, payment provider fees and finally streaming fees (i.e. sports betting related content streaming of live games)
5. For its part, the OLG agrees to pay the Contractor the percentage of 42.5% on the sports betting produced GGR for the duration of the Contract base period (5 years) and for the extensions of the Contract for the platform, risk and trading and marketing related managed services. “Gross Gaming Revenue” or “GGR” is the Gross Sales minus the winner payout, i.e. all money paid to winners, excluding any Guaranteed Payouts and Special Jackpot Contributions that are not mutually agreed by the Parties.
6. The OLG agrees that it shall spend a minimum of 2% of Sports Betting Gross sales (i.e. handle) in marketing activities mutually agreed with the Contractor in areas such as the following (but not limited to): above the line advertising (including radio, TV), below the line (PoP material), digital strategy (bonusing, promotion and retention campaigns).

B.4.9 Additional Elements

1. Instant Ticket Distribution Services – Should the OLG decide to do so in the future, the Contractor may take over the responsibility for the warehousing, packaging, and distribution of all Lottery Instant Tickets. The fee for this implementation would be negotiated between the Contractor and the OLG.

B.4.10 Summary of Pricing Options for the Duration of the Contract and its Extensions

ITEM	FEE (Y/N)	MIN UNITS	PER UNIT AMOUNT	BILLING CYCLE	TOTAL PRICE (USD)
Equipment					
Basic Photon Kit - Terminal, Thermal Printer, Customer Display Unit, Player Advertising Display, Barcode Reader with stand	N	500	\$0.00	Month	\$0.00

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ITEM	FEE (Y/N)	MIN UNITS	PER UNIT AMOUNT	BILLING CYCLE	TOTAL PRICE (USD)
Additional Basic Photon Kits	Y	100	\$2,250.00	Month	\$225,000.00
Proton Terminal with imbedded Printer	Y	100	\$1,500.00	Month	\$150,000.00
Wireless Ticket Checker	Y	600	\$9.50	Month	\$5,700.00
Monitors (27")	Y	1	\$25.00	Month	\$25.00
Monitors (50") - Includes heavy-duty hardware and mounting brackets that are compliant with the Video Electronics Standards Association (VESA) Mounting Interface Standard (MIS) + Labor	Y	1	\$150.00	Month	\$150.00
Multimedia Controller Device - Supports monitor game video stream	Y	1	\$7.00	Month	\$7.00
Tri-Jackpot Signs	Y	200	\$14.20	Month	\$2,840.00
MPNG (Covering existing rollout)	Y	105	\$200.00	Month	\$21,000.00
MPNG (New Orders)	Y	20	\$200.00	Month	\$4,000.00
Winstation 30	Y	20	\$400.00	Month	\$8,000.00
Dreamtouch Smart	Y	5	\$327.00	Month	\$1,635.00
Winstation 30	N	30	\$0.00	Month	\$0.00
Dreamtouch Smart	Y	6	\$0.00	Month	\$0.00
Value-Added Services					
Alternative Lockdown Functionality (License for current games)	Y	1	\$3,750.00	Year	\$3,750.00
Alternative Lockdown Functionality (additional game fee)	Y	as deployed	\$3,000.00	Per Game Per Year	as deployed
Sales Force Automation Application - "iLook" (LSR User License)	Y	1	\$100.00	Per User Per month	\$100.00
Sales Force Automation Application - "iLook" (per Retailer Upload)	Y	400	\$1.20	Per Retailer Per Month	\$480.00
Instant Ticket Distribution Service	Y	TBD	TBD	TBD	
eSports Functionality	Y	TBD	TBD	TBD	
Cashless Functionality, Device & Initial Installation	Y	1	7	Per Device Per Month	
Fee to retrofit POS with device			1.8	Month	

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ITEM	FEE (Y/N)	MIN UNITS	PER UNIT AMOUNT	BILLING CYCLE	TOTAL PRICE (USD)
Ingenico Estate Management Fee			1.8	Month	
Interchange and acquirer Fee - Provided on a pass-through basis to the Customer. Rates dependent on card type and bank issuer.		1	TBD	Month	
Cashless Call Center, Financial Management (including settlement with Acquirer ad fee payment management), Merchant of Record and Chargeback processing -		1	30%	Month	Calculated as 30% of the sum of interchange and acquirer fees with an overall annual (July-June) cap of \$2.0m pro-rated for any part-year.

SECTION C

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SECTION C
DESCRIPTION/ MINIMUM SPECIFICATIONS/ WORK STATEMENT

C.1 Introduction

This section describes the systems and services specifications for the combined Lottery and Sports Wagering Gaming System (the "System") to be provided by the Contractor.

- (a) Certified Equipment. All equipment shall be inspected for safety and approved by a reputable testing laboratory, and all proposed equipment shall be compliant with FCC regulations suitable for devices of the types proposed. Alternatively, if the devices are new models, and not yet inspected and/or certified, the Contractor shall commit to providing a document showing certification.
- (b) Equipment shall be compliant with current electronic technology manufacturing standards and be of the current manufacture by the Contractor or his suppliers. All hardware models and software versions upon contract execution shall represent the then-current equivalent or better version, in case a proposed offering is phased out or is superseded by a newer version.
- (c) Sports Wagering Functionality Testing. All equipment and software used in conjunction with operating sports wagering or online sports wagering shall meet, as a minimum testing requirement, the standards set forth in the latest version of the GLI-33 Standards for Event Wagering Systems in addition to the District of Columbia's regulations. The Contractor shall be responsible for the cost of third-party testing and certification of this functionality by an OLG designated -licensed laboratory.
- (d) iLottery Functionality Testing. All equipment and software used in conjunction with operating iLottery Games shall meet the District of Columbia's adopted regulations. The Contractor shall be responsible for the cost of third-party testing and certification of this functionality by an OLG designated -licensed laboratory.

C.2 Central System Configuration

C.2.1 General

The OLG requires a configuration capable of handling the immediate and long-range needs of the OLG, as defined in the following sections. Each hardware and software item shall be identified by the manufacturer; product name and model number as applicable. For software, version numbers shall be provided, or such shall be to be the latest release at the time of conversion. Any deviations from the suppliers' standard hardware and software products shall be disclosed and an explanation provided. (Installation of any such deviations requires prior approval of the OLG.)

C.2.2 System Configuration at the Primary Site

- (a) Transaction Processing/Database/Administration Hosts. All transaction processing, game, wager type, database, and administration functions for mission-critical gaming/wagering support shall be supported by a protectively redundant or clustered configuration. At the primary site, the processing complex shall consist of at least two (2) physically separate systems, networked, clustered or coupled for high availability processing and storage redundancy. A component failure in one primary site system shall not cause the overall system to become unavailable.
- (b) Failover. The remaining system(s) shall immediately assume the load in case of a failure in one system, without loss or corruption of any data and transactions received prior to the time of the failure.
- (c) Operations Procedures. Procedures for computer operations staff, especially regarding failure situations, shall be straightforward. It is required that in addition to operator-prompted failover that the System be able to recover from failures without operator intervention ("auto-failover").
- (d) Secure Connections. There shall be no capability to connect into any system from a remote non-retailer terminal or computer equipment without OLG approval. Any such capability, such as remote monitoring, or diagnosis of equipment or software shall employ stringent security mechanisms. Connections to other remote systems and terminals shall be protected by firewalls, encryption, and/or other means. Any routers shall route traffic only to addresses defined in their routing tables as valid. The acceptability of any security approach shall be subject to OLG approval.
- (e) Time Synchronizing. Multiple systems in the configuration shall have a time- synchronizing mechanism to ensure consistent time recording and reporting for events and transactions. Synchronization with an external time standard is required.
- (f) Host Location. The primary site computers for Sports Wagering shall be located within the District of Columbia, while the Lottery system shall remain at the existing primary and backup site operating locations. The location of the primary site is subject to the prior written approval of the OLG. Any location change of the primary site location requires the prior written approval from the OLG.
- (g) Disaster recovery. In the event of irreparable damages at the primary site, or of an unplanned, extended abandonment of the primary site, the Contractor shall provide at no additional cost to the District those host processors, facilities, and other components necessary to resume sales under a two-site fail-over capable operational scenario. Such facilities, and other components shall be furnished, installed and operational within ninety (90) days after the disaster or as otherwise agreed to by the parties. Until a permanent

primary site can be re-established, substitute facilities shall meet OLG-approved environmental and security measures.

C.2.3 Remote Backup Site Configuration

- (a) Remote Backup Hosts. The Contractor shall provide two (2) or more remote backup systems in the Backup Site, that shall take over for the primary site systems if necessary. Data transferred to and recorded at the remote site shall always contain the most recent transactions, allowing a takeover. The retailer network shall have a routing independent of the primary site so that the backup site can be reached by data communications without the primary in place. Administration functions shall be available at the remote backup site, as well as being available remotely by communications from the primary site. The Contractor shall demonstrate on a scheduled basis, as per applicable MUSL rules, that the remote site is fully functional by operating in production from that site upon request of the OLG.
- (b) Remote Backup Sizing. The remote backup systems shall be of the same processing capacity and architecture as the central site systems.
- (c) Remote Backup Location. The remote backup systems and their facility shall be supplied by the Contractor and may be located at the Contractor's discretion, subject to OLG approval. The Contractor may propose locating the Remote Backup facility at an existing Contractor location that services other clients and/or applications. The OLG may provide written approval at the time of contract award.
- (d) Secure Connections. There shall be no capacity to connect into any system from a remote non-retailer terminal without OLG approval. Any such capability, such as remote monitoring, or diagnosis of equipment or software shall employ stringent security mechanisms. Connections to other remote systems and terminals shall be protected by firewalls, encryption, and/or other means. Any routers shall route traffic only to addresses defined in their routing tables as valid. The acceptability of any such security approach shall be subject to OLG approval.
- (e) Disaster Recovery. In the event of irreparable damages at the remote backup site, or of an unplanned, extended abandonment of the primary site, the Contractor shall provide at no additional cost to the District those host processors, facilities, and other components necessary to resume Lottery sales under a two-site operational scenario. Such facilities, and other components shall be furnished, installed and operation at the remote backup site within ninety (90) days after the disaster or as otherwise agreed to by the parties. Until a permanent backup site can be re-established, substitute facilities shall meet OLG-approved environmental and security measures.

C.2.4 Testing and Development Configuration

An acceptance testing system for the OLG shall be provided, and any of the above production systems shall be available for testing by the OLG, with full support from the Contractor. (The OLG shall work with the Contractor to identify and assess any possible risks or impacts on production operations.)

- (a) Lottery Testing System. The Contractor shall provide a separate system for testing by the OLG. The testing system shall be located at the primary data center and shall support testing from terminals at the OLG. The testing system shall be identical in architecture to the production systems provided for all transaction processing, front-end processing, and lottery management applications.
- (b) Lottery Testing Devices. At least five (5) retailer terminals shall be permanently installed at the Lottery for testing by the OLG. (At times the OLG may require the installation of more retailer terminals for specialized tests. These terminals shall support testing of all features and options available on the production System; thus, these terminals shall be configured in all logical configurations (e.g., retailer, privileged retailer, checkwriter, KENO RNG, KENO display, etc.) with all peripherals that represent configurations at retailer locations. Three (3) lottery management workstations shall be provided for the test facility. Portal Testing Environment. For the implementation of iLottery, the Contractor shall provide an OLG-accessible testing environment for all content implemented into Portals. Any third-party integrations shall also be replicated in the Portal Testing Environment.
- (c) Testing System Communications. The testing terminals shall be supplied with any and all communications mechanisms employed by the retailer terminals in the field.
- (d) Contractor's Development and Test System. The Contractor shall not conduct software development or its own quality assurance activities neither on any of the production systems, nor on the Lottery testing system identified above, but rather shall employ separate system(s), located conveniently for the Contractor.

C.2.5 Internal Control System (ICS)

All platform components and maintenance services for the ICS systems shall be provided by the Contractor. The primary ICS system shall be located at the Lottery and the ICS backup system shall be located at the primary data center. The ICS shall receive a near real time feed of all gaming/wagering transactions from the System.

C.2.6 Risk Management Configuration

The Contractor shall provide a risk management system for defining event schedules, setting odds, and reporting event outcomes, among other typical functions of a bookmaking operation. The location of the risk management system is at the Contractor's discretion but shall be within the United States.

C.2.7 Quantitative Performance Criteria

- (a) The System shall initially support a network of six hundred (600) retailer terminals.
- (b) The ability to expand the System to accommodate up to seven hundred fifty (750) active retailer terminals shall be available, should an expansion opportunity be desired by the OLG.
- (c) The System shall initially support five thousand (5,000) concurrent Internet players and provide a scalable solution to handle increased player capacity.
- (d) The ability to expand the System to accommodate up to two hundred thousand (200,000) concurrent players shall be available, should such an expansion opportunity be desired by the OLG.
- (e) The System as delivered shall be capable of handling up to ten thousand (10,000) sales transactions per minute on a continuous basis.
- (f) The System as delivered shall be capable of processing up to five hundred (500) combined cash (validations) and cancel transactions per minute, while selling at the rate above.
- (g) The System as delivered shall be capable of handling up to five thousand (5,000) iLottery and Sports Wagering sales transactions per minute on a continuous basis and provide a scalable solution to handle increased player capacity.
- (h) Each single play (single panel) terminal game ticket shall be produced in no more than four (4) seconds from completion of data entry ("Send" is pressed or play slip is inserted) to availability of the ticket for the retailer.
- (i) Ability to sell a minimum of fifty (50) single play quick pick tickets without requiring operator re-entry.
- (j) Variable length, multi-play (up to ten (10) board) terminal game tickets shall be produced in no more than six (6) seconds after completion of data entry ("Send" is pressed or play slip is inserted) to availability of the ticket for the retailer.
- (k) All other transactions (e.g. instant pack transactions, winning ticket validations, cancels, and brief sports wagering, terminal games and instant ticket reports, etc.) shall be produced in no more than five (5) seconds after completion of data entry ("Send" is pressed) to availability of the ticket or report to the retailer.
- (l) The System shall support up to two million (2,000,000) unique player accounts for iLottery and Sports Wagering.

- (m) Primary site system recovery in auto-failover mode from a one-system failure shall be accomplished in no more than two (2) minutes while still maintaining current transactions. This includes the ability to fully service the communications network supporting the retailer terminals.
- (n) Backup site system recovery from a primary site failure in auto-failover mode shall be accomplished in no more than two (2) hours without loss of any transactions. This includes the ability to fully service the communications network supporting the retailer terminals and supplying management application functions.
- (o) The System shall have the as-delivered capacity in all hardware and software aspects to accommodate three hundred (300) concurrent instant games being in any status (e.g. loaded, distributed, settled, activated, disabled, returned), terminal sales day of at least fifty million dollars (\$50,000,000) and terminal game jackpots over one billion dollars (\$1,000,000,000).
- (p) The risk management system shall be fault tolerant to allow recovery from a single component outage with one (1) hour.
- (q) The response time specifications of this section shall be considered met, if greater than 95% of the transactions of types comply with the specifications.

C.2.8 Operating Hours

The system shall be able to accommodate near twenty-four (24) hour-a-day operations. If the operating hours change at any point during the contract, inclusive of Option periods, the Contractor shall accommodate the revised operating hours, as dictated by OLG.

C.2.9 Host System Security

Host systems security represents a critical component of the Contractor's role in ensuring the integrity of the gaming operations and related OLG information assets. The following security requirements apply to all systems in the Contractor's primary and backup data center configuration including the production, backup and quality assurance host systems as well as any administrative host systems supporting lottery management or other applications operated by the Contractor.

- (a) **Systems Access.** All systems and users requiring access to a host system (for any purpose) shall be approved by the OLC. Host systems shall also support controls and procedures that allow the OLG to audit all system access.
- (b) **Authentication, Authorization and Access Controls.** The Contractor shall document and identify controls related to user authentication, authorization and access controls for operating systems. Lightweight Directory Access Protocol (LDAP) compliance and directory integration (with OLG's identity management directory) is preferable.

- (c) Principle of Least Privilege. All operating systems shall be configured to support only those services required to provide the intended System functions. System users shall be granted access only to the operating system functions and file systems needed to perform their job functions.
- (d) Compliance with Security Requirements. Gaming host systems shall be compliant with all systems security and fault tolerance requirements accepted as operating principles by the OLG, or promulgated by any multi-jurisdictional (e.g., MUSL) game organization of which the OLG may be a member.
- (e) Protection against Unauthorized Access or Service Disruption. The Contractor shall ensure that host systems are not vulnerable to unauthorized access or Malware. The Contractor shall document and specify the methods by which host systems shall be protected against emerging and future Malware and other attacks. The OLG shall have the final approval on all system protection.
- (f) Other Systems Security Controls. The Contractor shall provide the OLG with additional information on other systems security components and controls that may be implemented including host intrusion protection, operating system hardening, login and password controls, system security log management, patch and policy management for application(s), database(s), server operating systems, firmware, etc. to protect against vulnerabilities, remote access security procedures if remote access is used for tasks such as server administration, etc. The acceptability of all system security controls shall be subject to OLG approval.

C.3 Retailers Terminals

The Contractor shall supply the OLG with terminals as specified in Section C. The initial terminal counts are set forth below, and the Contractor shall deliver, install, and support additional terminals as ordered by the OLG under the terms of the Contract.

C.3.1 Retailer Lottery Terminal Hardware

The network shall begin with approximately six hundred (600) fully functional lottery terminals for retailers.

- (a) Lottery Terminal Identification. No manufacturer's or Contractor's logo or identification shall be attached to the terminal. The terminal shall bear a serial number or bar code for maintenance and logistics ONLY.
- (b) Retailer Terminal Features and Functions. Retailer operated terminal features and functions shall include, but not be limited to the following:
 - (1) Size. A compact size is required that shall ensure retailer acceptance. If the terminal is modular, the connecting data and power cables shall not be unwieldy or obtrusive.

- (2) Retailer Terminal Touch Screen. A retailer terminal touch screen that shall automatically display the entire transaction being processed, shall be included, and shall be able to accommodate graphics as well as text.
 - (A) The screen shall be capable of displaying retailer messages, reports, and transactions, including lists of past transactions, using such readability features as fonts, colors and screen layouts to provide displays easily read by the user.
 - (B) There shall be sufficient screen functions to provide for the current games and wager types, and for expansion into new games and wager types and gaming options. The colors, locations, graphics, and text labels shall be at the discretion of the OLG.
 - (C) The screen shall be readable from a variety of user distances and viewing angles, and under various lighting conditions.

- (3) Ticket and Report Printer and Stock. The tickets shall be highly readable and long-lived under ordinary consumer use in the District of Columbia environment (e.g., ticket folding, hot weather, rain). At all times the ticket and report printer and its stock shall be compliant with multi-jurisdictional security standards that apply to the OLG (e.g., MUSL rules).
 - (A) The printer shall be capable of producing tickets and reports using a variety of fonts as approved by the OLG, such as the Lottery or game logo, or a promotional coupon, shall be producible.
 - (B) The printer shall be capable of issuing tickets having uniform size or variable length as determined by the OLG. Tear off tickets are not acceptable. Each ticket regardless of length shall contain a pre-printed stock number on the back.
 - (C) The printer shall provide stacking for printed tickets which shall accommodate up to fifty (50) tickets printing serially in a multiple ticket request (bulk buy or repeat).
 - (D) Ticket stock for the printer shall be able to be pre-printed front and back with text, images, and colors, in a design approved by the OLG.
 - (E) If thermal paper ticket stock is used, the paper shall withstand at least 170 degrees Fahrenheit ambient temperature for greater than four (4) hours and meet or exceed MUSL's and/or other specific security, durability, and longevity requirements. The Contractor shall inform the OLG of any newly available

thermal paper stocks that exceed the properties of the paper then in use and that may represent a benefit for the OLG. Any change in the type of thermal paper used by the Contractor shall be pre-approved, in writing, by the OLG.

- (F) The Contractor shall provide methods to investigate and verify damaged and altered tickets, and these shall include security features of the ticket stock. Security features of the Contractor's ticket stock and methods to investigate and verify damaged and altered tickets shall be addressed.
- (4) Software Loading. Gaming software (the logic to perform gaming/wagering functions shall be software driven) shall be available via down-line loading and shall also be available through a local load by a service technician. Gaming software may be either solicited by the terminal (when such resident software needs replacement) or driven by the central system (when gaming software enhancements, e.g., new games or wager types, or corrections are required). Downloading shall not preclude near-24-hour operation of the terminal on the network. Background downloading with storage of more than one software version is required, with scheduling or prompting from central to activate the new version or return to the prior version. Multicast downloads shall be supported.
- (5) Secure Sign-On. The terminal shall prohibit unauthorized use through a coded sign-on procedure. The System shall permit changing of the code without a service call to the terminal. A password, for security purposes, is not to be displayed, printed or visible in any manner whatsoever at the terminal. The password facility shall permit multiple levels of secure access, including SAR, Contractor representative, store manager/owner, and clerk. This capability shall be used to restrict privileged transaction types to authorized users; for example, store managers (but not clerks) may be able to display retailer financial reports and monitor transactions by individual clerks.
- (6) User Interface Design. The design shall minimize keystrokes and navigation through levels of nested screens to ensure utility and productivity for the user. Each game shall be set up with default play parameters and a subsequent wager shall use the same parameter setting, unless the wager details are altered by the retailer (a feature known to the OLG as "implied wagering").
- (7) Play slip and Document Scanner. There shall be a reader able to read player-completed play slips and other gaming relevant documents, such as the following:
 - (A) The reader shall be capable of reading play slips.

- (B) The reader shall be capable of reading electronically generated play slips, including bar codes generated on mobile devices.
 - (C) The reader shall provide flexibility in terms of its ability to read various colors and graphics on the play slips, and the latitude it allows for markings by players. Special markers shall not be needed for the pay slips. Players shall be able to use pencils to complete play slips.
 - (D) The reader shall provide flexibility in the manner documents can be inserted, for example, top or bottom first, and at various angles.
 - (E) The reader shall be capable of rapid feeding of play slips by the retailer, allowing the retailer to quickly process a stack of play slips.
 - (F) The reader shall be capable of reading and processing existing play slips.
 - (G) The reader shall be jam-resistant and have a simple mechanism for immediately clearing any jam or non-readable document.
 - (H) The reader shall accommodate forms whose purpose is to collect information from retailers, players, or field service or maintenance personnel. The Contractor may be called upon to collect such data and furnish a data file to the OLG for analysis.
- (8) Random Play Generator. The terminal shall have a mechanism for generating one (1) or more random play numbers (quick pick numbers) for any game as requested by the retailer or via play slip.
 - (9) Ticket Serial Numbers. Tickets produced by the terminals shall bear a unique serial number in Arabic numerals and in a code that is readable by the terminal. The serial number shall allow tickets to be unambiguously identified for the term of the Contract.
 - (10) Terminal Game Ticket Reader. The terminal shall include a reader that shall allow reading of terminal game tickets, for validating or canceling a ticket under OLG-specified terms. Winners shall be able to be validated by manual entry also. Canceling is currently allowed through the reader or manual entry.
- (A) First read rate is a key factor in the success of the terminal. A first read rate exceeding ninety-five percent (95%) is mandatory.

- (B) The ticket reader shall default to ticket validation mode when a play ticket is inserted.
- (11) Instant Ticket Reader. The terminal shall read bar codes, primarily for instant ticket and winning sports wagering ticket processing.
- (A) The terminal shall be capable of validating winning tickets, both through bar code scanning and manual entry. It shall also be capable of supporting other administrative functions which employ machine-readable codes such as the interleaved two (2) of five (5) bar code, PDF-417, matrix (2-D) bar code and other standards such as UPC.
 - (B) The OLG considers the bar code reader's first read rate for validating a winning ticket as a key retailer satisfaction item. A high first read rate-in excess of ninety-five percent (95%)-is mandatory.
 - (C) The terminal shall be capable of reading and processing serialized, bar coded coupons. Characteristics of the coupon bar code shall be similar to that for instant tickets.
 - (D) The reader shall allow customer age verification through reading driver's license or similar identification document.
- (12) Training Mode. The terminal shall be capable of operating in a training mode. Training mode transactions that generate ticket facsimiles shall be marked "VOID - DEMO - NOT FOR SALE" or equivalent in the body of the ticket.
- (13) Self-Diagnostics. The terminal shall be equipped with self-diagnostics and indicators that enable the retailer and service technicians to monitor the operating status of the terminal. Terminal diagnostics and internal status conditions shall have the capability to be initiated and observed remotely by technicians or hotline operators.
- (14) Transaction Integrity with Consumables Fault.
- (A) The terminal shall provide a method of preserving the integrity of the transaction when a printer ribbon fault, jam, misprint, or end- of-ticket-stock condition occurs.
 - (B) When a printer is serviced, or a fault corrected, the terminal shall return to service when the lid is closed again without notable delay or disruption for the retailer.

- (15) Peripheral Slots/Ports. The OLG anticipates the possibility of using various peripheral attachments for the retailer terminals. Flexibility to enhance the terminals in such a manner is an important characteristic. In addition to interfaces for terminal features and peripherals identified in herein as required upon delivery, there shall be a minimum of four (4) additional, initially unoccupied slots/ports for other peripherals. These ports shall be physically or logically secured when they are not in authorized use.
- (16) Environmental Fitness. The Contractor shall describe how the terminal is suitable for the conditions of OLG retailer locations: dedicated 110V 15-amp electrical circuit; small counter top spaces; difficult environmental conditions such as heat, cold, moisture, dust, grease, spilled liquids, and operator abuse.
- (17) Power Cord. Each terminal shall come equipped with a power cord at least ten feet (10') in length, with a three-prong grounded plug.
- (18) Memory and Storage.
 - (A) The OLG requires the ability to add games and wager types and to insert promotions that may consume terminal or printer memory. It is required that the terminals and printers, as delivered, provide adequate game and promotion memory for future games, wager types and promotions as that anticipated to be consumed at conversion time by the current OLG games and wager types.
 - (B) The terminal shall have sufficient memory to support at least three hundred (300) concurrent instant games using up to three (3) different bar code algorithms without an upgrade of terminal resources.
 - (C) The terminal's memory shall be expandable and upgradeable.
 - (D) If AC power to the terminal is interrupted, the gaming software (stored in the terminal's memory) shall not be destroyed, modified or lost for a minimum period of seventy-two (72) hours from the occurrence of such failure.
- (19) Casework Color. The casework of the terminal and any peripherals shall be provided in a color selected by the OLG among options available, using a manufacturer's standard color chart. The OLG requires a durable and uniform color.
- (20) Sound Generator. The terminal shall be capable of producing musical tones and audio when certain transactions or functions are performed, or specified events occur. The

use of sounds shall not unduly delay the transaction processing time. The OLG shall define to the Contractor which functions shall trigger this feature. It is required that the terminal be capable of supporting auxiliary speakers as a peripheral.

- (21) Broadcast Messages. Messages from the central computer shall be received and displayed to the retailer. If the terminal is not powered on or communicating with the central system at the time of broadcast, the central system shall ensure that the terminal receives the message immediately upon sign on.
- (22) Large Dollar Transaction Verification. The terminal screen shall display a message for each "large dollar" purchase and validation that provides an option to the retailer to stop or take other appropriate action before completing the transaction. The OLG shall define the default amount of a "large dollar" transaction and shall approve the terminal messages.
- (23) Previous Transaction Listing. The terminal shall be able to display and print the last twenty-five (25) transactions accepted by the System, upon request of the retailer, in order to compare printed tickets with registered tickets. In display mode all the past transactions need not appear on the same screen at once.
- (24) Cancellations. The terminal shall support ticket cancellations for those games that permit it. Cancellations shall be governed by a set of parameter-driven rules established by the OLG.
- (25) Language Agility. The Contractor's retailer terminal shall support foreign languages that are in common use in the District of Columbia. At a minimum the terminal shall support Spanish, Amharic, and Korean in addition to English. Since the same retailer terminal may be used by employees with different language skills, it is required that the terminal be capable of toggling easily between languages upon user request. Foreign language capability applies to the terminal display, help screens, and to certain retailer reports, as determined by the OLG, but not to tickets. The Contractor shall send proposed translations to the OLG and the OLG shall confirm that the translations are accurate. The OLG shall be responsible for any incorrect translations.
- (26) Terminal Case Design. The terminal's design shall partition electronic and electrical components from access by the retailer, when conducting retailer tasks to operate or maintain the terminal (e.g., changing the paper or cleaning the reader window).
- (27) Credit Card, Debit Card and Pre-Paid Gift Card Processing. As an Invited Option, the terminal may be equipped with a reader or reader/writer that permits the use of credit cards, debit cards and pre-paid gift cards. Any additional software shall be supplied by the Contractor to manage use and accounting of the cards.

- (28) Last Transaction Display. The terminal shall provide a mechanism for display of the last transaction of each type, including last wager, last cancel, last winner validation, last report, etc., as selected by the retailer.
 - (29) Retailer Terminal Reports. All reports shall include the words "INFORMATION ONLY - NOT FOR SALE" (or a similar OLG approved message) at the top or bottom of the report.
 - (30) Clerk-Associated Transaction Reporting. The System shall provide a mechanism that associates a specific clerk with a set of transactions produced by a Retailer terminal. The System shall produce reports summarizing activities by specific clerks. The Contractor may employ any of several methods for clerk identification, including but not limited to, multiple sign-ons, swiping an ID card, and entry by touchscreen. These sign-ons shall be accompanied by a password. If login attempt fails an OLG specified number of times, then the users are unable to access the terminal until their password is reset.
- (c) Retailer Terminal Attachments:
- (1) Player Advertising Display. The Contractor shall provide a player advertising display for each retailer location. The OLG shall employ such devices to display graphics and messages, which shall change daily or weekly and shall be downloadable. The purpose of this display is to gain the attention of, and inform, potential players. Any such display shall be clearly visible from fifteen (15) feet by players. Units shall have the capability of being "programmed" by the Horizon management application. Due to the wide diversity of available space in retailer locations, the player advertising display unit shall be capable of both of the following: (i) resting on the counter beside the terminal or (ii) mounted on or suspended nearby the terminal. The exact location of the player advertising display unit shall be decided by the OLG in conjunction with the retailer on an individual retailer basis to optimize visibility.
 - (2) Player Transaction Display. The Contractor shall propose a player transaction display for each retailer terminal. The player transaction display shall be a discreet, individual-oriented display for the player conducting the current transaction. This display may communicate the amount of the current transaction or notify the player that they have a winning ticket. In the event that the ticket is a winning ticket, an appropriate message shall be displayed. When not displaying a transaction, the Player Transaction Display may provide an advertising or informational message. The OLG shall approve the display design and message presentation to ensure functionality and player privacy.

- (3) Monitor Game Monitors. The Lottery currently operates three monitor games (Keno, Race2Riches and The Lucky One) which require the use of monitors to display the winning numbers. Additional monitor games may be initiated during the Contract; however, the OLG shall approve all initiated games. At the time of terminal rollout, two hundred (200) monitors shall be installed and operational.
 - (A) Monitor Game Retailers. The Contractor shall support monitor game retailers with a retailer terminal for selling tickets and multiple game monitors.
 - (B) Monitors Supported. The Contractor shall support monitor game retailer locations with a minimum of two (2) game monitors per location. The location and number of monitors per retailer location shall be determined by the Lottery and may exceed two (2). The Contractor shall allow enough expansion capability within each retailer location to connect up to four (4) monitors. The monitors are required to have the capability to display both the same or unique content.
 - (C) Monitor Specifications. The monitors shall be color monitor units. The monitors shall be a minimum of 25-inches in dimension and shall be flat screen (LCD or better). The Contractor shall supply and install monitors, wiring connections, and mounting brackets as required.
 - (D) Monitor Maintenance. The Contractor shall be responsible for the maintenance of all monitors under the same guidelines as stipulated for peripherals under retailer terminal maintenance.
- (4) Event Display. As an Invited Option, the Contractor shall provide a large display for illustrating sporting events available for wagering and the odds of various wager types. The purpose of this display is to inform players and such displays shall be clearly visible from thirty (30) feet or more. One (1) display per retailer shall be proposed, although retailers may fund additional installations. Television sets showing events are not included in this specification.
- (5) Self-Service Ticket Checker. The Contractor shall provide a terminal peripheral that allows players to check their tickets for winners. These devices shall be located either at the play stations or otherwise far enough away from the retailer terminal to minimize activity or traffic at the retailer counter. The Contractor shall provide certain advanced features for the Self-Service Validator, such as wireless function within the store and/or the ability to allow player checking of instant tickets.

- (6) Flat Panel Display. As an Invited Option the Contractor shall provide an additional display attachment for the retailer terminal that is suitable for displaying advertising game information to players within the store. The display characteristics that the OLG requires includes: flat panel display, minimum 15-inch diagonal, located within three (3) feet of the retailer terminal, visibility from ten (10) feet, and sound available through aux speakers or through the terminal. If offered the terminal shall be capable of storing sound, static image files, and animations of up to one (1) minute. The stored information shall be downloaded over the retailer terminal network, as well as being loadable at the retailer location.
- (7) In-Store Wireless Signage. As an Invited Option, the Contractor shall provide in-store wireless signs capable of displaying information regarding jackpot amounts, winning number information, advertisements, or OLG authorized announcements. Any proposed wireless capability shall operate at short range, nominally on the order of up to 100 feet. Radio signals shall be designed so as not to interrupt or interfere with any electronic devices otherwise operated in the store or carried by store customers or employees in the store.

C.3.2 Privileged Validation Retailer Terminals

The Contractor shall provide up to ten (10) privileged terminals for certain retailers and for the OLG Headquarters, capable of cashing high-tier winning tickets. For these terminals, cashing shall be restricted by the OLG to ranges different from ordinary retailer authorization. (For example, in current practice, privileged terminals at OLG claims center cash from \$600 on up, without limit, while such terminals at certain retailers' cash only \$600 to \$5,000 winners.) This function shall be capable of being performed either by terminals similar to the retailer terminals, or by software on authorized management workstations, subject to determination by the OLG. These terminals shall be considered part of the six hundred (600) terminal baseline allocation.

C.3.3 Multiple Terminals Per Retailer

The System shall permit, and the Contractor shall support, more than one terminal temporarily or permanently installed at a retailer's location. The System shall be able to account for individual and multiple terminals as part of a single retailer account. At times of large jackpots, or for promotions, the OLG may require temporary installation of additional terminals at a single retailer location.

C.3.4 Specialty Terminals

The OLG is aware that certain needs might be better served by alternatives to the conventional retailer terminals. These terminals shall meet, as a minimum testing requirement, the District of Columbia's relevant regulations. The Contractor shall be responsible for the cost of third-party testing and certification of this functionality by an OLG-selected laboratory.

- (a) Vending Terminals (ITVMs). The OLG shall consider Vending terminals that sell both terminal games and instant games. Vending terminals shall meet the requirements of the full function retailer terminals in all areas where applicable. Multiple bins shall be provided for instant tickets. These terminals shall have a customer-friendly touch-screen, a bill acceptor, the ability to read a driver's license for age verification and an option to add debit/credit/gift card readers. Winning tickets shall require a conventional retailer terminal for cashing. Vending terminals shall adhere, to the District of Columbia's relevant regulations. The Contractor shall bear the cost of third-party testing and certification of this functionality by an OLG-selected laboratory
- (b) Wireless Terminals. The OLG requires five (5) retailer terminals that are mobile and capable of operating from a temporary location. These terminals shall be considered part of the six hundred (600) terminal baseline number.
- (c) Handheld Terminals. As an Invited Option, the OLG may require five (5) handheld terminals. Handheld terminals shall support debit/credit purchases and ticket printing.
- (d) In-Lane Terminals. As an Invited Option, the OLG may consider terminals designed for use in multi-lane stores such as supermarkets, with a simplified set of features compared to the conventional terminal game terminal. The OLG may consider other in-lane solutions the Contractor may offer.
- (e) Alternative Retailer Device Play. As an Invited Option, the OLG may consider terminals, peripherals, or integrated software that permits play-at-the-pump, play-at-the cash-register, kiosk, (or other) opportunities for sales of tickets, with a simplified set of features compared to the conventional retailer terminal.
- (f) Self-Service Terminals. As an Invited Option, the OLG may consider self-service terminals that sell only terminal games and wagers on sporting events. Self-service terminals shall meet the requirements of the full function retailer terminals in all areas where applicable. These terminals shall have a customer-friendly touch screen, a bill acceptor and an option to add debit/credit/gift card readers. Winning tickets shall require a conventional retailer terminal for cashing.

C.3.5 Retailer Terminal Security

Retailer terminals shall exhibit a high degree of security as a device in a location with public access. The local operating system and applications shall be "hardened" so that they cannot be co-opted for other usage besides lottery operations. The case shall be resilient to disassembly except by an authorized service technician.

- (a) Embedded Operating System Security. Retail terminals shall have embedded operating system security.

- (b) **Secure Transmissions.** All data communications from the Retailer terminal devices to the central gaming host systems shall be encrypted. Protected information includes but is not limited to plays, validations, security codes, reports, and downloaded software. Commercially available encryption mechanisms are required and shall be approved by the OLG and any multi-jurisdictional associations of which the Lottery may be a member.
- (c) **Compliance with Security Requirements.** Terminal communications shall be compliant with all security requirements related to encryption and hardware authentication accepted as operating principles by the OLG or promulgated by any multi- jurisdictional (e.g., MUSL) game organization of which the OLG may be a member.
- (d) **Protection against Unauthorized Access or Service Disruption.** The Contractor shall ensure that terminal operating systems are not vulnerable to unauthorized access or Malware.
- (e) **Other Terminal Security Controls.** The Contractor shall continuously provide OLG with additional information on any other terminal security components and controls that shall be implemented including host-based intrusion protection, terminal log management, etc. The acceptability of all terminal security controls shall be subject to OLG approval.

C.4 Communications Network

C.4.1 General

The Contractor shall develop a design for a telecommunications network to be accepted and approved by OLG. The Contractor shall ensure that the design is implemented and operated in compliance with the specifications and requirements listed in the contract, including the responsibility for network management.

C.4.2 Network Design and Implementation

The Contractor shall provide configuration items (those not within a carrier "cloud") and these shall be identified by the manufacturer name and model number. The designs shall cover at a minimum:

- (a) **Retailer Network.** Primarily the design shall provide end-to-end connectivity for retail terminals to the data center at all times. Dial-up terminals are not permitted as part of the retailer network design. In addition, since transactions shall be processed at both data centers, there shall be links between retailers and both the primary and remote data center sites.
- (b) **Player Internet Interface.** For the implementation of iLottery and Sports Wagering, during the daily operational period, players shall access the System through Portals. Depending on configuration status, players may be serviced at the primary or at the backup data centers.

- (c) Inter-Site Connections. Since transactions shall be logged at the data centers on a real-time basis, as per MUSL rules, and the Contractor shall provide inter-site links for control and data flow.
- (d) Lottery Management Network. The design shall also accommodate other connections for lottery administration by the Contractor and by the OLG. This includes connections from the primary and backup data centers to the OLG Headquarters for the management application and to the secondary ICS (if located at the primary data center). Other connections relevant to the network's topology and purpose may be employed.
- (e) Instant Ticket Warehouse. The OLG operates an instant ticket warehouse located in the District of Columbia and the Contractor's gaming system shall support order distribution and inventory management operations throughout the System.
- (f) Risk Management System. The network shall connect the risk management system independently to the primary and backup sites
- (g) Data Center Local Area Networks. Within the data centers, high speed LAN connectivity shall be provided by the Contractor to all computer equipment located within the data center.
- (h) Retailer In-Store Installation. Should the Contractor employ a communications carrier whose demarcation at the retailer premises is not near the retailer's prescribed location for the lottery terminal, it is the Contractor's responsibility to provide the inside wiring or other telecommunications mechanism to reach the terminal. This connection shall be maintained if the retailer adjusts the in-store design.
- (i) Interface to the System. For the implementation of iLottery, the System shall always manage games for the players but may not always provide game or sports wagering content. Third parties may provide game content (e.g. graphics, design, etc.) and the System shall be compatible with third-party game. If the OLG requires that The Contractor use a specific third party, such third-party integration shall be provided at OLG's cost expense and at a mutually agreed time plan.

C.4.3 Network Security

- (a) Secure External Transmissions. All data communications external to secured facilities shall be encrypted. All data shall be encrypted from the point of transmission to the point of receipt, including any data transmitted directly from the gaming host systems at the primary data center to the systems at the backup data center, to OLG's administrative offices and other remote locations. Protected information includes but is not limited to Plays, validations, security codes, reports, and downloaded software. Commercially available encryption mechanisms are required and shall be approved by the OLG and any multi-jurisdictional associations of which the OLG may be a member.

- (b) **Network Device Access.** All systems and users requiring access (for any purpose) to the network devices utilized in supporting gaming operations shall be approved by the OLG. Network devices shall support controls and procedures that allow the OLG to audit related network device access.
- (c) **Principle of Least Privilege.** All networks related to gaming operations shall be designed with the Principle of Least Privilege in mind. Network access controls shall be utilized to allow the routing of only those network services needed by authorized system hosts.
- (d) **Compliance with Security Requirements.** All network connectivity involving the networks related to gaming operations, as well as connectivity made between these networks and any other systems or networks that are not private and dedicated to OLG gaming transaction processing (such as WAN connections to the Lottery and the Successful Proposer's administrative support system and development/QA system) shall comply with standards and guidelines accepted as operating principles by the Lottery or promulgated by any multi- jurisdictional (e.g., MUSL) game organization of which the Lottery is or may be a member.
- (e) **Protection against Unauthorized Access or Service Disruption.** The Contractor shall ensure that network devices are not vulnerable to unauthorized access, denial of service attacks and similar security threats.
- (f) **Other Network Security Controls.** The Contractor shall provide additional information on the network security components and controls that shall be implemented for the System LANs and the proposed WAN connections including firewall and JPS/IDS protection, network access controls, network device hardening, login and password controls, network device log management, etc. The acceptability of all network security controls shall be subject to OLG approval.

C.4.4 Network Design Features

Communications facilities shall be designed with monitoring, redundancy, diversity, and security features to reduce the possibility that a disruption could impact the network and the System.

- (a) **Communications Network Fault Tolerance.** The Contractor shall provide an analysis of the configuration with regard to single points of failure, major points of failure major points of failure affecting a large proportion of the network, and bottlenecks. It is required that the network exhibit redundancy, and diversity that virtually eliminates the possibility of single systemic failures removing service from most or all the retailer network. Risk management shall have more than one path to central.
- (b) **Fault Notification.** The host processor, front-end processor, retailer terminal, and/or diagnostic equipment shall be able to notify the network monitor or System monitor of significant transmission failures or outages as soon as possible after occurrence.

- (c) **Secure External Transmissions.** All data communications external to secured facilities shall be encrypted. All data shall be encrypted from point of transmission to point of receipt, including any data transmitted directly from the gaming central systems to the remote backup system, to Lottery offices and other remote locations. Protected information includes but is not limited to plays, validations, security codes, reports, and downloaded software. Commercially available encryption mechanisms are acceptable if approved by any multi-jurisdictional associations of which the OLG may be a part, and if approved by the OLG. Attachment A of the Contract contains additional language regarding Secure External Transmissions.
- (d) **Address Scalability.** The network design shall readily accommodate expansion in the terminal base by having additional IP addresses reserved. The design shall permit multiple IP addresses at a retailer site. Attachment of additional devices at the retailer location shall be subject to cooperation and negotiations by the OLG and the Contractor.
- (e) **Network Device Access.** All systems and users requiring access (for any purpose) to the network devices utilized in supporting gaming operations shall be approved by the Lottery. Network devices shall support controls and procedures that allow the OLG to audit related network device access. Interfaces from the retailer location or elsewhere that permits access to the System environment shall be physically and/or logically secured when not in use. The network shall be configured such that unauthorized devices may not be connected to the network and granted access without the prior approval of the OLG.
- (f) **Principle of Least Privilege.** All networks related to gaming operations shall be designed with "Least Privilege" in mind. Network access controls shall be utilized to allow only the required network services needed by specific hosts or networks to be routed. Unneeded administrative protocols shall be unavailable.
- (g) **Retailer Bandwidth.** The OLG anticipates a high bandwidth retailer network that shall support rapid software and data downloads as well as transaction processing. There shall be adequate aggregate bandwidth at all points in the network so that retailers can typically obtain the nominal bandwidth. Although different communications media may have different bandwidth properties, each type shall have adequate bandwidth such that no subset of retailers is unable to receive services available to the remainder of the network.
- (h) **Strong Security.** Network security shall be given a high priority and shall employ stringent security mechanisms. Connections to other systems and networks shall be protected by firewalls, intrusion detection systems, strong cryptography for sensitive data transmission, use of security protocols for data transmission (e.g., SSL/TLS, IPSEC, VPN, etc.), device and system logging, router access control lists (ACL), or other OLG-approved methods. Connections are expected between the System and other systems and networks such as the Internet, third-party systems, OLG office network, OLG QA system, and the Contractor's administrative support system and

development/QA system. The System shall be protected from, and protect, those connections. The acceptability of all network security controls shall be subject to OLG approval.

- (i) Incomplete Transaction Protocol. On incomplete or unresolved transactions between the host systems and the retailer terminals, there shall be mechanisms for reconciliation. These may include retries, logging for reporting, and error messages to the retailer, System operators, and Lottery.
- (j) Non-Responding or Failing Terminals. If the central system finds a terminal that is not responding within a set number of re-tries or within a reasonable time window, the terminal shall be logged as not responding. The System shall make allowance for servicing of all other terminals on the network between re-tries of the terminal not responding. Failing terminals shall not preclude communication with other terminals. Non-responding/failing terminals shall be apparent to a network monitoring application.
- (k) Communications Outages. In the event of a communications disruption between central and any terminal, the system shall continue to attempt to service the terminal until the problem is resolved or the System shall shut down for end-of- day processing.
- (l) IP-based Retailer Network. To enhance the "open systems" aspect of the System to introducing changes and improvements, it is required that communications protocol be IP (Internet Protocol) for communications between the retailer terminals and the host systems.
- (m) Connection to Systems and Networks Not Dedicated/Private. Any connection made between the System that processes games transactions, and any other systems or networks that are not private and/or dedicated to OLG gaming and wagering transaction processing, (such as the OLG administrative system and the Contractor's administrative support system and development/QA system), shall be applied through devices that detect and block or filter out unnecessary and unauthorized traffic. Traffic shall be supported only from authorized nodes. Software transfers shall be secured.

C.4.5 Network Administration Services

The Contractor shall be responsible for network monitoring and management. Network administrative services shall include:

- (a) Provisioning. The OLG shall identify new drops along with any moves or deletions. After the order is placed, further monitoring and install/de-install actions shall be performed or supervised by the Contractor.
- (b) Configuration Management. Configuration changes and asset records shall be managed by the Contractor. This includes an inventory of Lottery network resources and their operating

parameters. Change management control procedures and online storage of network component configuration files are required.

- (c) Fault Management. Fault management consists of actions toward detection, isolation, and correction of faults in the network.
- (d) Performance Management. Performance management implies monitoring network utilization and managing resources to maximize capacity and minimize contention.
- (e) Carrier Interface. The Contractor shall interface with the communications carriers, the retailers, the risk management provider, and the OLG to maximize uptime and provide information upon which decisions and actions can be based. The Contractor shall be responsible for working communications problems to resolution through the common carriers/external suppliers.

C.4.6 Network Monitoring and Fault Resolution

- (a) Network Monitoring System. Communications test and monitor capability shall be available at both the primary and remote backup data center sites. Network monitoring tools shall be able to interface and analyze protocols, view transaction data for analysis, and create visual and/or audible alarms to provide warning of problems. The capability shall be included to determine whether failure has occurred in the equipment at the central or remote backup site, within the wide area communications network, or at the retailer terminal level.
- (b) Network Event Recording. Communications test and monitor equipment shall have recording and recall/reporting capability. The standards for the types of events recorded and the period of retention shall be developed jointly with the OLG.
- (c) Network Monitoring Protocols. It is required that network monitoring tools, and the networked devices provided by the Contractor, employ a standard protocol to facilitate monitoring all along the communications path, and to extend this capability to new network devices readily should they be introduced.
- (d) Communications Expertise. Communications technicians trained in the use of test and monitor equipment shall be present at the active (retailer terminal-serving) system site whenever the System is operational and whenever the OLG requests such support for test purposes.
- (e) Hotline Monitoring of Retailer Network. Hotline equipment shall have a display of terminal status allowing the hotline operator to see if a terminal is down, if a retailer is signed on or not, and other relevant diagnostic information.
- (f) OLG-Initiated Network Monitoring. The OLG shall be able to monitor the network using a management workstation software application, or with specialized workstation(s) as supplied by

the Contractor, as well as having status information available to the OLG. The OLG shall receive reports or displays from the Contractor that shall indicate attempts at unauthorized access to or manipulation of the System's components. Network monitoring shall be available at OLG Headquarters.

- (g) Service Level Agreement. Network availability from the Central System perspective, as measured on an annual basis, shall be a minimum of 99.7% of games operation hours. The Service Level Agreement may commit to a higher level of monthly availability.

C.4.7 Advanced Communications Technologies

The Contractor shall identify advanced telecommunications options that may further improve the reliability and/or performance of the network, beyond the baseline design. The option shall be relative to retailer bandwidth for last mile connections, points of presence fault tolerance where terminals are aggregated for backhaul to the data center, trunk communications, primary-to-backup site communications, and/or gaming network to Lottery communications. The Contractor shall propose a range of technologies that may advance the Lottery network infrastructure while continuing to provide reliable, cost effective service to Lottery retailers.

C.4.8 LSR Interface to the Network

The Contractor shall provide a software application for LSR laptop and tablet computers to allow the LSR access to authorized functions in the System.

C.5 Back Office Systems

C.5.1 General

The Contractor shall provide web-accessible back office systems that meet the ongoing needs and obligations of the OLG and/or Contractor. Back office systems shall provide users with organized, accessible, and real-time information that enables operational success from the perspective of all stakeholders including players, OLG, Contractor and auditors. Key users of back office systems include staff members representing products, marketing, sales and Retailer services.

C.5.2 Player Account Management (PAM)

The Contractor shall provide a back office system that gives the OLG and/or Contractor the ability to research and administer player-related operational needs. The system shall be web-accessible by the OLG and populated with real-time data.

C.5.3 Claims and Payments

The Contractor shall provide a claims and payment mechanism capable to process payments via a VWA or a check to winners. iLottery and digital Sports Wagering winners shall not have physical tickets since

their Wagers shall be maintained by the System. The System shall track which of the player's Wagers are winners and whether Wagers have been paid.

- (a) Claim Form. The System shall generate a claim form when necessary based on the prize value. The form shall be completed with any known data necessary to process the claim. This claim form shall be securely accessible to the player within Portal and by authorized staff at the central or regional offices.
- (b) Low-Tier Prize Payment. A player shall automatically receive winnings if the prize amount is equal to or less than six hundred dollars (\$600) as a deposit into their VWA.
- (c) Claim Center Prize Payment. The Contractor should provide a solution that enables the processing of prize payments via a VWA or a check to winners without requiring the player to physically visit a claim center. The solution should accommodate the following constraints:
 - (1) Prizes equal to or greater than six hundred dollars (\$600), the System shall issue a W-2G or 1042S to the player.
 - (2) Prizes equal to or greater than five thousand dollars (\$5,000), Federal and State tax withholding ("Tax Withholdings") shall be calculated based on current rates and withheld from prize payment. Players shall be able to view these deductions on Portals.
 - (3) System shall support prize cashing limits at three (3) different levels for the claim center locations (privileged terminals) as established by the OLG.
 - (4) Provide a mechanism to issue a payment for any exception situations.
 - (5) This capability to process Claims and Payments shall be available for multiple users at multiple locations throughout the District of Columbia.
 - (6) Printing equipment including MICR Printers. Checks shall be printed on the OLG provided check stock.
- (d) The Contractor shall provide solution for tracking and payment of annuity type prizes that can be paid over a pre-determined period of time. This would need to work with the system for writing payable checks.
- (e) Uncashed Winning Wagers. For iLottery and sport wagering prizes greater than six hundred dollars (\$600), the OLG shall require a prize winner to contact the OLG to file a claim. If a player does not claim his or her winning wager, the System shall track and report these unclaimed wagers.

- (f) Cashing Policy. The System shall allow cashing of winning wagers as determined by the OLG. Currently the schedule is one hundred eighty (180) days after the later of either date of purchase, or the date of drawing if applicable. The OLG shall set other policies as appropriate.
- (g) Retention of Prize Winners. The System shall retain records of prize payments for at least seven (7) years of historical plus current year records, including preserving a mechanism for accessing, summarizing, and researching prize payments.
- (h) The System shall support IRS and District of Columbia requirements for withholding from prizes and recording of name, address, and related information necessary for reporting of winners of prizes over six hundred dollars (\$600). The System shall issue W-2G or 1042S forms to winners at the time of payment, and support reprints of W-2G and 1042S forms.
- (i) The Contractor shall provide an interface File for annual tax reporting to the IRS and Department of Treasury.
- (j) The System shall be capable of producing and exporting through electronic means (e.g. comma delimited, Excel, PDF, etc.) daily, weekly, monthly, yearly, such as, but not limited to, federal taxes, Offsets and prize payment checks issued as required by the OLG.
- (k) Reporting. The System shall maintain detailed prize winner information allowing for inquiry and reporting. The information shall be transmitted and maintained in an encrypted format.
- (l) The Contractor shall provide the tools and capabilities for the OLG to search, edit, correct or otherwise administer claims and payments functions in the System.
- (m) The Contractor shall support the OLG's solution that includes electronic capture of player completed claim information and other forms. Contractor, as an Invited Option, may provide a replacement for the OLG's Automated Claim Processing (ACP) system.
- (n) The Contractor shall propose a solution that includes the ability to access claim payment activity in near real time.

C.5.1 System Interfaces

The System shall interface, using real-time and batch methods, with several applications in the OLG's environment or provided as third-party systems to the OLG. All data elements logged by the System shall be available for export to other third-party systems as directed by the OLG. The Contractor shall provide new interfaces, while supporting existing interfaces, as directed by the OLG through the Term of the Contract. As an invited option, and if requested by the OLG, the Contractor shall interface with the following third-party systems, at OLG cost expense and on mutually agreed time plan.

- (a) Player Rewards Program;

- (b) Prize Fulfillment Vendors;
- (c) Marketing Database System;
- (d) Customer Relationship Management System;
- (e) Customer Service Operations Software;
- (f) Advertising Performance Tracking System; and
- (g) Survey, Scoring and Analytics Programs;

The OLG also requires various forms of data provisioning to feed administrative and support systems. For some applications, a data File shall be supplied in a specified format and frequency.

C.5.1 Software Security and Control Features and Functions

In addition to selling and cashing tickets, the System shall provide particular features and functions to meet requirements for secure and efficient operation.

- (a) Logging. All processing activities are to be recorded immediately on electronic media on multiple hosts. Such game processing activities at a minimum include sales, cancels, cashes, validation attempts and other play or wager related transactions, any other retailer terminal commands, error conditions, operating system entries, job console entries, and management application entries. Requirements include, but are not limited to:
 - (1) The System back-up, recovery and redundancy features shall be supported, using log files for recovery, if necessary
 - (2) The System - including outages and recovery events - shall be audited and checked for appropriate usage and freedom from error. There shall be a strict relationship between tickets printed, tickets registered in the log files, and ticket transactions carried forward to the ICS.
 - (3) Authorized OLG personnel may research transactions and operations when required. The log shall include detailed records of sales, validations, canceled terminal game tickets, rejected validation inquiries, terminal outages, system events (e.g., takeovers by the backup system), etc. Reports on transaction log entries shall allow standard queries and sorts.
 - (4) The transaction logging process includes periodic checkpoints including significant totals (counts and amounts) for all games.

- (5) The Contractor shall provide a near real-time feed of all the Lottery transactions to the Internal Control System (ICS). The near-real time feed shall include transaction index numbering or periodic checkpoints to ensure that the ICS file is complete at that time. In addition, the Contractor shall be able to provide audit files to the OLG within five (5) minutes following the close of sales for any game, and prior to the drawing for that game. A final audit file for the day shall be available to the OLG immediately after close of the System each day.
 - (6) The Contractor shall provide the OLG with any software necessary to interpret or decrypt any proprietary or unique ICS (audit) record formats, resulting in ASCII text.
- (b) The System shall provide a robust mechanism for payments to winners.
- (1) Validations. The System shall be capable of validating winning tickets from the retailer and privileged terminal locations by means of a reader and by manual entry.
 - (A) The System shall validate winning tickets presented within a validation period as determined by the OLG.
 - (B) Winning tickets shall be validated with a display and/or report stating "pay" and the amount of payout, or "claim" should it be determined by the OLG that claim instructions be provided. The validation ticket transaction as logged on the System shall be referenced to the original sell transaction.
 - (C) The OLG expects retailers to pay winning tickets up to a winning amount set by the OLG. A terminal game ticket may incorporate one (1) or more plays under a single unique serial number; multiple winners on the same ticket still observe the winning amount.
 - (D) When cashing a multiple draw ticket prior to the last draw on the ticket, an exchange ticket for the balance of the plays shall be printed. The exchange ticket shall have a distinct serial number from the original ticket, but the System shall be capable of relating the two.
 - (E) Retention of Cashed Winners. The System shall retain cashed winners in a terminal game for at least ninety (90) days, including preserving a mechanism for accessing, summarizing, and researching cashed winners.
 - (F) Control of Validations. The System shall be able to turn off cashing at the terminal for a sports wagering event, a specific game and specific draw.

- (2) Prize Payments. Check-writing application for installation at the claim center. The Contractor shall provide any associated workstations and check-printing equipment.
 - (A) The prize payment application shall handle split prizes, a single check for multiple wins, annuities, merchandise prizes, as well as more ordinary payments.
 - (B) The System shall meet the IRS requirements for withholding from prizes and recording of name, address, and related information necessary for reporting of winners of prizes over the withholding limit. The System shall issue W2-G forms to winners at the same time as payment, and W2-G forms at the end of the year as an electronic transfer to the IRS.
 - (C) The System shall meet DC Office of the Attorney General, Child Support Services Division, requirements for data interfaces and withholding from prizes for non-payment of child support.
 - (D) The System shall permit EFT transfers for prize payments as well as checks.
 - (E) The System shall maintain prize winner information allowing for inquiry and reporting, or interface to the back office systems. The information shall be transmitted and maintained in an encrypted format.
- (c) Unique Transaction Number. Tickets produced by the Terminals shall bear a unique serial number in Arabic numerals and in a code that is readable by the terminal. The serial number shall allow tickets to be unambiguously identified for the term of the Contract.
- (d) Transactions Protected. The System shall ensure that transactions cannot be tampered with, including but not limited to the log files and validation files. The Contractor shall document methods and procedures that prevent tampering with the System. The OLG reserves the right to review any and/or all System narratives, source program listings and operational procedures to ensure data and System integrity.
- (e) Transaction Research. Authorized personnel shall be able to research transactions and operations when required. Reports on transaction log entries shall allow standard queries and sorts. Data shall be immediately accessible real-time and shall be available to Lottery from a web-accessible reporting system. Further, at least fourteen (14) months of historical transaction detail shall be immediately accessible to Lottery from a web-accessible reporting system.
- (f) Tickets Not Duplicated. Tickets shall not be able to be duplicated on terminal equipment.

- (g) **Liability Levels.** The OLG shall be alerted immediately when sales of a number in a fixed payout game reach a warning level, and then reach a specified liability level. The System, through a management application, shall provide a payoff figure and a payoff liability, whenever requested by the OLG. The System shall automatically suspend sales of any number when the liability limit is reached, although the OLG shall have the ability to override the suspension.
- (h) **Operator Console Records.** All operator commands executed by the System and any System warnings or problem messages shall be placed on a non-volatile medium (for example, on a numerically sequenced console log or a write-once medium). This log shall be provided on magnetic media or as an electronically transmitted file to the OLG, which the OLG may at its option process and review for auditing purposes.
- (i) **Limiting Controls.** Any irregular activity on the System shall be detected and handled in a manner that prevents the irregular activity from further occurring. This may include controls that detect irregular winning deposits into a player account to which the System responds automatically by locking out the player and ceasing the irregular activity until a human can intervene for investigation.
- (j) **Retailer Spoofing.** The System shall ensure integrity wherein no action, either operational or by tampering, can permit duplicate or unauthorized terminal addresses to be established. In all cases, an authorized and unique terminal identification shall be ensured.
- (k) **Player Spoofing.** The System shall ensure integrity wherein no action, either operational or by tampering, can permit duplicate or unauthorized user or player identities or addresses to be established.
- (l) **One-Time Cashing.** A winning ticket shall not be able to be cashed more than once. In the instance that multi-draw purchases are available from a Terminal Game then each draw within the range shall be treated as a separate Wager by the System.
- (m) **Software Checksums.** Checksums are required for executable programs on the host systems and terminals for auditing purposes. The System shall maintain control of terminal software distribution such that terminals are not able, inadvertently, to run inappropriate versions of the software. This requirement applies also to the test system. Checksum information shall be provided to the OLG upon request. The Contractor shall maintain control of software distribution such that systems are not able to run inappropriate versions of the software.
- (n) **Transaction Storage Redundancy.** Every transaction of the terminals shall be received in at least three (3) systems before authorization to print a ticket, including the gaming and wagering transaction system handling the transaction, a local backup transaction system capable of recovering for a failure of the system processing the transaction, and a remote backup transaction system.

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- (o) **Game Monitoring.** Real-time monitoring of gaming and wagering transaction traffic and system utilization shall be provided. The OLG shall receive immediate notification of abnormal System operations and their causes, such as validation problems, communication difficulties, computer downtime, etc.
- (p) **Transaction Simulation.** A transaction simulator program shall generate all types of transactions (terminal and System) in optional percentages for use in testing software quality and performance. The System shall be able to interact with transaction simulators to ensure that Lottery game transactions can be handled correctly and in volume. The program shall accommodate simulated ticket validations against a validation file as part of the transaction mix. The program shall allow manually entered transactions to mix with the program-generated transactions.
- (q) **Secure On-Site and Off-Site Storage.** The Contractor shall provide for secure on-site and off-site storage of critical files, software, and back-up data, subject to approval of the OLG. Archived backups shall be retained for a minimum of five (5) years. Media stored in archives shall be checked and/or exercised periodically to ensure their physical integrity and validity. At the OLG's direction, the Contractor may be directed to restore a backup File to a test system to ensure viability.
- (r) **Valid Backups.** The Contractor shall use operational practices through report balancing and reconciliation to ensure that current files and archived backup copies are valid. This is particularly important for validation files and future plays files where recovery by reprocessing large volumes of aged transactions may be impractical.
- (s) **Software Quality Assurance and Acceptance Testing.** The Contractor shall perform quality assurance practices for software enhancements and corrections.
 - (1) The testing environment shall be capable of providing production-type reports including management reports and terminal reports, and the ability to research and report transaction history.
 - (2) All software changes shall be accompanied by release notes that characterize the planned changes, and the software changes shall be incorporated into a completely-defined release package. The release notes shall include, but not be limited to, version numbers, files affected, change request identifiers, and change descriptions.
- (t) **Configuration Management.** The Contractor shall operate under a defined procedure for changes to documentation, procedures, specifications, program source and object code, and other major System components. Strict performance according to principles of configuration management is required:

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- (1) System components shall have version or release numbers, or model and serial numbers.
 - (2) Components shall be traceable, identifying the history, use, and location of a component.
 - (3) The System shall provide reports showing when and by whom a change was made and shall avoid multiple update conflicts.
 - (4) The System shall have the ability to produce a configuration status report or listing.
 - (5) The Contractor shall ensure through procedural and System controls that only approved changes, on an approved schedule, can be made.
 - (6) Reports and/or displays shall be available to the OLG to review configuration management activities.
- (u) Dynamic Pools. For all matrix-type games, the Contractor shall maintain dynamic pools for the current draw, and dollar summaries for all plays for all future draws on sale. The Contractor shall also maintain dynamic pools for the current draw and future draws for the numbers-type games. The total dollars played by game by play type shall be maintained for all future draws. The current day's pools shall include all current day's sales as well as advance day sales for that draw.
- (v) Ticket Stock Tracking System. Ticket stock is delivered in cartons having a bill of lading that identifies the rolls contained inside. Each roll is to have a unique bar code allowing the ticket stock to be received and activated at the retailer terminal. The ticket stock tracking system shall permit returns, re-issues, and destruction of stock, as appropriate, by authorized users. Ticket stock activity reports shall track erroneous terminal game ticket stock activity. The ticket stock tracking information shall be delivered from the ticket stock printer directly to the OLG Security Section, using a method of secure electronic delivery as prescribed by the OLG. The Contractor shall provide any hardware and software necessary to store, maintain, inquire of, or interpret this information. There shall be a backup for this capability installed by the Contractor at the remote backup data center.
- (w) Dual Security System. The retailer terminal shall generate a unique number, aside from the System-logged transaction serial number, that can be used to link winning tickets to selling terminals. This "dual security" approach shall be acceptable to any multi-jurisdictional associations of which the OLG is a part or becomes a part. This application shall be under the physical and operational control of the OLG Information Technology Department. The Contractor shall provide any hardware and software necessary for the OLG to decrypt dual security numbers.

- (x) **Anomalous Condition Reporting.** The System shall be capable of displaying and reporting anomalous conditions that may indicate operational problems or attempts at fraud. This capability shall include, but is not limited to, the ability to report a terminal with anomalous and excessive transactions (such as sales and cancels), attempted cashes of stolen tickets, and systemic events such as no sales for a game scheduled to be operational.
- (y) **Segregation of Duties.** The System operation shall employ principles of segregation of duties and "need to know" and shall restrict Super-user privileges for the Contractor's staff.
- (z) **Cancel Control.** The system shall support the ability to automatically and manually enable or disable the cancel function based on the retailer exceeding a number of cancels and percent of cancels based on overall sales of games with cancel functionality. Retailers are evaluated weekly and enabled or disabled automatically for an OLG prescribed period of time according to OLG established parameters. The Contractor shall provide OLG with weekly reports of retailers disabled. Alternative cancellation functionality may be described which allows the OLG to closely monitor and disable retailer cancellation ability. Currently the OLG only allows cancellations on DC-2, DC-3, DC-4 and DC-5 tickets.

C.5.2 Application and Database Security

Application security controls are another critical component of the Contractor's role in ensuring the integrity of the System. The following security requirements apply:

- (a) **Authentication, Authorization and Access Controls.**
- (b) **Audit Trail.** All lottery management application login attempts, whether successful or not, shall be logged. Log entries shall reference identifiers such as the time, date, IP address, and login success status. All transactions from the management application representing modifications to the System (such as game control parameters and winning numbers entry), shall be logged and protected by verification steps. The application shall provide display and reporting tools for the OLG to verify the events recorded in the audit trail.
- (c) **Principle of Least Privilege.** All applications and databases shall be designed to support only the processes and user access required to provide the intended application functions. Application and database users shall be granted access only to the application and database functions and data elements needed to perform their job functions.
- (d) **Compliance with Security Requirements.** All applications shall be compliant with any application security requirements promulgated by any multi-jurisdictional (e.g., MUSL) game organizations of which the Lottery may be a member.

- (e) Protection against Application Compromise or Service Disruption. The Contractor shall provide information on the mechanisms used to validate developed code to ensure applications are not vulnerable to any Malware, denial of service attacks or similar security threats.
- (f) Other Application Security Controls. The Contractor shall provide additional information on other application and database security controls that shall be implemented including login and password controls (if applications are not directory-integrated), application and database security log management, database hardening procedures, etc. The acceptability of all related security controls shall be subject to OLG approval.

C.5.3 Terminal Games Drawing Controls

Drawings shall be coordinated to support certain Terminal Games. Third-party auditor presence and drawing observation may be required of certain drawings as directed by OLG.

- (a) Game Close. At a specified time before the drawing, the System shall communicate to the players the correct status of available games. An appropriate message shall be sent to a player attempting to wager at close time.
- (b) Automatic Close. At a specified time before the drawing, the System shall automatically close a game without operator intervention.
- (c) Transactions at Close. The System shall maintain control of transactions underway at close time so that all transactions before the game close transaction apply to the forthcoming drawing and all transactions after the game close transaction apply to the subsequent drawing.
- (d) Drawing Information. At game cut-off for any game the system shall display on the Contractor's and the OLG's management application the following information for the game:
 - (1) Time of day;
 - (2) Net game pool (sales minus cancels);
 - (3) Hash total of plays (including cancels);
 - (4) Pool Status; and
 - (5) Draw Identifier.
- (e) Winning Wager Marking. Following game drawings or other prize award events driven by iLottery Games and Sports Wagering, the System shall obtain winner information and mark which wagers are winners, so that the player may see them upon signing in. Other player winning

events may also be presented for the player's review in Portals or notifications sent, depending upon the game played.

- (f) Drawing Numbers Distribution. As appropriate the System shall provide to players the most recent winning numbers, upon request.
- (g) Dual Entry. Dual entry of drawn winning numbers, prize and jackpot amounts shall be supported. All attempts, successful or not, shall be logged.
- (h) Suspend Sales After Last Drawing. The System shall provide the option to suspend sales of a game for the remainder of the sales day, after the last drawing of the day. This feature could for example support a game matrix change to take place after one day's last drawing.
- (i) Closing, Drawing or Event and Cashing Time Window. The OLG considers it mandatory to minimize the time window between close of the games, drawings or event, and the ability to pay winning tickets. The Contractor shall identify its proposed time window for closing games, conducting game drawings or events taking place, entry of winning numbers or results, and readiness to pay winning tickets. All game types shall be addressed. Fixed payout validations shall be supported within ten (10) minutes of the drawing time. The time window between the close of a game and that game's drawing shall not exceed the current time windows, which are ten (10) minutes for numbers type games and twenty (20) minutes for matrix type games.
- (j) Roll to Next Day after a Problematic Drawing. The System shall allow the OLG to resume ticket sales and operations for retailers and customers for future sales without necessarily finalizing and declaring official a problematic drawing.

C.5.4 Lottery Management Application

The OLG requires staff access to the Contractor's lottery management applications for performing functions such as configuring game settings, managing retailer terminals, performing retailer accounting functions, sending messages to retailer terminals and tickets and accessing management, sales, and retailer reports.

- (a) Lottery Management Application Access.
 - (1) Access to the lottery management application shall be from various locations including workstations on the internal LANs at the OLG Headquarters or remote Lottery offices subject to prior written approval by the OLG. In addition, certain functions may be performed by remote staff with Internet access subject to prior written approval by the OLG.
 - (2) OLG workstations shall be configured as needed with any required software for accessing the lottery management application provided by the Contractor subject to prior approval

by the OLG. The OLG requires that the lottery management application be web browser-based, not requiring the installation of any additional client software.

- (3) The number of users requiring access to the lottery management application shall be determined by the OLG.
- (b) Lottery Management Application Features and Capabilities. The System shall provide a range of features and capabilities that taken together, accomplish all tasks to manage and control the System (as applicable). The features and capabilities include but are not limited to the following list and shall be available to both Contractor and OLG authorized personnel.
- (1) Management Reports. The lottery management application shall be capable of producing at a minimum terminal game and off-line management reports.
 - (2) Retailer Terminal Management. Authorized lottery management application users shall have the ability to enable and/or disable any retailer terminal, partially or fully. The Contractor shall describe all of the parameters/features that the lottery management application has to allow the enable and/or disable of any retailer terminal, partially or fully. Actions taken toward retailer management shall be effective immediately and shall create an audit trail of the changes made the date of the change, and the user who made the change to a retailer terminal record.
 - (3) Retailer Disablement Codes. The lottery management application shall support a coding scheme for differentiating various retailer "disabling" reasons. For example, if a retailer is disabled for a collection-related problem, for EFT sweeps, and for a disciplinary problem, this multiple cause disabling shall be recorded in the retailer record and clearly displayed upon inquiry. The coding scheme shall be able to accommodate up to twenty (20) total disablement conditions with up to five (5) concurrently. The application shall be capable of reporting a retailer's history of disablement conditions.
 - (4) Control of Operations. The lottery management application shall support the ability (for an authorized user) to shut off and resume application functions, such as sales, winning ticket cashing, and validations on each game independently.
 - (5) Retailer Message Groups. The lottery management application shall support the ability (for an authorized user) to send terminal game messages to a specific retailer, or to any group of retailers such as, but not limited to, all retailers, retailers in the same county, zip code, business type, corporate account, or sales level. In addition to game messages, the Lottery also utilizes this functionality to send messages such as "Amber Alerts" to all retailer terminals.

- (6) Immediate and Deferrable Messages. The lottery management application shall support the ability (for an authorized user) to define any retailer message as immediate or deferrable. Immediate messages shall be displayed by the retailer terminal right away. For a deferrable message, the retailer terminal is notified to take a specified message within a certain time, but the message can be taken by the retailer when it is more suitable to player traffic.
- (7) Retailer Site Display Messages. The lottery management application shall support the ability (for an authorized user) to create and send graphics and messages to the display units at the retailer sites.
- (8) Ticket Messaging. The lottery management application shall support the ability (for an authorized user) to create and send messages to be printed in banner spaces on the tickets. These messages would be triggered by situation, for example by the game, bet type, or price point. One application shall be a unique, by game, marketing message to display on tickets so that a Powerball ticket could display a unique message. The Lottery may also utilize this functionality to send messages such as "Amber Alerts" for printing on tickets.
- (9) Lottery Monitoring. Authorized lottery management application users shall have the ability to observe real-time statistics on the operation of the System by game or wager type, retailer, or group of retailers. (For example, up-to-date statistics on sales by game or wager type.)
- (10) Retailer Accounting Support. The OLG requires the ability for authorized lottery management application users to request, process, and print portions of the System's sales and transaction history, identically matching reports seen by the retailers.
- (11) Retailer Sales Limiter. The System shall support the ability to place daily sales limits. The System shall provide global limits (all retailers), limits by retailer type, and limits by individual retailer settings. Once the daily limit is reached, the terminal rejects further ticket sales transactions. The OLG shall be notified when parameter is reached, both real time and by daily report. The System shall automatically allow sales the next business day, or require OLG interaction before sales can be continued, as determined by the OLG.

C.5.5 Support of Instant Ticket Transactions at Retail Locations

- (a) General Statement. The System shall support instant ticket game sales through the retailer terminal. Support from the Contractor shall include but not be limited to the features and transactions noted below.
- (b) Bar Codes. Many of the transactions depend on bar coded numbers for unique identification of instant tickets. The System shall accommodate reading at least three (3) different bar code

algorithms. If the Contractor has input into the instant ticket identifier and/or bar code encoding scheme, the identifier design and the algorithm shall be secure against compromising the integrity of the game.

- (c) Security Grid. Operations on packs and tickets shall depend on a rules-based security grid that defines acceptable status changes. The grid's rules shall be developed jointly with the OLG.
- (d) LSR Transactions. The System shall support retailer inventory management transactions and messages for LSRs. For each retailer where a LSR conducts pack management transactions the system shall produce reports of all activity that shall preclude the use of manual forms processes.
- (e) Pack Delivery and Returns. Packs delivered to retailers shall be registered in the System. Full packs may be returned by the retailer via the LSR, for use elsewhere, or for return to inventory in the warehouse. The System shall support receipt of bulk shipments with one bar code read.
- (f) Pack Activation. The System shall allow a transaction to activate a pack of tickets for sales and validation.
- (g) Winning Ticket Validation. Winning ticket validation transactions at the retailer terminal shall inquire against a validation database, maintained by the System. The System shall respond with a pay/no-pay/claim, etc. transaction sent back to the retailer. This transaction shall verify whether the ticket is a winner and specify the amount to be paid. During this process the System shall confirm that the ticket is from a pack or partial pack in "payable" status. Tickets sold by one retailer shall be able to be validated by any other retailer ("cross-validation"). Accountability shall apply to ranges of tickets within a pack if necessary, in the case of stolen packs or partially settled packs.
- (h) As an Invited Option, the Contractor may describe a mechanism for "keyless" validation, requiring no more than a bar code read, for specified prize levels. Any proposed solution should address security issues relative to keyless validation. The OLG does not now employ keyless validation but may considerate it for future implementation. "Auto-cashing" of low tier tickets is not considered a satisfactory solution by the OLG.
- (i) Pack Activity Card. Transactions involving packs, such as receipt, activation, and settlement shall not require a separate pack activity card shipped with the pack, but rather can be affected through a ticket from (and identifying) the pack.
- (j) Retailer Status and Reporting. The retailer shall obtain, through the terminal, an appropriate collection of reports summarizing instant ticket status and transaction activity. These include, but are not limited to, (the retailer's own) inventory information by pack status, summary of validations, instant sales and adjustments, and news messages. The System shall provide to both

the retailer and to the OLG, combined business reports incorporating both instant and terminal game product results.

- (k) Real-Time Accounting for Instant Tickets. As an Invited Option, the Contractor may propose technologies and/or methods that would provide accounting for instant ticket sales as they happen at retail.

C.5.6 Instant Ticket Accounting and Management

The Contractor shall supply and maintain the instant ticket accounting system and the OLG shall be a system user. The instant ticket accounting and management software component of the System shall include, but not be limited to, the following functionality.

- (a) Monitor individual pack status at the retailer level for the purpose of initiating pack settlement.
- (b) Provide weekly settlement information to retailers and the OLG conforming to the weekly accounting cycle.
- (c) Provide retailer account record-keeping, including retailer instant ticket inventory and inventory value.
- (d) Maintenance of game ticket validation records, to ensure one-time-only payment of winners.
- (e) Ability to monitor pack: scams by various methods to permit settlement.
- (f) Ability to perform game-end accounting.
- (g) Ability to load a new game file from the instant ticket printing using secure file transfer.
- (h) Maintain and report pack inventory and pack history.
- (i) Monitor and report pack status at the warehouse, in-transit, and at the retailer level. Reports shall show games and packs by ownership and date range.
- (j) Ship packs out, transfer or return ticket packs to inventory.
- (k) Process stolen ticket reports track missing or delayed shipments, and serve as the initial point of contact concerning damaged, misprinted, or mis-packaged packs of tickets.

C.5.7 Retailer Accounting

- (a) Retailer Account Setup. The OLG shall create an interface file of new retailers, using existing application and methodology, that shall be passed to the System to allow creation of the retailer

database records. This transmission shall occur on a daily basis. Existing retailer database records shall be updated by OLG staff using a System application.

- (b) Retailer Tax Accounting. The Contractor shall support combined instant, terminal and sports wagering product accounting for retailers. Retailer IRS filing (1099) services shall be provided by the Contractor. The 1099 filings operate under the following requirements:
 - (a) The database captures all 1099 information based on retailer terminal activity: sales commission, cashing commission, incentives, bonuses, redemption of premium points, and certain retailer adjustments.
 - (b) Capability for the OLG Finance Division to enter or adjust additional 1099 data - i.e. for bonuses paid to retailers for selling high tier winning tickets. These entries do not affect the retailer invoice but are folded into the 1099 reporting.
 - (c) Roll-up of all owner's (based on EIN/TIN) stores to one 1099.
 - (d) Reports shall show year-to-date 1099 totals; shows individual store/retailer data rolled into each owner.
 - (e) The Contractor shall be responsible for printing/mailing the 1099 to retailers.
 - (f) Files for IRS shall be created by Contractor but sent to OLG in CSV format.
- (c) Retailer Accounting Period. The normal accounting cycle for computing monies owed by retailers and processing EFT files is currently Wednesday through Tuesday. In current practice the retailer accounts are serviced weekly. This accounting period is also referred to as an accounting week or business week. However, the Contractor's system shall provide flexibility to allow for daily or other periods in the event a business need arises for this. The OLG reserves the right to change the accounting period during the term of the Contract. The Contractor shall be responsible for the creation and transmission of the EFT tape to the bank and for payment of all fees and costs associated with the EFT transmission.
- (d) Accounting by Retailer Location. Some OLG retailers have multiple retailer terminals in one location, and these shall be accounted for using one retailer account. Another accounting obligation is to continue the ability to identify and report sales for a location even if it has undergone a change of ownership.
- (e) Retailer Adjustments and Reimbursements. The System shall provide an application for the OLG to make retailer account adjustments and reimbursements. Records of such shall be fully auditable.

- (f) **Retailer Bonus Checks.** The System shall have the ability to create bonus checks and track the bonus for 1099 tax reporting purposes. Specific requirements include:
 - (a) Import data from an OLG-generated file, identifying the chain designation, retailer number, business name, check amount, assigned territory, route, and stop.
 - (b) Produce a Cash Requirement Report to ascertain accuracy of bonus payments prior to the checks being produced.
 - (c) Roll multiple bonuses up to a single check for corporate accounts while maintaining individual store information.
 - (d) Recognize franchise locations.
 - (e) Automatically connect bonus payments to retailer tax file.
 - (f) Print checks and sort by chain and/or territory route and stop designation.
 - (g) Print checks on laser printer stock and automatically apply authorizing signatures to the checks.
 - (h) As needed, cancel any check and remove the bonus amount from the tax file.
 - (i) No income tax withholding is necessary for bonus checks, but the information shall be available and reported separately for 1099 detail reporting.
- (g) **Tracking for Account Changes.** The System shall provide for tracking all changes to the venue master file and accounting files. There shall be displays and reports that show past changes and statuses of the files

C.5.8 Internal Control System

- (a) The Contractor shall arrange for supplying the OLG an ICS application through a qualified third party accepted and approved by the OLG.
- (b) The Internal Control System (ICS) shall check the System independently by re-processing transactions, allowing auditing of the daily transactions, winner selection/verification, prize payout calculations, sales summaries, and various inquiry and reconciliation activities.
 - (1) **Reports.** Reports generated by the ICS shall be organized and formatted like the related reports of the System for efficient review and balancing. The ICS shall provide a daily and weekly process for balancing all Lottery (and iLottery) transactions. There shall be

an automated balancing process in order to reconcile gaming activity, scheduled EFT balances, and to identify any discrepancies. Reconciliation shall occur at intervals specified by the OLG. Audit reports for balancing and reconciliation of sales shall also be provided. Verification of the number of winners and amounts won by game/draw/event shall be available.

- (2) Interface Files. The ability to export data in various formats such as Excel, PDF, Word, Comma Delimited, etc., along with ad hoc reports and to make reports available through electronic means is required. Interface Files, as defined by the OLG, for the purpose of daily accounting, general ledger and tax reporting shall be included in the daily update File to the OLG's financial application.
- (3) Maintenance.
 - (A) The Contractor shall ensure that the ICS Subcontractor maintains the ICS application software. This includes but is not limited to updating the application software whenever the OLG implements or makes changes to a game or wager type that would affect ICS processing. In addition, the OLG may require modifications to the application software in order to expedite system balancing.
 - (B) Written prior approval is required from the OLG before making any enhancements or modifications to any software. The Contractor shall ensure that the ICS Subcontractor is responsible for keeping the ICS application patched and running on current and supported hardware and operating system (OS) software. It is the Contractor's obligation to acquire and install an appropriate upgrade with the OLG's prior approval. If the ICS application requires modification or rewrite due to an upgrade (hardware or software), it is the responsibility of the Contractor to provide the new/modified ICS application. The Contractor shall ensure that the ICS Subcontractor is available twenty-four (24) hours a day, seven (7) a week, three hundred sixty-five (365) days a year (remote availability is acceptable) to provide assistance in resolving any issues, which may occur. 20-minute response time is required.
 - (C) The ICS application shall be maintained in two (2) separate environments: production and acceptance test. Backup/recovery capabilities for current or previous days' transactions shall exist to restore and reprocess in the event an error or out-of-balance situation occurs. The Contractor shall ensure that the ICS Subcontractor provides a detailed recommendation for a backup/recovery system.
- (4) Documentation. Prior to startup the Contractor shall ensure that the ICS Subcontractor shall provide detailed system specifications, flow charts, operating and balancing procedures. The Contractor shall ensure that the ICS Subcontractor is responsible for

updating all documentation if any changes are made which affect the ICS system. The Contractor shall ensure that the ICS Subcontractor provides detailed documentation for any enhancements or additions for OLG approval prior to development. A current copy of the application software including source code and documentation shall be provided to the OLG.

- (5) Suppliers. The ICS application shall be supplied by an independent, third party software subcontractor subject to OLG approval. The OLG reserves the right to obtain documentation verifying the ICS Subcontractor's independence from the Contractor and/or any of its affiliates. Credentials of the ICS Subcontractor shall indicate that they are experienced and qualified in providing this type of software.
- (6) ICS Operations by the OLG. The Contractor and the selected subcontractor shall provide operating instructions and training to the OLG. The OLG shall conduct daily operations in support of the two ICS systems.
- (7) Security. OLG Security may conduct background investigations of the Subcontractor personnel maintaining the ICS system. Such background investigations may include fingerprint identification Federal Bureau of Investigation, and any other appropriate public or private agencies selected by the OLG. Any costs of background investigations are the responsibility of the Contractor. The Contractor shall ensure that the ICS subcontractor provides requested information on personnel assigned to the OLG's account. Depending on the system design as approved by OLG, the OLG may manage both logical and physical access to the ICS environments.

C.5.9 Data Management and Reporting

- (a) Database Access. The OLG requires access to OLG gaming information collected by the Contractor, including retailer data, sales records, terminal maintenance data, and daily transactions, for scheduled and ad hoc reporting. Queries and reports shall be supported from the OLG's management application.
- (b) Sales Reporting Tool Set. The Contractor shall provide software tools for accessing, reporting on, and downloading gaming information. The OLG anticipates creating a data warehouse based on System information. The OLG's access to data on the active gaming systems may be read-only. For reporting and inquiries, the OLG requires a separate copy of the data on a separate server from that of the active gaming systems, since the OLG does not intend any negative impact on production operations or gaming response time while obtaining useful reports on retailers and sales.
- (c) History. The terminal game database shall contain summarized sales history for the term of the Contract. Recent detailed transaction history shall be terminal game, and older transaction

detail shall also be available, at least from archives. Historical sales and inventory information and current active sales and inventory information shall be joined together in reports available to the OLG.

- (d) OLG Access to Data through File Transfers. The OLG requires various forms of data provision to feed OLG administrative and gaming support systems. For some applications, a data file shall be supplied of a specified format and frequency. Following is a partial list of file transfers that shall be required:
- (1) OLG's Internal Control System (JCS). The OLG's ICS processing provides independent verification of winners, sales, validations, and other selected gaming activity. Both terminal game and instant gaming transactions and sports wagering transactions shall be in a near-real-time feed for processing.
 - (2) EFT data to the OLG Bank. The weekly invoice process produces files that are electronically transmitted to Treasury. These files contain the credit and debit payment transactions that shall be swept or deposited to a Retailers account.
 - (3) Federal Withholding Reporting. The System shall be Capable of providing tax withholding data files for electronic transfers that meet Federal tax reporting requirements.
 - (4) MUSL CARS Interface. The System shall be capable of producing files that are required for the MUSL Centralized Automated Reporting System (CARS). Data files in an XML format are transmitted to the CARS system for Powerball daily sales, drawing sales and winner-by-tier.
 - (5) OLG Web Sites Page Updates (www.dclottery.com). The OLG's public web page displays game information and other lottery related information. The System shall produce files that contain winning numbers, share amounts, jackpot data, instant prizes remaining and other game related data for automatic posting to the web page. These files shall interface into an OLG application that shall post results multiple times per Day.
 - (6) Lottery's Data Warehouse. Daily and weekly file feeds from the System are required for updating the Lottery's Data Warehouse. The data includes but is not limited to; sales data, invoice data, inventory data, winning numbers, winner data, and Retailer data.
 - (7) NASPL and NACS XML Project. The OLG expects to participate in the National Association of Convenience Stores (NACS) Extended Markup Language (XML) pilot project with NASPL lotteries and the Contractor shall support this and any such industry standard project based on a mutually-agreed time plan.

- (e) The Contractor shall provide the OLG with any data contained in the System to which the Contractor has access. Upon request by the OLG, the Contractor shall provide such data, via EFT, to the OLG within seventy-two (72) hours of the request.
- (f) Report Options. The OLG requests all reports be date-driven, capable of being sorted and filtered. Filtering options are to be resolved with the OLG.

C.5.10 Management and Administrative Reports

The System shall produce a wide assortment of timely management and administrative reports for use by the Contractor and by the OLG. Special reporting considerations for the OLG include:

- (a) Integrated Instant and Terminal Game Information. It is mandatory that the System be capable of seamless integration between all lottery information. No data conversion and merge efforts shall be required for the reports that OLG reviews or generates.
- (b) Chain Store Reporting. Corporate retailers shall receive reports that display sales and inventory data at an authorized corporate headquarters terminal, reporting on any or all sites within the corporate account. Corporate accounts shall receive advanced treatment for receiving data and accounting for their retailers, by electronic transmission and hardcopy reports.
- (c) NASPL Standard API Project. Contractor's system shall be capable of using NASPL's Standard API or Contractor's proprietary API, for multilane sales that retailers can incorporate into their solutions to enable lottery sales to take place within a multilane environment (or other 3rd party retail environment).
- (d) Report Export. Reports generated by the Lottery Management System shall be exportable for management under Excel and other common data management tools.
- (e) Report Options. The OLG requests that all reports be date driven, capable of being sorted and filtered. Filtering options are to be resolved with OLG.

C.5.11 Special Security Information Reporting

The following information shall be reported by the System to support Lottery Security operations.

- (a) Daily/weekly security anomalies reports.
- (f) "Retailer phishing" (multiple attempts to cash instant tickets with same game, pack, transaction number).
- (g) Attempts to Cash Instant tickets cashed greater than 365 days from end of game.
- (h) Attempts to cash stolen instant tickets.

- (i) Terminal game cash attempts greater than 365 days old.
- (j) Cancel ticket report.
- (k) System Activity. Security shall have the authorization (upon request) to obtain from the Contractor, detailed system information for all terminal activity (by day, by week, etc.) at each of the lottery agent locations. Hardcopy shall be provided.
- (l) Association Rules and Security Standards. The System shall be in compliance with rules and standards of any multi-jurisdiction association that the OLG may join. For example, the Contractor's System shall be in compliance with both "Rule 2 and Confidential Security" standards from MUSL. This is an ongoing requirement and includes any changes to that shall be made to the Contractor's systems or processes in order to be in compliance with any current or future association rules and security standards.
- (m) Investigational Information. The System shall provide OLG Security access to obtain information or provide hardcopy reports when requested. Access to instant ticket information is necessary as well as terminal game ticket information and sports wagering ticket information.

C.5.13 Player Loyalty System

Unrelated to the Player Account Management required for iLottery and sports wagering operations, and as Invited Option the OLG may request the Contractor to set up a player loyalty program that involves registering players for various informational, promotional, and data gathering purposes. The following are specifications that an optional Player Loyalty System would meet.

- (a) Player Database. Player information would be stored in a database that permits ad hoc inquiry and reporting activities in addition to routine, scheduled reporting.
- (b) Loyalty Account Management by the OLG. The OLG at management workstations supported by the System would provide for all mailings and services to registered players

Such system shall be provided at OLG's expense and at a mutually agreed time plan.

C.6 Marketing and Promotions

C.6.1 General Support

The Contractor shall support with proposals and recommendations to the OLG in retailer placement (retailer recruitment) and network planning, Channel Mix planning, iLottery Game and Online Sports Wagering planning, game design, game features and marketing, and other strategic planning activities; thus, assisting the OLG to achieve its financial objectives. The Contractor shall accommodate the OLG's marketing plans and efforts with corporate marketing support that include:

- (a) Marketing Strategy Meetings. Quarterly strategy meetings shall be held with the OLG for (i) formulating the slate of games, games changes, and promotions to be introduced in the coming twelve (12) months, and (ii) monitoring and analyzing progress.
- (c) "State of the Industry" Presentations. The Contractor shall provide an annual review of the industry, identifying new games and wager types, new gaming media, relevant technologies, sales trends, and public policy developments. The Contractor shall also identify its own new developments, capabilities, and directions relevant to supporting the OLG.
- (d) Market Surveys, Market Research, Focus Groups. At the request of the OLG, the Contractor shall offer services provided by Contractor staff or by subcontracting to a private market research firm, up to \$100,000 per year. These services may include various forms of market studies, such as testing potential games with focus groups, market research for propensity to play and player demographics, and market surveys to determine attitudes towards OLG products, policies, and image. Market surveys may be able to take advantage of retailer terminals as reader devices for collecting data and forwarding it for analysis.
- (e) Gaming Product Planning. Associated with the meetings and presentations cited immediately above, the Contractor shall propose product and promotional releases and changes for consideration by the OLG.
- (f) Advertising, Marketing and Promotional Support. The Contractor shall engage a qualified firm to provide advertising, marketing and promotional support focused on customer acquisition and retention strategies for Sports Wagering product offerings at the expense of the OLG

C.6.2 Monitor Games

The Contractor's System shall allow for the following features.

- (a) Retailer Offerings. The System shall support different monitor games at different retailer locations. The System shall support alternating monitor games at a single location, possibly on the same monitor.
- (b) Responsible Gaming. To address responsible gaming, the System shall allow for setting sales limits on monitor games at retailers.
- (c) Game Animation. The Contractor shall provide any licensed monitor game drawing and animation content. The Contractor shall be able to update content on agreed schedule, at the expense of the OLG.
- (d) Monitor Games Drawing. The Contractor shall to provide RNG-based drawing for the monitor games.

C.6.4 Affiliate Retailer Program (Invited Option)

- (a) As an Invited Option, OLG may request the Contractor to support a program designed to expand and enhance retail partnerships. The OLG intends to authorize organizations such as businesses that manage online websites, mobile websites, mobile apps, and tablet apps with established traffic (“Affiliate Retailers”) to host digital advertising that promotes the iLottery and Sports Wagering Portals. When digital advertising originating from an Affiliate Retailer converts into a prescribed outcome (e.g. player wagers, player sign up, etc.) then the Affiliate Retailer may be entitled to a commission. The commission may be a flat fee or a recurring percentage of ongoing activity. Affiliate Retailers may include existing Retailers that have a digital presence.

- (b) The OLG intends to manage the Affiliate Retailer Program from a sales and marketing perspective. This means that the OLG would perform functions such as recruiting the Affiliate Retailers, negotiate their commission structures, analyzing and optimizing the Affiliate Retailer’s ongoing business, designing standardized digital advertising assets, and approving Affiliate Retailer portals for placement of digital assets. The Contractor would be required to provide technical delivery of the System to support the operational needs of the OLG necessary to manage the Affiliate Retailer program. This includes but is not limited to:
 - (1) Licensing. The System shall provide web-accessible software to manage the workflow for the Affiliate Retailer licensing process (e.g. accepting applications, holding for review, accepting / rejecting by the OLG, etc.) along with appropriate logging, tracking and reporting of licensing activities.
 - (2) Asset Management. The System shall provide web-accessible software for the OLG to manage program assets and materials that can be downloaded or viewed (e.g. approved banner ads) by Affiliate Retailers.
 - (3) Commission Management. The System shall provide web-accessible software for the OLG to set commission rates globally and by retailer.
 - (4) Reporting. The Contractor shall provide a web-accessible reporting system for the OLG to obtain comprehensive reports related to the Affiliate Retailer program.
 - (5) Affiliate Retailer Portal. The Contractor shall provide a secure website (login with authentication method) for Affiliate Retailers to view their metrics, performance activity, financials, and approved assets (e.g. approved banner ads) available for download and immediate use.

- (c) Contractor shall reconcile payments to all Affiliate Retailers. Contractor shall include these payments on its invoice to the OLG and shall be reimbursed.

C.6.5 Sales Analysis System

The Contractor shall supply a Sales Analysis System. The Sales Analysis System shall facilitate OLG decision-making regarding, for example, effective marketing and advertising, and game and promotion offerings. The Sales Analysis System shall incorporate historical sales information now maintained by the OLG. The Sales Analysis System shall capture and report information such as (but not limited to) quick-picks, manual/keyboard entry, bet slips, multi-board (number of boards) by game and by retailer or system-wide for any period selected. The Sales Analysis System shall operate from a database system provided and operated by the Contractor.

C.6.6 Games Menu

The Contractor shall support the current set of OLG game offerings and provide flexibility for growth into new games, game features, and play types.

- (a) Current Games and Play Types. The Contractor shall include all games currently being offered by the OLG, at the time the new System is to take over.
- (b) Additional Games and Play Types from the Successful Offer. The OLG reserves the right to add games, game features, or play types for start-up, or at any time later in the Contract. The system supplied by the Contractor shall be capable of supporting all games it currently offers to any other North American lottery jurisdiction or provides to any other North American lottery jurisdiction during the term of the Contract.
- (c) Association-Based Games. The Contractor shall support games from any multijurisdictional associations with which the OLG may become affiliated.
- (d) Third Party or External Games. The OLG may identify games or game concepts not from the Contractor's library that the OLG may determine would be productive if made available in the District of Columbia. As the OLG may direct in such a case, the Contractor shall implement a version or variation of such a game, or if need be to acquire rights and/or software and any other mechanisms on behalf of the OLG to put up such a game. Such game implementation and/or rights and software acquisition may be required, shall be provided at OLG's expense and on a mutually agreed time plan.

C.6.7 Sports Wagering Menu

The Contractor shall apply its best efforts to support the OLG sports wagering program planning, assisting the OLG to achieve its financial objectives. The Contractor shall, allow for growth into new wager types.

- (a) Event Creation and Coverage. The Contractor shall be responsible for creating all the events upon which a player may bet at any time. For each event created, the Contractor shall also provide the odds for that event, and any available event-associated markets.
- (b) Additional Wager Types from the Successful Offer. The system supplied by the Contractor shall be capable of supporting all wager types it currently offers to any other North American sports wagering jurisdiction or provides to any other North American sports wagering jurisdiction during the term of the Contract.
- (c) Third Party or External Wagering. The OLG may identify sports wagering concepts not from the Contractor's library that the OLG may determine would be productive if made available in the District of Columbia. As the OLG may direct in such a case, the Contractor shall to implement a version or variation of sports wagering, or if need be to acquire rights and/or software and any other mechanisms on behalf of the OLG to implement such a wagering product. Such sports wagering implementation and/or rights and software acquisition may be required, shall be provided at OLG's expense and on a mutually agreed time plan.

C.6.8 Promotional Features and Capabilities

- (a) The System shall be capable of providing a broad range of promotional features for the Lottery games on a transaction basis should the OLG opt to include them. Specific features required as a minimum are as follows:
 - (1) Free Play. Free play when several plays are purchased on a ticket, as defined by the system.
 - (2) Cross Promotion. Promotions between products that allow for discounts or award of free bets or bonus funds (e.g. buy "x" amount of Game A and get "y" amount of Game B free). Both terminal game and instant products may be cross promoted in combinations, namely terminal game to terminal game, terminal game to instant, etc.
 - (3) Bonus Payoff. A specified increase in the payoff for specified winning plays at the OLG's option.
 - (4) Drawing Events. Varying the number of drawings per game per week and/or the days the drawings are conducted.
 - (5) "Regional" Marketing. Sale of specified games/products/features (e.g. coupon, discounting) through selected retailers, retailer groups, and/or selected geographical areas.

- (6) **Sampler Ticket.** A multi-game quick pick where the System shall automatically generate more plays--possibly one for each game on the market--either with or without a premium.
 - (7) **Variable Commission Rates.** For certain products, commission rates may be set differently from the default value. For certain retailers or retailer subsets, commission rates may temporarily or permanently be set differently from the default. Commission rates may be set for one (1) or more days, or any portion of a day.
 - (8) **Multiple Drawings Per Day.** Multiple drawings for the same game within one day, including Day/Night feature with the same play for the day and night drawings of a game.
- (b) In order to promote the Sports Wagering Product, the System shall provide the ability to configure rules-based promotions through the Sports Wagering Back-Office. Promotions may result in the awarding of free wagering funds (“Promo Dollars”) to players or other award types. Rules-based promotion types shall include but are not limited to:
- (1) **Voucher Codes.** The System shall support the loading of voucher codes that can be entered by players into Portals in order to obtain Free Wagers. Contractor shall be responsible for generating these codes, and loading them onto the System for redemption, as agreed with OLG.
 - (2) **Deposit Bonuses.** The System shall support the configuration of promotions that reward a specified deposit amount and/or threshold into a player’s account with a Free Wager amount.
 - (3) **Threshold Awards.** The System shall allow setting up a minimum amount of criteria that activates a promotion for a player. For example, a rule may be configured that requires a player to wager ten dollars (\$10) on any game or specific sports events (buy X) that would result in a five-dollar (\$5) Free Wager on specific sports events (get Y) when completed.
 - (4) **Referral Bonuses.** The OLG may request that the system be able to offer a bonus to players that complete a mechanism within Portals to refer a new user to the iLottery and Sports Wagering programs. If the new user signs up successfully and conducts wagering then a bonus may be applied to the referral user, the referred user, or both as configured by the OLG.
 - (5) **Event-Based Bonuses.** The System shall be able to provide Promo Dollars into a player’s account for certain events. For example, a five-dollar (\$5) Promo Dollar deposit on a player’s birthday. The bonuses paid shall be at the expense of the OLG.
 - (6) **Discount Promotions.** The System shall be able to discount certain wager purchases at specified price thresholds (e.g. two-dollar (\$2) or 20% discount on a ten-dollar (\$10)

wager purchase on specific sports tournament). The costs associated with the discounts shall be at the OLG's expense.

- (7) Winnings Boost Promotions. The System shall be able to configure a promotion that pays out increased winnings for specific sports events and/or parlay lengths.
 - (8) Bad Beat Promotions. The system shall be able to configure a parlay wager insurance (e.g. a parlay wager of \$10 with 5 selections where 4 win and 1 loses wins a 100% (\$10) wager return bonus).
- (c) The System shall support the following configurable rules for all promotion types described above:
- (1) Promotion Award. The System shall allow the Contractor to specify if a promotion results in the awarding of Promo Dollars, of Free Wagers or of additional Payout on wager settlement depending on the available options per promotion type. (E.g. A Winnings Booster promotion results only in increased payout amount etc.).
 - (2) Player Segmentation. The System shall allow the Contractor to select a segment of registered players within the System that are eligible for the promotion.
 - (3) Promotion Date Settings. Promotions shall be configurable with a fixed start and end date. Additionally, once awarded, any Free Wagers should also be configurable with a fixed expiration date.
 - (4) Promo Dollars or Free Wagers, when awarded, expired, or redeemed by the player shall display accordingly in Portal transaction history.
 - (5) Promotions shall be tracked into the System by player and by promotion. All transactions are also available via API in order to be consumed by third-party companies as directed by OLG or the Contractor.
 - (6) Each promotion shall have a unique identifier in the System.
 - (7) Promo Dollars shall not be available for external bank transfers until the Promo Dollars have been fully wagered within the System according to the relevant wagering requirement settings (e.g. only prizes resulting from used Promo Dollars may be externally transferred, as long as the Promo Dollars amount has been wagered three times (x3)).

C.6.9 Instant Games

The proposed System shall handle all instant ticket transactions, as required by the OLG, through the retailer terminals.

- (a) **Game Volumes.** The System shall accommodate large game volumes. As an example, from current practice, the OLG typically has fifty (50) instant games for sale at one time, ranging from approximately 200,000 to 600,000 tickets per game. The OLG requires that the System accommodate games of up to 2,000,000 tickets. Approximately forty (40) new games are introduced annually.
- (b) **Validating Winners.** Winning instant tickets may be validated up to one year following the announced official close of the game.
- (c) **Game Identifiers.** The System shall accommodate up to a four (4) character game identifier.
- (d) **Pack Identifiers.** The System shall accommodate up to a six (6) character pack identifier.
- (e) **Ticket Identifier.** The System shall be able to accommodate the current sixteen (16) digit bar code: 3 digit game, 5 digit pack, 1 digit check, 3 digit ticket, 4 digit VIRN. Also, the System shall accommodate any expansion to the current bar code or any new bar code the OLG intends to use in the future.
- (f) **Prize Payouts.** The System shall support prize structures for low, mid, and high tier levels, with numerous subdivisions. The System shall support up to fifty (50) prize levels, with ninety-nine million dollars (\$99,000,000) as a top prize limit. High tier prize levels shall require the ability to determine if a prize payout involves the file claim process.
- (g) **Ticket and Prize Messages.** The System shall support ticket messages to announce prize awards and shall support prizes that are cash; merchandise; cash/merchandise; and annuity (weekly, monthly, annually). Prize messages shall allow descriptive information as well as prize amounts.
- (h) **Flexibility in Instant Products.** The System shall accommodate new instant ticket products that may be of different sizes and shapes, bar code qualities, pack quantities, prize structures and price points from those described as current products.

C.6.10 External Coupons

The OLG may employ coupons produced by third party sources for sales promotions. For example, a coupon may permit the bearer to obtain a free ticket from the retailer. The coupons shall have bar code reading specifications similar to instant tickets. The Contractor's application software shall permit the use of coupon promotions. As part of this capability, the System shall read coupons with an accountable bar code/serial number (i.e. using a validation file). Any coupons provided by a third party shall comply with the specifications that the contractor shall set for a promotion and that shall qualify for the promotion to be supported by the system.

C.6.10 System-Generated Coupons

The Retailer terminal and System shall be capable of generating a coupon used as part of a cross promotion. The System shall produce summary reports of such transactions. The reports shall define the outstanding liabilities and claimed amounts, as appropriate.

C.6.11 Premium Point Program for Retailers (Invited Option)

As an invited option, OLG may implement a reward program for its retailers that promotes retailer good shall and potentially, extra sales.

- (a) Premium Points are earned by retailers, via the terminal, when settling pre-determined packs of scratch tickets, for selling certain terminal game tickets, or for meeting other promotional criteria.
- (b) OLG personnel enter the specific scratch game number, description, and points associated with that promotion. For terminal games, the appropriate game is chosen from a dropdown menu along with other game-specific, on-screen parameters entered into the System.
- (c) Points accumulate on the System until redeemed, adjusted or deleted by OLG personnel.
- (d) Chain/Corporate account Premium Points are "rolled" from the various terminals assigned to each chain account. This is done for ease of redemption and reporting formats.
- (e) Redemptions shall be data entered/processed on the system by assigned OLG personnel.
- (f) The retailer terminal shall provide a report showing the current premium point balance for that terminal or store

C.6.13 Marketing Technology Solutions (Invited Option)

As an Invited Option, OLG may request the Contractor to procure and integrate third-party analytics systems that offer tracking, analysis, data modeling, data segmentation, or other services to the OLG. Contractor shall be reimbursed by the OLG for the cost of procuring the third-party software and services and any Contractor-provided software and services necessary to integrate third-party marketing technology solutions into the System. Such third-party analytics systems integration shall occur on a mutually agreed time plan.

C.6.14 Additional Gaming and Non-Gaming Capabilities (Invited Option)

- (a) As an Invited Option, the System shall be able, through hardware and software upgrades, as needed, to support additional games not currently offered. Specific non-traditional capabilities offered by the Contractor shall be reviewed and considered by the OLG.

- (b) Similarly, the OLG does not conduct non-lottery transactions through its retailer terminals, network, or host systems.

C.7 SPORTS WAGERING

C.7.1 Sports Wagering Model

The Contractor shall provide a full-service, fully-managed ('no-risk') sports betting model offering which includes all core operational sports betting capabilities:

- (a) event and market creation;
- (b) odds compilation;
- (c) trading and risk management (shall include a Risk Management model in which the Contractor manages entire sports-betting risk on behalf of the OLG, reflecting an economic model where resultant gross-win performance/risk is retained/borne entirely (100%) by the Contractor;
- (d) platform product offerings (wager types, sports, leagues, events and wagering tools supported);
- (e) bet settlement/VWA (PCI compliant payment services/cashing options and wallet management)
- (f) player account management platform and services;
- (g) content management (tools and techniques);
- (h) system controls and security, data security;
- (i) data retention requirements;
- (i) geolocation and geofencing;
- (j) compliance programs (fraud detection and prevention, KYC programs, AML detection and prevention FinCEN guideline compliance;
- (k) responsible gambling practices and controls, self-exclusion and player protection;
- (l) real-time reporting, data analytics and business intelligence;
- (m) accounting system, reporting tools and auditing requirements;
- (n) Customer acquisition and retention strategies;
- (o) player customer service and support (Hotline);
- (p) OLG staff training,

(q) service and support.

C.7.2 Apps, Terminals and Other Equipment

The Contractor shall offer interactive channels and the method(s) to support different device types and sizes.

C.8 iLottery and Sports Wagering Channel Mix and Portal Development

C.8.1 General

For the implementation of iLottery and Sports Wagering, the OLG desires the broadest distribution possible across all digital channels to maximize revenues and player satisfaction. The Contractor shall provide an adequate Channel Mix that shall be supported for the initial launch along with a roadmap that includes release dates for future Channel Mix introductions that are not included at launch. Contractor shall provide a Portal that is customized and optimized graphically for each channel.

- (a) The Contractor shall provide both web and mobile deployments for Sports Wagering for UAT by OLG within the six months of the Contract, and iLottery no later than the end of year two of the Contract. Mobile applications and other digital platforms are preferred to be deployed as a native smartphone application (“Mobile App”) but may also be deployed as a mobile browser user experience (“Mobile Web”).
- (b) Additional Channel Mixes to consider proposing may include, but are not limited to, tablet computing devices, social channels such as Facebook, interactive television, and touch-screen equipment at Retailer locations such as countertop games.
- (c) All recommendations for Channel Mix should also specify which platforms, browsers or operating systems shall be supported.
- (d) Contractor shall be required to submit any mobile application and other digital platform software through the OLG’s established developer accounts when requested by the OLG. This includes tablet apps. This is intended to standardize the brand / developer name as “DC Lottery” for all mobile applications and other digital platforms.
- (e) Contractor shall be required to procure any domain names and manage domain name system (“DNS”) associated with the deployment of Portals. Hosting shall be provided by Contractor when necessary for Portals.

C.8.2 Portal Development, Maintenance and Hosting

Contractor shall provide a Portal, for each deployment within Channel Mix, that is optimized for best practices within each channel while still maintaining common features and functionality across all Channel Mix.

C.8.3 Portal Implementation Services

The Contractor shall provide services necessary to deploy Portals. This includes developing all graphical user interfaces (“GUI’s”) and functionality necessary to expose portions of the System to players (e.g. PAM, games, geo-location, etc.) in order to conduct iLottery and Online Sports Wagering sales. Contractor shall be required to integrate and deploy iLottery Games and Online Sports Wagering within Portals. As directed by the OLG, Contractor shall be required to update Portals with new content and functionality throughout the Term of the Contract. Portals shall be required to have compliance with certain browser types, browser versions, and plug-in controls (especially the latest and most popular versions) as directed by the OLG. Contractor shall be required to integrate with any third-party providers (e.g. loyalty website Vendor) as necessary to deliver a unified user experience to players. The Contractor shall be reimbursed by OLG for any costs associated with such integration. Portals shall include a secure upload and download site for exchange of documents between the player and the OLG within the System.

C.8.4 Portal Project Management Process

Contractor shall provide centralized project management services for all Portal implementation projects, taking the lead role in organizing all parties involved through a defined process.

C.8.5 Content Management System (CMS)

Contractor shall provide a content management system (“CMS”) that gives the Contractor the ability to make content updates (e.g. copy, images, layout) to Portals through a self-administered web-accessible tool.

C.9 Player Account Management (PAM) Software and Services

C.9.1 General

For the implementation of iLottery and Sports Wagering sales channels, the System shall provide all PAM functions necessary for players to create accounts, fund accounts, Wager with funds, receive winnings and withdraw available funds. It shall be managed with the highest level of integrity in respect to age verification, identity verification, geo-location, fraud management and responsible gaming standards.

C.9.2 Player Registration

The Contractor shall deliver a registration process for players prior to gaining access to additional PAM features and functionality available within any Portal. Contractor shall provide a solution to handle the registration process of players. Contractor shall provide software and services that ensure total accuracy of age and identity verification of players has occurred before they can

obtain a player account. Contractor shall be required to obtain third-party certified verification of any identity verification services being utilized prior to launch and on a recurring basis during the Contract as defined by the OLG.

Contractor shall provide a registration, and profile update, process unique to Channel Mix being proposed. Channel Mix registration features and functionality shall leverage best practices that deliver ease of use while meeting the OLG program objectives.

C.9.3 Player Authentication

When the player accesses the System from an iLottery or Sports Wagering Portal the player's identity shall be assured.

- (a) The System shall employ more than one factor in authenticating the player. Such factors are typically classed as:
 - (1) Something-you-have (e.g., device ID, smartphone);
 - (2) Something-you-know (e.g. password, PIN, answer to a security question);
 - (3) Something-you-are (e.g., fingerprint);
- (b) A minimum of two-factor authentication is required. For example, the player may enter a unique number as a result of registration, and also enter a PIN. This would combine something-you-have plus something-you-know (the PIN). As another example, the System may log and retain the unique ID of a smartphone and is supplemented by entering a PIN. Again, this is something-you-have (phone) and something-you-know (PIN).
- (c) It is preferred to employ more than one (1) type of authentication versus two (2) factors of the same type. Thus two (2) of something-you-have is less preferred than something- you-have plus something-you-know.

C.9.4 Player Database

Contractor shall maintain a database that maintains all current and historical player and transactional information. The player database shall include, but is not limited to:

- (a) Player Data. The System shall support a player database for iLottery and Sports Wagering management functions. Database elements may include, but are not limited to, player ID, name and address, telephone number, e-mail address, bank account information required for EFT transactions, status and history, W-2G, Federal and District of Columbia tax reporting information, account status, and any outstanding child support debts collected by the DC Office of the Attorney General ("Offsets"). All sensitive player information is encrypted and stored in the Contractor database, following all industry security rules, except from credit/debit card

information which is handled by third party vendors. The exact information elements to be stored in the Database shall be determined in the FRS phase. Any changes to player data should be logged in the System with associated details such as date, timestamp, Portal type being accessed, and logging the user making changes (e.g. employee identifier or player-initiated change).

- (b) Funds Transfer Activity. The System shall record all internal and external funds transfers.
- (c) Wager and Winnings Activity. When a player purchases a Wager or wins a prize, the account record shall maintain a history of the player's Wagers and prizes. Non-winning results and expired Wagers may be removed subject to expiration policies set by the OLG.
- (d) Promotions History. The System shall record all promotional offers to players.
- (e) Responsible Gaming Activity. The System shall record all changes made to responsible gaming controls.
- (f) Data Conversion. As directed by the OLG, the Contractor may be required to convert existing player database(s) in order to maintain common sign-on credentials for current players.
- (g) Signature Capture. The application shall store a digitized signature for the player.
- (h) Reporting and Download. The System shall provide reporting on the player database, and downloads to Excel of player database information.

C.9.5 Player Banking Services

- (a) The Contractor is required, to the extent applicable, to ensure that all third-parties including financial institutions and credit card processors, each of which is engaged to carry out iLottery and Sports Wagering and shall have access to credit/debit card nonpublic cardholder data, shall adhere to the Payment Card Industry ("PCI") Data Security requirements and pursuant to their agreements with the Contractor, shall have agreed to the following:
 - (1) That the applicable Subcontractor are responsible for security of cardholder data in their possession;
 - (2) That such nonpublic cardholder data can ONLY be used for assisting the OLG in completing a transaction, supporting a loyalty program, supporting the District, providing fraud control services, or for other uses specifically allowed by law;
 - (3) That the Contractor shall provide business continuity in the event of a major disruption, disaster, or failure;
 - (4) That the Contractor shall contact the OLG to advise it of any breaches discovered in data

security where a Cardholder's "personal information" or "PI" (as such term is defined in the ID Theft Protection Act) has been compromised;

- (5) That in the event of a security intrusion, the Payment Card Industry representative, or a Payment Card Industry approved third-party, shall be provided by the applicable subcontractor with full cooperation and access to conduct a thorough security review and the review shall validate compliance with the Payment Card Industry Data Security Standard for protecting Cardholder data;
 - (6) That the applicable subcontractor shall properly dispose of nonpublic Cardholder data when no longer needed;
 - (7) That the applicable subcontractor shall continue to treat nonpublic Cardholder data as confidential upon termination of the iLottery and/or Sports Wagering Program; and
 - (8) That each Subcontractor shall provide the OLG with documentation verifying PCI Data Security certification has been achieved and shall advise the OLG of all failures to comply with the PCI Data Security Requirements (which failures include, but are not limited to system scans and self-assessment questionnaires), and shall provide a time line for corrective action; provided that, if the Subcontractors are listed on the Validated Service Provider list, the OLG shall not require any other certification, and if the Subcontractor is not listed on the Validated Service Provider list, the OLG shall receive a copy of such Subcontractor's Attestation of Compliance and its most recent scan (performed by a qualified scan Vendor), which documents shall be provided annually with proof of quarterly scans from such Subcontractors for OCFO approval.
- (b) Contractor shall provide software and services that allow players to transfer funds to and from a virtual wagering account ("VWA"). The System shall support configurable fees, by each payment mechanism available (e.g. credit card transfers vs. ACH transfers), for OLG to designate and assess the player upon the transferring of funds to and from a VWA. Fees shall be configurable in real-time and not require software development to perform a change. For transfer of funds into a VWA, any applicable fees shall be charged to the originating payment source and not deducted from the VWA. The OLG shall have the sole discretion to designate and retain any fees assessed to players.
- (c) Configurable funding limits, both minimums and maximums, by payment mechanism shall be configurable within the System. Configurable limits shall include daily, weekly, monthly and yearly parameters. The OLG shall designate funding limits according to the District of Columbia Regulations that apply to Sports Wagering. Contractor may advise the OLG regarding any limits that may be necessary to minimize exposure to possible fraud activities. The System shall provide other rules and configurable settings that mitigate possible payment fraud activities.
- (d) The Contractor shall hold VWA funds in an FDIC insured bank account or otherwise approved by

OLG. The Contractor shall provide all banking services necessary to add funds to VWA's including, but not limited to, providing gateway, acquiring processor and acquiring bank. Each of the banking services Subcontractors are subject to OLG approval. The System shall support open architecture for integrating banking services subcontractors as necessary by the Contractor. It is desirable for the Contractor to maintain robust transaction routing capabilities for alternative banking services.

- (e) Contractor shall act as the Merchant and shall be responsible for all payment acceptance, dispute resolution handling, indemnification of payment fraud and all expenses associated with these services.
- (f) Contractor shall provide the OLG with web-accessible reporting tools that provide access to data related to banking services activities. This includes, but is not limited to, reporting features that provide player-specific activity logs and aggregate data such as total transfer count and amount by payment type.

C.9.6 Geo-Location Services (GLS)

Contractor shall provide software and services that can precisely recognize the physical location of a player accessing the System, from any Channel Mix, using the most stringent standards. Contractor shall be required to obtain third-party certified verification of any geo-location services ("GLS") being utilized prior to launch and on a recurring basis during the Contract as defined by the OLG. GLS shall be configurable, by Channel Mix, to create and adapt boundaries as directed by the OLG during the Term of the Contract. GLS shall provide web-accessible reporting to the OLG which provides performance reporting, tracking and other information. The System shall only allow players that are verified to be physically within the District of Columbia to access wagering features and capabilities. Non-wagering features (e.g. profile updates, funds transfers) should not be restricted by the physical location of the player.

C.9.7 Responsible Gaming Controls

The Contractor shall provide software and services that ensure the highest level of responsible gaming as per industry standards.

C.9.8 Wagering Capabilities

Players shall access the System through a Portal and shall then exercise functions available including Wager purchase and game playing. All wagering and game playing shall be recorded by the System in the player account (or in a location accessible from the player account).

- (a) Wager Acceptance. Players shall access Portals to wager and play games, once they have identified themselves to the System (via password and/or other authentication mechanism).
- (b) Wager Logging. The system shall allow the player to determine his or her iLottery and/or Sports Wagers, including active Wagers for upcoming drawings/events, Wagers not fully played

through the game experience (e.g. communication disconnect before full reveal of win / loss outcome), Wagers that did not win, and Wagers already declared winners.

- (c) Variable Base Wagering. The System shall accept wagering values in United States currency for all games (“Base Wager”). Further, the System shall accept Base Wagers in fractions of dollars and in whole dollar increments (e.g. \$5 Wagers, 50 cent Wagers, etc.) for games.
- (d) Add-On Wagering. The System shall accept Wagers that are incremental to the cost of the Base Wager (“Add-On Wager”). For example, accepting Add-On Wagers for features like a prize multiplier, in-game progressive, or linked progressive.
- (e) Progressive Jackpot / Wager Pooling. The System shall provide the capability to pool wagers based on a prescribed, and configurable, percentage value designated by the OLG for any applicable games or wager types (“Wager Pooling”). Wager Pooling shall be accessible within the System in real-time to provide data such as current progressive jackpot amounts. A baseline amount, initially funded by the OLG, shall be supported by the System each time the wager pool is awarded as a prize (plus upon the first deployment of the game). The System shall support a method to fund the baseline amount based on future player funding of the wager pool.

C.9.9 Player Notifications

The Contractor shall be required to provide software and services that communicate directly to players systematically (i.e. managed with ease administratively by OLG and/or Contractor) but delivered as a data-driven and highly personalized communications to each player (“Notifications”). All types of Notifications shall be functional at the time of successful player registration completion (i.e. available in real-time as players register on the System). Web-accessible tracking and analytics regarding Notifications shall be provided to the OLG. Contractor shall provide end-to-end services necessary to deploy fully-functional Notifications which are being proposed.

C.9.10 Notifications Integration with System (Invited Option)

, As an Invited Option, OLG may request the Contractor to interface with the OLG’s existing program provider for Notification services in order to provide centralized tracking and other services for the convenience of the OLG. Subsequently, Contractor shall be required to assume all third-party costs associated with messaging rates for email, SMS, Push Notifications, or other messaging services which the OLG requires to be executed through the existing program provider’s technology framework. The Contractor shall be reimbursed by OLG for any costs associated with such integration.

C.10 iLottery Games, Online Sports Wagering and Integration Services

C.10.1 General

For the implementation of iLottery, the Contractor shall implement secure integration services that allow third parties to readily develop and deploy iLottery Games that are fully integrated with the System.

Such third party iLottery Games integration shall occur at OLG's expense and on a mutually agreed time plan.

C.10.2 Centralized Gaming Services (CGS)

Contractor shall provide a central system software architecture that supports the quick deployment of iLottery Games and Online Sports Wagering, known as centralized gaming services ("CGS"). CGS shall support the operational requirements for all iLottery Game and Online Sports Wagering activities that are dependent on the System. This includes but is not limited to centrally hosted technology to determine winners, log player activity, handle funds, communicate with other players, and obtain customer service related to a game. CGS should allow the System to readily integrate with any third-party system.

C.10.3 Random Winner Technology (RWT)

- (a) The OLG's existing games utilize varying random winning technology ("RWT") methods to determine game play outcomes (e.g. Random Number Generator, Pick Win Grid, Pre-Seeded Files, etc.) and iLottery Games are intended to replicate the existing or traditional play style of these games. Contractor shall provide a centralized technology to employ RWT and show that it has been certified by an accredited third-party on an ongoing basis to be determined by the OLG.
- (b) The OLG shall designate the prize structures, odds of winning, and/or the distribution of prizes associated with each iLottery Game. RWT shall be configurable, by iLottery Game, in order to support the parameters provided by the OLG to match prize structure, odds, and/or distribution requirements.

C.10.4 Engagement Features

- (a) Contractor shall provide mechanisms that engage new players who are already accustomed to advanced digital games that offer fun, engaging, competitive and social tactics into games. This includes but is not limited to common techniques such as points, levels, badges, unlock features, chat features, and leader boards ("Engagement Features").
- (b) Engagement Features shall be securely exposed to third-party iLottery Game and Online Sports Wagering developers and offered as a centralized service across the System. This centralized service may also be exposed to the player loyalty program vendor and other vendors. At a minimum, the System shall support the following Engagement Features:
 - (1) Chat. A feature that allows players to interact with Customer Service operators/chat hosts while playing the same iLottery Game.
 - (2) Social Sharing. A feature that allows social network sharing of games and game outcomes such as winnings.

- (3) Individual Winner Awareness. Features that display recent winners, updated in near real time, along with the player name, city, amount won, and game played for iLottery games
- (4) Aggregate Winner Awareness. Features that display total prizes paid, updated in near real time, that are displayed by game or groups of games.

C.10.5 CGS Exposed Functionality

- (a) As an Invited Option, the Contractor shall deliver CGS in a manner that allows third-parties to offer iLottery Games, player loyalty programs, access to second chance drawings, or other programs as directed by the OLG, using System functionality that is securely exposed via API's.
- (b) All API requests from the production environment shall be logged and available within back office reporting systems.

C.10.6 CGS Environments

Contractor shall make CGS available to third-party game developers through standardized API's available in several different development environments including an exploratory environment, a development / testing environment, a quality assurance environment, an acceptance testing environment, and a production environment.

- (a) The exploratory environment should be constructed to allow authorized game developers (including Contractor) to prototype games and wager types, play features and other functionality as it relates to the System without the need for ongoing consultation or involvement by the OLG and/or Contractor. As such, Contractor shall offer easily accessible documentation, code samples, FAQ's and other resources to facilitate the rapid incubation of game prototypes by game developers in the exploratory environment. A portion of the exploratory environment should be visible to the OLG in order to view prototypes that have been finalized by third-party developers and/or Contractor.
- (b) The Contractor testing environment is for games selected by the OLG for inclusion as an iLottery Game. Contractor shall be required to manage all functions necessary, in cooperation with approved game developers, in order to test iLottery Games. Testing of new iLottery Games shall be completed by the Contractor as per agreed implementation plan.
- (c) The Contractor shall grant OLG the access to the acceptance testing environment for acceptance testing, review and approval of all iLottery Games and Online Sports Wagering prior to deployment. Contractor shall provide, and make available / accessible, the acceptance testing environment at no cost to the OLG.
- (d) The production environment is for iLottery Games and Online Sports Wagering which have been approved by the OLG and are available for wagering by players that are connected to the System.

iLottery Games and Online Sports Wagering, once in an approved status, shall be easily interchangeable through Portals. The deployment of iLottery Games and Online Sports Wagering into production Portals shall be completed by Contractor after receiving the OLG approval on a mutually agreed date.

C.10.7 iLottery Games Implementation

- (a) As an Invited Option, the Contractor may be required to develop iLottery Games that match existing play styles (e.g. Instant Games, Terminal game Games), or integrate with third-party providers, in order to offer products to players. Such game development or integration shall be provided at OLG's expense and implemented based on a mutually agreed time plan.
- (b) Contractor shall be required to assist the OLG with the development of game specification documentation. The final game specification documentation provided by the OLG shall set forth the requirements for Contractor to develop each iLottery Game. The game specification documentation shall include definitions such as graphics, detailed programming parameters, prize structure and game release schedule.
- (c) Contractor and/or third-party providers shall customize iLottery Games across Channel Mix to provide an optimized portfolio of games, and an optimized user interface, that best fits each Channel Mix in the Proposal.

C.10.8 iLottery Game Reporting

Contractor shall be required to log all game activities from the production environment, including Play for Fun activities, and make available the data for System reporting and exportable for third-party reporting systems as directed by the OLG. This shall include all possible reportable elements as per industry standards. Further, all reportable elements should be logged with consistent data attributes such as time / date stamp and player identifying information.

C.11 Contractor Facilities

C.11.1 General

The Contractor shall support a central computer site and a separate remote site, and additional service facilities as needed. All site specifications shall be consistent with applicable standards of any multi-jurisdictional associations of which the OLG may become a part.

C.11.2 Primary (Central) Site Specifications

The Contractor shall provide a primary data center for accepting Sports Wagering transactions anywhere within the District of Columbia. The primary site shall be ready as per agreed implementation plan.

C.11.3 Environment and Security at Primary Site

The Contractor's facility shall include appropriate safety, security, and environmental controls equipment for a computer facility, as described below. All construction and furnishings shall comply with fire, safety, building, and ADA codes. Any upgrades, servicing, or replacement required to maintain compliance with such codes shall be the Contractor's obligation.

- (a) Emergency exit doors shall be provided and shall be equipped with alarms.
- (b) Locking devices shall be installed on all doors or other entry points.
- (c) An electronic access system shall be installed at entrances to the computer room(s), media library and other secure areas. This system shall be remotely connected to and compatible with the OLG's access system and shall be monitored from the OLG's Security Operations Center. The access list shall be authorized by the OLG.
- (d) The computer room(s) shall be protected by an automatic fire extinguishing system based on FM-200 or another OLG approved method. The system shall be installed and maintained as specified by applicable National Fire Protection Association (NFPA) standards. When triggered, the automatic fire extinguishing system shall be equipped with alarms that sound locally and at the OLG's Security Operations Center.
- (e) The computer room shall be equipped with a video surveillance system. The video surveillance system shall be configured in such a manner as to provide the OLG Security Section with the ability to remotely access the live feed from the video surveillance system in a secure manner.
- (f) Construction shall support fire safety as noted in NFPA standards. Computer room(s) with mission critical equipment shall be separated from the other areas by non-combustible materials having at least a one-hour fire resistance rating, and in addition:
 - (1) Walls shall be extended from structural floor to structural floor (or roof) above.
 - (2) Fire doors shall be provided on all entrances into the computer room with a fire resistance rating at least equal to the wall in which the door is located.
 - (3) All penetrations through the computer room floor, wall or ceiling shall be tightly sealed with material equivalent to existing floor, wall or ceiling construction to prevent passage of heat, smoke and water.
 - (4) Fire and smoke dampers shall be provided in ducts that pass through the computer room walls, floor or ceiling.
- (g) An air conditioning system with sufficient capacity to maintain a stable environment within original computer equipment manufacturer specifications. An air conditioning failure detection

mechanism shall be provided. The air conditioning system(s) shall be interlocked to shut down upon activation of the fire extinguishing system or the automatic system shall compensate for loss of extinguishing agent through operation of the air conditioning systems.

- (h) The Contractor shall provide power conditioning equipment for the computer room(s) and shall provide an uninterruptible power system with both battery backup and electrical generator. Should a utility power failure occur, the UPS shall provide at least one hundred fifty (150) percent of the capacity needed to sustain full business capacity. During the Contract, the generator shall be exercised for extended periods on an OLG approved schedule, and the generator shall be maintained according to its manufacturer's recommendations.

C.11.4 Remote Backup Site

The Contractor shall outfit a remote backup data center where sports wagering transactions are logged and processed. The retailer network, the primary data center, OLG management workstations. The Contractor shall be responsible for the lease and build out, including all environmental infrastructure.

- (a) The remote backup data center shall be subject to OLG approval. The remote back up data center shall be in the United States and shall be approved and accepted by the OLC. It is required that the remote backup data center be separated from the primary data center adequately to virtually preclude simultaneous loss due to any type of disaster.
- (b) The remote backup data center shall be operated under the safety and security requirements of the primary data center. If the remote backup data center is in a facility that shares other business operations of the Contractor, then the OLG equipment shall be physically and logically separated and secure from all other operations, subject to the written approval of the OLG.
- (c) The remote backup data center need not be attended during all OLG sales hours and may be a "lights-out" operation. It shall however rapidly support a failover in case the primary data center can no longer serve.

C.11.5 Training Facilities

The Contractor shall provide retailer training facilities for start-up.

- (a) Start-Up Training. The Contractor shall provide a training facility located within the District for start-up. The facility may be temporary, such as hotel meeting rooms, or permanent. During the term of the Contract, after start-up training has been completed, the Contractor may conduct training sessions in the sales agent training room located at OLG's headquarters building.

- (b) Training Terminals on the System. The terminals in the training facility shall operate on a stand-alone basis. The training terminals shall be configured with latest available training release software

C.11.7 Business Continuity and Disaster Recovery Plan

The Contractor shall provide and annually update and test a business continuity and disaster recovery and contingency plan for the computer centers and administrative facilities sites used in this Contract. The plan shall be delivered by the start-up date. Such plan shall consider disasters including, but not limited to, those caused by weather, water, flood, fire, environmental spills and accidents, malicious destruction, acts of terrorism or war, and contingencies such as strikes, epidemics, pandemics, etc. The plan shall ensure continuation of the System and games. Provision shall also be made for the safe, secure off-site storage of all scheduled backup data and programs. Should implementation of any portion of the disaster recovery and contingency plan become necessary, all costs associated with the plan shall be borne by the Contractor.

C.11.8 Contractor Corporate Infrastructure Protection Plan

The Contractor shall also produce a disaster plan for their additional infrastructure necessary to support the OLG. For example, the Contractor's software development and support facilities are critical for the term of the Contract. The infrastructure protection plan shall be due at start-up.

C.11.9 Data Center Configuration Maintenance

The Contractor shall be responsible for maintaining System data center components, including but not limited to servers, LANs, telecommunications equipment, and infrastructure items (such as power and HVAC). Documentation of maintenance events shall be maintained by the Contractor for OLG review. The Contractor shall to obtain replacement parts and maintenance services that are approved, recommended, or recognized by the original equipment supplier as effective.

C.12 Staffing, Support Services and Operations Security Plan

C.12.1 Contractor Personnel

The Contractor shall provide information, as specified below, that documents its organizational structure and the staffing with which OLG operations shall be implemented and run. All personnel shall be approved and accepted by the OLC. The Contractor shall identify substantial subcontractor staff and consultants by name, where such are anticipated to be part of the implementation and ongoing operational support efforts.

- (a) Implementation Staff. The Contractor shall maintain an organization chart showing names of all management, supervisory, and key technical personnel who shall be active in the implementation and conversion/modification of the System. There shall be a dedicated technical project manager assigned to the implementation project who would then need to be on-site during acceptance testing and conversion. Further, the Contractor shall indicate what

specific Contract function(s) staff shall perform and how long it is anticipated they shall be engaged. For staff not yet identified, the Contractor shall identify and quantify them by title, and state what qualifications they can be expected to have.

- (b) Ongoing Lottery/Sports Wagering Operations Staff. The Contractor shall provide brief position descriptions and an organization chart showing names of all management, supervisory, and key technical personnel who are expected to be active in the ongoing operation of the System. For staff not yet identified, the Contractor shall identify and quantify them by title, and state what qualifications they can be expected to have.

C.12.2 Resumes

The Contractor shall provide one-page resumes of all management, supervisory and key technical personnel planned to be involved in the installation, implementation, and operation of the System, and shall provide for each such person:

- (a) Full name;
- (b) Most recent five (5)-year employment history;
- (c) A specific description of experience that person has in connection with Systems;
- (d) Specific indication of the role the individual shall have in this project;
- (e) Any additional helpful information to indicate the individual's ability to successfully perform the work involved in the Contract.

C.12.3 Operations Services

The Contractor shall provide operations services for the System, retailer network, and the test systems, including the operation of two data centers. Sound operations policies and procedures are required, including the Principle of Least Privilege.

- (a) Duties. These duties shall include System start-up and shutdown tasks, monitoring, drawing results entry, report generation, file backups, and various operational procedures to enable the correct operation of the System. Recovery from System failures shall engage the operations staff. Operations shall produce reports and files documenting the operations activities.
- (b) Monitoring Systems and Networks. The Contractor's staff shall continuously monitor the systems and networks and shall be trained in the System's monitoring tools for this purpose. Any System faults shall be detected, diagnosed and corrected.

C.12.4 Minimum Data Center Staffing

At all times and under no circumstances shall the Operations Control Room be staffed with less than two (2) operators. The data center manager or Operations Manager can substitute for an OLG approved operator when an operator is temporarily outside the operations room.

C.12.5 Terminal Provisioning Services: Moves, Adds, Changes, Removals

- (a) The Contractor shall provide terminals and communications at retailer locations. Aside from installing a new retailer ("add") it may be necessary to serve an existing retailer from a new physical location ("outside move"), to relocate the retailer's terminal within the premises ("inside move"), or to de-install a retailer. An inside move may involve a change to the inside wiring (e.g. from the demarcation to the terminal). These services shall be supplied at no additional cost to the OLG.
- (b) The OLG shall advise the Contractor in writing when a retailer requires provisioning, and this advisory starts the provisioning clock.
- (c) A terminal shall be considered to have completed add or move provisioning and be ready when it has been installed at the designated location; is in good running and working order; is connected by communications services to the central computer facility; is capable of issuing tickets, conducting validations, and producing reports; performing all other terminal functions as specified in this Contract and the retailer has received terminal training from the Contractor which is deemed satisfactory by the OLG. Provisioning activities shall be conducted on a timely schedule.
- (d) The OLG has determined that the following provisioning schedule is the maximum permitted for completion:
 - (1) Add a new retailer five (5) business days;
 - (2) Outside Move of an existing retailer five (5) business days;
 - (3) Inside Move of an existing retailer two (2) business days; and
 - (4) Removal two (2) business days.
- (e) These particular schedules are the maximum allowable under a Service Level Agreement (SLA) with the OLG.

C.12.6 Support of the OLG's Partnership with Retailers

- (a) The OLG's goal is to achieve a high level of retailer rapport in order to optimize lottery and sports wagering sales. The OLG currently employs its own LSR staff who develop a strong retailer partnership and are responsible for prospecting new retailer locations; recommending new retailer locations; responding to retailer concerns, questions or problems relating to the Lottery's programs, its games, policies, and procedures; notifying retailers of new game features, modifications to current games, addition of new games, changes in OLG policy, and delivery of retailer Point of Sale marketing materials.
- (b) The Contractor shall propose mechanisms such as meetings, messaging, and data interfaces to facilitate LSR services and resolve retailer concerns or problems with Contractor-provided services such as terminal functions, terminal repair, retailer training, and quality and timely delivery of consumables.

C.12.7 Retailer Training Programs, Initial and On-Going

The Contractor shall provide training for retailer staff in the operation of retailer terminals both for the initial conversion training and throughout the Contract.

- (a) **Retailer Instruction.** To support the conversion, the Contractor shall provide initial hands-on group instruction at locations convenient to retailers and shall provide training on-site at retailer locations when appropriate. The Contractor shall continue to supply training to new retailers for the term of the Contract. The Contractor shall use trained facilitators to conduct both the initial and ongoing training services.
- (b) **Training Program Contents.** The retailer training program shall cover the retailer terminal and peripherals, for sports wagering, terminal game and instant products. The program shall address not only the technical aspects of operating the terminal and account management, but also approaches for interacting successfully with players. Contents of the training program shall be approved by the OLG. The Contractor shall provide the training program in terms of materials, facilities, staff qualifications, sessions, and schedule. The program description shall address the Contractor's capability of providing for the specific training needs of top corporate accounts and shall be approved and accepted by the OLC.
- (c) **Training Security.** The Contractor shall provide the mechanisms for security of ticket stock and training tickets produced during retailer training sessions, and the security of the terminals themselves from tampering or theft for approval and acceptance by the OLC. Security shall comply with any multi-jurisdictional rules (e.g., MUSL rules).
- (d) **Training Materials and User Documentation.**
 - (1) Handouts and/or manuals on the correct use of retailer terminals and retailer procedures are required. Such shall contain, at a minimum, information and instructions on changing

ticket stock, how to conduct each type of transaction, obtaining and using the reports, hotline procedures, use of play slips, claims, cashing winners, and retailer adjustments. Such manuals shall be written at no greater than a sixth-grade reading level and feature a high level of visuals to achieve greater understanding.

- (2) Manuals and user documentation shall be available in English as a minimum. The Contractor shall provide manual in other languages upon OLG request. Such manuals shall be provided at OLG's expense.
- (3) User Documentation Updates. The Contractor shall update the training materials and any user and player documentation provided to retailers with each game or procedural change. The format shall be approved and accepted by the OLG. Copies shall be supplied to the OLG and to the retailers by one (1) week prior to the start date of any new game or game change.
- (4) Terminal-Based Documentation and Training. The Contractor shall provide supplementary video or graphical training and documentation directly through the retailer terminal at the point of sale.
- (5) Training Language Agility. The Contractor shall be able to provide retailer training in English. . Training in other languages shall be provided at OLG's expense.

C.12.8 OLG Staff Training

The Contractor shall provide training for OLG staff, at the OLG offices, or appropriate venues as approved by the OLG. The Contractor shall provide training, as approved by the OLC, for the OLG staff regarding concepts of the System, the management application administrative reports. Contractor supplied services, System security features and controls, and any other relevant aspects of the proposed package of systems and services.

C.12.9 Retailer Consumables Supply (Shall be supplied within 6 hours of request)

- (a) Consumables. The Contractor shall provide and deliver to retailers the following consumable supplies:
 - (1) Play slips that can be processed by the terminal reader;
 - (2) Secure ticket stock;
 - (3) Terminal ribbons, cartridges, toner, ink, or other required materials to print tickets;
 - (4) Retailer manuals and/or reference cards for terminal operation, updated upon OLG request;

- (5) Prize claim forms and envelopes (postage-free for players and paid by the Contractor);
 - (6) Retailer adjustment forms and envelopes (postage-free for retailers and paid for by the Contractor);
 - (7) Pens and scrap paper at the OLG cost.
- (b) Consumables Designs. The OLG shall have final approval on all consumables designs and wording as needed, but the Contractor shall be responsible for their production, storage, and delivery.
 - (c) Testing and Training Ticket Stock. The Contractor shall ensure that in addition to production ticket stock, there is stock of the same paper quality suitable for testing in retailer terminals used at training facilities, and for use by the OLG in testing, training, and promotions. Testing and training ticket stock shall be plain and conspicuously distinct from live ticket stock and shall comply with any multi-jurisdictional security rules (e.g., MUSL rules).
 - (d) Multiple Suppliers. In order to avoid dependence on one (1) supplier, the Contractor may decide to have more than one (1) source of paper stock and printing service(s), as well as multiple suppliers for any other consumables.

C.12.10 Retailer Equipment Maintenance Program

The Contractor shall provide the maintenance plan for the retailer terminals and associated equipment. The term "retailer terminal" shall include all attachments and peripherals provided or serviced by the Contractor. The Contractor shall to obtain replacement parts and services that are approved, recommended, or recognized by the original equipment supplier as effective.

- (a) Retailer Terminal Maintenance. The Contractor shall be required during any service call to routinely check the mechanical security, safety, and general operation of the printer mechanism, reader, and any other attachments provided or serviced by the Contractor.
- (b) Terminal Preventive Maintenance Schedule. The Contractor and the OLG shall agree on a preventive maintenance (PM) schedule for the retailer terminals. The Contractor shall propose a PM schedule to be approved and accepted by the OLG; however, the schedule cannot exceed a one hundred twenty (120) day cycle. In no case shall there be attempts to render preventative services during retailers' busiest periods.
- (c) Terminal Parts Supply. The Contractor shall maintain an adequate supply of parts to sustain the service of terminals that it has supplied and shall maintain it. The Contractor shall provide the OLC the spare levels planned, and the approach to "swapping out" versus the use of Field Replaceable Units.

- (d) Terminal Repair and Maintenance Reporting. At service events a log shall be updated noting the maintenance activities. The log information shall be entered to a database accessible to the OLG. The OLG shall have access from at least three (3) of its management workstations (or by devices provided by the Contractor) to generate reports from the retailer dispatch and repair data that indicate when services have occurred, what services have occurred, and on an exception basis, when services have NOT occurred or have been untimely.

C.12.11 Other Host and Network Equipment Maintenance

The Contractor shall describe, for approval and acceptance by the OLC, how non-terminal components in the configuration shall be maintained, including but not limited to host computers, LANs, and telecommunications equipment for the central sites. The Contractor shall to obtain replacement parts and maintenance services that are approved, recommended, or recognized by the original equipment supplier as effective.

C.12.12 Customer Support Center (“CSC”)

The Contractor shall operate its existing Customer Support Center (“CSC”) for retailer trouble calls and for handling player support services for iLottery and Sports Wagering. The CSC shall utilize modern support technologies through interactive channels in order to maximize player convenience and satisfaction. The CSC service channels shall include, a call center, email support, live chat support and a web-accessible self-service (for players) knowledge database. Any other advanced customer support channel solutions such as web intercept, email intercept (e.g. when a player attempts to send an email, the System shall recognize key words and offer a self-services solution from the knowledge database rather than sending an email), and virtual agents (virtual agents are software services that engage in automated conversations with customers in self-service environment) shall be developed and supported in a future release at the expense of OLG.

C.12.13 System Engineering Technical Support Services

- (a) Timely and committed fulfillment of OLG requests for System support and changes is a requirement. The Contractor shall identify how systems and software engineering support services for System management, System error correction, changes to the OLG's business rules and requirements, and game and wager type changes shall be delivered to OLG.
- (b) Contractor shall respond with a report of estimated hours to implement any OLG change request within twenty (20) Business Days from OLG submission of the change request. Any expense and/or hours associated with correcting System defects shall be the responsibility of Contractor.
- (c) All hours associated with the System implementation shall not be included in the annual allocation of these support hours.

- (d) OLG may request and approve additional support hours at a hourly rate to be negotiated.
- (e) The minimum requirements for frequency of software releases to handle change requests are as follows:
 - (1) Software Support. The Contractor shall provide software and systems engineering support for System changes.
 - (2) System Releases. The Contractor shall support at least quarterly releases of software batches, based on mutually agreed upon change requests, as a minimum to support updates to the System through the duration of the Contract.
 - (3) Quality Assurance and Acceptance Testing. The Contractor shall provide a local Quality Assurance capability and support for the OLG's internal acceptance testing. In fulfillment of joint responsibilities between the Contractor and the OLG to make System changes in a timely and correct manner, the Contractor shall provide shared access to change requests and change tracking
 - (4) Shared Records for Change Management. In fulfillment of joint responsibilities between the Contractor and the OLG to make System changes in a timely and correct manner, the Contractor shall provide shared access to change requests and change tracking for the OLG project.
 - (5) Portal Software Releases. For the iLottery front-end mobile and web applications, the Contractor shall support the required number of releases, per Portal, per year of software batches as a minimum to support updates to Portals. The required number of releases shall be determined by the Contractor in order to maintain the Portal in a normal operating condition without affecting the System's business continuity.

C.12.14 System Change Control and Configuration Management

The Contractor shall operate under defined change control and configuration management procedure practices. Configuration Management practices, as described below, shall apply to all of the following components: documentation, procedures, specifications, program application source and object code, operating systems, database platforms, other third-party applications, systems and network hardware major hardware components, and any other major System components. Strict performance according to principles of configuration management is required:

- (a) Approved Changes Only. The Contractor shall ensure through procedural and System controls that only OLG-approved changes, on an approved schedule, can be made on Lottery Central System. Reports and/or displays shall be available to the OLG to review all related change and configuration management activities.

- (b) Change Introduction. All changes to servers, network devices, or applications shall first be completed on the related testing systems. All changes approved and completed for production systems shall also be completed on the associated backup systems. The above procedure and methodology exclude emergency and hot fixes.
- (c) Software Checksums. Checksums are required for software at the time it is released for OLG testing and shall be available at any time for testing applications and for the production systems.
- (d) Component Identification. System components shall be documented with version and release numbers, patch versions, or model and serial numbers.
- (e) Traceability of Components. System components shall be traceable, identifying the history, use, and location of a component.
- (f) Change Tracking. The Contractor shall track all changes made to System components, provide reports showing when and by whom a change was made and for what purpose, and shall avoid update conflicts. Change logs shall reference associated planning documents and approvals.
- (g) Configuration Status and Inventory. The Contractor shall have the ability to produce a configuration status report identifying the current configuration of any System component as well as an inventory report including all System components.

C.12.14 Operations Security Plan

- (a) The OLG expects its System and operations to be of the highest security and integrity. This requires both the OLG and its Contractor to maintain a confidential, high-level security system. For example, staff shall be organized, assigned, and operate under procedures and with System controls that mitigate such events as "insider fraud."
- (b) The Contractor shall submit a draft Operations Security Plan in compliance with the outline given below. (An unmodified example from another jurisdiction is unacceptable.)
- (c) After award, the Contractor shall present a revised Operations Security Plan ready for approval by the OLG, the submission to be achieved no later than one hundred twenty (120) days prior to commencement of operations. Approval of this plan is an entry criterion for acceptance testing.
- (d) As a minimum, the security plan provided by the Contractor shall include the following sections:
 - (1) Business Impact Analysis;

- (2) Risk, Threat and Vulnerability Analysis (All hazards);
- (3) Physical Security (Buildings, Infrastructure and Security Staffing);
- (4) Electronic Security (Access Controls and Video Surveillance);
- (5) Data Security;
- (6) Personnel Security Practices;
- (7) Telecommunications Security (Access and Operational);
- (8) Protection of Software and Other Copyrighted Materials;
- (9) Security Plan Evaluation;
- (10) Security Awareness Training;
- (11) Plan Maintenance. The plan shall address incident response procedures (e.g., in case of an electronic intrusion); periodic audits to ensure compliance with the security plan; and periodic meetings on security (such as network security). The security plan shall follow a format approved by the OLG, shall be approved by the OLG, and shall comply with multi- jurisdictional security requirements (e.g. MUSL rules).

C.12.15 Electronic Media, Computer Room Paper and Supplies

The Contractor shall supply all magnetic tapes, cartridges, disk packs, diskettes, and other media items, printer paper, and supplies needed to operate the System, testing terminals and systems at all Contractor sites.

C.12.16 Risk Management Services

The Contractor shall provide the risk management function (i.e., bookmaking) during which odds are set and revised as appropriate, and event results are sent to the system, among other tasks typical of such a service.

C.12.17 Fraud Prevention Services

The Contractor has the responsibility to demonstrate that every reasonable measure has been taken to prevent fraudulent activity on the System. The following Guiding Principles establish a minimum standard with respect to Fraud Prevention.

- (a) Take every reasonable step to identify, assess and manage the risks linked to illegal wagering

and sports wagering fraud.

- (b) Support and encourage stakeholder engagement to effectively identify and prevent illegal wagering and sports wagering fraud.
- (c) Conduct regular needs-assessments to verify compliance with existing legislation of District of Columbia and Federal regulations to help prevent illegal wagering and/or sports wagering fraud.
- (d) At regular intervals, verify that all parties involved in the sports wagering operations are aware of, and trained in, their role in preventing illegal wagering and sports wagering fraud.
- (e) Establish definitive parameters and processes for combating illegal wagering and sports wagering fraud.
- (f) Help identify, define and report any conduct, or pattern of unusual or suspicious behavior, in relation to illegal wagering and sports wagering fraud.
- (g) Support investigations into potential offenses related to illegal wagering and sports wagering fraud.
- (h) Provide the OLG, fraud investigators and prosecutors with the necessary resources and support to enable them to perform their work related to illegal wagering and sports wagering fraud.

C.12.18 Anti-Money Laundering (AML) Services

The OLG is committed to the prevention and detection of money-laundering schemes involving its operations.

- (a) The Contractor shall implement and adhere to FINCen and accepted AML protocols, practices and procedures that are designed to prevent unlawful activity, as these are incorporated and followed within the offered Risk Management System and Services and provide the necessary data indicating a possible money laundering activity, partially or in full.
- (b) The Contractor shall perform its obligations in conformity with high ethical standards and in compliance with all applicable laws and regulations.
- (c) The Contractor shall be able to ensure that service shall not be provided where there is good reason to believe that transactions are associated with money laundering activities unless instructed otherwise by the relevant authorities.
- (d) The Contractor shall have effective training programs to ensure that their staff is well informed with respect to all applicable AML procedures.

C.13 Implementation

C.13.1 Implementation Strategy

The implementation process requires that all of the new software, hardware, and service elements of the System be delivered, installed, tested, and put into production. The System shall integrate seamlessly with other systems and legacy systems. Such integration(s) shall be implemented based on a mutually agreed time plan. The Contractor shall be reimbursed By OLG for any costs associated with integration with any third-party systems.

C.13.2 Formal Implementation Plan

The Contractor shall provide a detailed implementation plan and time chart (Gantt, PERT, or similar) identifying the major milestones to be accomplished for the business requirements definition, construction, equipment delivery, software programming, installation, testing, and file preparation. The plan shall make clear which items are on the critical path for timely implementation of the Lottery System update. Responsibilities of the Contractor's implementation team, of the OLG's implementation team, and of any of the OLG's other providers shall be identified. The OLG shall approve the final implementation plan of the Contractor. For the implementation of the Sports Wagering a separate high-level implementation plan shall be provided.

C.13.3 Interim Facilities and Processes

If the implementation involves interim configurations, Facilities, staffing, or business Procedures, the implementation plan shall explicitly describe them and note their development and use within the schedule. Costs associated with interim Facilities are strictly the Contractor's responsibility.

C.13.4 Installation and Acceptance Testing

The OLG shall conduct a series of acceptance tests, which the Contractor is obliged to support. OLG acceptance testing shall be conducted at the OLG's headquarters building.

- (a) **Schedule for Acceptance Testing.** To support acceptance testing, the Contractor shall have the central site facilities, computer hardware, communications hardware, software, and at least ten (10) test terminals located at the primary data center, installed and operational one hundred and ninety (190) days prior to the scheduled conversion of the first terminal. The remote site shall be operational and ready for testing one hundred and twenty (120) days prior to the scheduled conversion date. At that time the Operations Security Plan shall be ready for approval.
- (b) **Ticket Stock Testing.** A sample of the production ticket stock shall be provided for ticket testing to ensure that it is manufactured in accordance with all OLG requirements and specifications.
- (c) **RWT Testing.** Samples from the Contractor's RWT in the System shall be submitted for quality testing. The RWT samples and certification are due on or before the start of the OLG

testing period. The Contractor shall be responsible for the cost of third-party testing and certification of the RWT by an OLG-selected laboratory.

- (d) Release Notes. Each release of the software for testing by the OLG prior to production installation shall be accompanied by release notes. The release notes shall evidence good configuration management practices, namely each release shall be identified by a version number and the changes shall be succinctly defined. This requirement shall extend throughout the Contract.
- (e) Documentation and Support. Training and procedure manuals specific to the OLG shall be delivered upon availability of the System for acceptance testing. During the testing period, the Contractor shall provide the required technical staff as a resource to collaborate and support the OLG's acceptance testing.
- (f) Entry and Exit Criteria. OLG shall consider that the Lottery System is ready for acceptance testing once all hardware and software items are installed and configured in accordance with the signed Functional Requirements Specifications (FRS). The OLG shall have successfully completed testing when all components of the System have been tested and all significant issues identified during testing are resolved by the Contractor and validated by the OLG. The Contractor and the OLG shall develop and agree upon detailed UAT exit criteria that shall be met prior to System 5 sign off.

C.13.5 Project Reporting and Monitoring

The Contractor shall provide a dedicated on-site account manager, approved by the OLC, for the implementation. The Contractor shall provide a project team structure, process, and tools that facilitate OLG oversight of the implementation. Regular reporting, walkthroughs, and project status meetings are required. The Contractor shall provide suitable access to project records to enable OLG staff to monitor project management tasks, schedules, and issues. This requirement begins with conversion and continues throughout the Contract.

C.13.6 Historical Data

The Contractor shall have available a minimum of eighteen (18) months of pre-existing Lottery games sales and operating data so that the OLG and the retailers shall see a continuity of data in displays and reports from before, during, and after the start-up day.

GLOSSARY OF TERMS

This Glossary assigns definitions to the listed terms. The definition given to a term listed in this Glossary applies whenever the term appears in this Contract and in any attachments to this Contract.

- **Acceptance:** Written approval from the OLC transmitting notice to the Contractor that the OLG has evaluated the performance of an action by the Contractor as meeting the acceptance criteria and the OLG's requirements. In the absence of defined acceptance criteria, acceptance testing shall be in the OLC's reasonable discretion.
- **Add-On Wager:** The cost to participate in an optional feature of an iLottery Game. It is incremental to the cost of the Base Wager.
- **Anti-Money Laundering (AML):** The legal controls that require financial institutions and other regulated entities to prevent, detect and report money-laundering activities.
- **Applicable Laws:** All applicable State, Federal, and local laws and ordinances.
- **Application Lottery Software:** The games, wager types and other applications that are designed and implemented pursuant to the requirements in this Contract and are intended to be executed in conjunction with the Contractor's Base Lottery Software.
- **Auto-Failover:** Capability for the System to recover from failures without operator intervention.
- **Back-Up Data Center:** The back-up computer facility which is maintained and operated by the Contractor.
- **Base Lottery Software:** The software to be provided by the Contractor, including all necessary functionality to meet the OLG's requirements in a base system and the ability to add new applications for new games and wager types.
- **Base Wager:** The initial, or required, cost to participate in an iLottery Game.
- **Business Day:** A working day occurring Monday through Friday except legal holidays observed by the District of Columbia.
- **Business Week, Accounting Week or Billing Period:** The period beginning at start of day on Wednesday and running through the end of the day the following Tuesday.
- **Centralized Gaming Services (CGS):** It is the mix of software and services that readily enables the integration of third-party, or Contractor, iLottery Games and Online Sports Wagering.
- **Channel Mix:** The digital distribution channels deployed to support iLottery such as web, mobile app or tablet app.

- **Checksum:** An algorithm-based method of determining the integrity and authenticity of a digital data object. Used to check whether errors or alterations have occurred during the transmission or storage of a data object.
- **Confidential Information:** All nonpublic proprietary information of the Contractor which is marked confidential, restricted, proprietary or with a similar designation.
- **Consumables:** Play slips, ticket stock, printer paper, printer ribbons, ink supply, toner, and any other operational supplies required by retailers to operate their terminals. The term "Consumables" does not include point of sale promotional items or instant tickets.
- **Content Management System (CMS):** This is a self-service tool that allows for content changes and publishing to Portals without technical knowledge or programming expertise.
- **Contracting Officer:** The Contracting Officer is the only official authorized to contractually bind the OLG through the signing of contract documents, including the Contract and any modifications and amendments to it.
- **Contracting Officer's Technical Representative (OLC):** The OLC is person designated by the Contracting Officer who is authorized to provide technical direction on the day-to-day performance. Technical direction includes clarifications and directions to the Contractor that assists the Contractor in accomplishing the requirements of the scope of work and shall be within the scope of work. The OLC shall not have the authority to make changes in the scope or terms and conditions of the Contract or to order extra goods or services beyond the quantities or time periods specified in the Schedule.
- **Control Objectives for Information and related Technology (COBIT):** A set of best practices (framework) for information management created by the Information Systems Audit and Control Association (ISACA), and the IT Governance Institute (ITGI).
- **Conversion:** The phase of the implementation project during which the existing System used by the OLG for games sales and management is replaced. During the conversion, data and files from the existing System shall be transferred, for continuity, to the new System.
- **Corporate Account:** Lottery retailer accounts that have a minimum of four (4) or more distinct OLG retail locations.
- **CSV File:** A file with records whose data fields are delimited by commas (Comma-Separated Values), and each record is a separate input line.
- **Customer Support Center (CSC):** This is the mix of facilities, hardware, software and services that is in place to handle all player inquiries.

- **Day:** A calendar day.
- **Deliverable:** A defined product or feature required by the Contract.
- **District:** The Government of the District of Columbia, the Office of the Chief Financial Officer and the OLG.
- **Downtime or Down:** The time during which a System is not functioning due to hardware, operating system or application program failure.
- **Drawing Day:** A day on which a drawing is held for any OLG terminal game.
- **Eastern Time:** Eastern Standard Time or Eastern Daylight Savings Time, as applicable.
- **EFT:** Electronic Funds Transfer through a bank employing the Automated Clearing House (ACH) network.
- **Engagement Features:** A general term used to describe common features and techniques used by digital games and sports wagering that successfully make them more interesting to players.
- **Executive Director:** The Executive Director of the Office of Lottery and Gaming
- **Facilities:** The facilities required to provide and support the retail network and/or system, including data centers, warehouses, repair depots, and any other such locations.
- **File:** A related collection of records containing a consistent set of data fields that describe an entity. A file can be processed by software representing an authorized user to add, modify, or delete records, or to generate a report or display of useful information. A file can be operated on as an object itself, for example to move it from one location to another, or to delete it.
- **First Read Rate:** A measure of reader performance, especially bar code reader performance. The measure indicates what proportion of times the reader returns a successful read of a legitimate code on the first try. The "first read" event is defined as the initial effort of an experienced user to read a code, occurring within approximately a two (2) second time window.
- **Free Play:** the award of a free play after the purchase of a set number of tickets.
- **Government:** The Government of the District of Columbia, the Office of the Chief Financial Officer and the OLG.

- **ICS:** The OLG's Internal Control System.
- **iLottery Games:** Digital versions of lottery games.
- **iLottery:** An offer of existing array of iLottery Games through modern digital channels of distribution.
- **Incident:** Any adverse event that compromises System data, System computer networks, or System security, including but not limited to loss of confidentiality of information, compromise of integrity of information, misuse of service, systems or information, denial of service, damage to systems, theft of systems or data storage components, and any other suspicious activity, event or situation related to security of information or information systems.
- **Instant Games:** Games sold on pre-printed tickets containing play and validation data under a latex coating or such other coating as may be approved by the OLG. Instant games shall be administered through the terminals and workstations provided by the Contractor.
- **Instant Ticket:** A ticket purchased for participation in an instant game.
- **Intellectual Property:** Patents, patent applications and certificates of invention; trade secrets; the protection of works of authorship or expression, including copyrights and future copyrights; and trademarks, service marks, logos, and trade dress; and similar equivalents under any laws or international conventions throughout the world.
- **Intellectual Property Rights:** The worldwide legal rights or interests evidenced by or embodied in: (i) any idea, design, concept, method, process, technique, apparatus, invention, discovery, or improvement, including any patents, trade secrets, and know-how; (ii) any work of authorship, including any copyrights, moral rights or neighboring rights; (iii) any trademark, service mark, trade dress, trade name, or other indicia of source or origin; (iv) domain name registrations; and (v) any other similar rights. The Intellectual Property Rights of a party include all worldwide legal rights or interests that the party may have acquired by assignment or license with the right to grant sublicenses.
- **International Organization for Standardization (ISO):** An international standards-setting body composed of representatives from over 150 countries. ISO is a non-governmental organization (NGO) that acts as a consortium with strong links to governments but also bridges to the private sector.
- **Kiosk Terminal:** A player-operated terminal capable of selling Lottery tickets and sports wagering transactions.

- **LSR:** A lottery sales representative of the OLG.
- **Lottery Communications Network:** A communications system provided by the Contractor which provides interface and compatibility between terminals, modems, data sets, lines or other communication media and the System, the backup data center and the ICS.
- **Lottery Equipment:** The hardware and other equipment to be provided by the Contractor to meet the OLG' s requirements for the operation of the lottery games, sports wagering and related services as required by this Contract.
- **System or System:** The system to be provided by the Contractor that includes the set of Lottery Software, Lottery Network, Lottery Equipment and any other components that perform all Lottery functions, including, but not limited to, sales, validations, inventory and retailer management, claims processing, marketing support, Instant Ticket warehousing and distribution, sports wagering, and reporting. These systems shall provide the ability to control, monitor and report all lottery activity, including sports wagering.
- **Lottery LAN:** A local area network (LAN) serving the offices of the OLG.
- **Lottery Management Application:** A subset of the System used to perform OLG management functions.
- **Lottery Software:** Includes both the Base Lottery Software and the Application Lottery Software.
- **Lottery Terminal:** The terminal installed at a Retailer location for the purpose of issuing and validating Sports Wagering Tickets, issuing and validating Terminal game Tickets, validating Instant Tickets and performing pack management and accounting functions and other functions as identified in the contract.
- **Lottery Tickets:** Includes instant and terminal game tickets.
- **Malware:** Generic term for (MALicious softWARE) that is designed to destroy, wreak havoc, hide potentially incriminating information, and/or disrupt and damage computer systems. It includes, but is not limited to: viruses, worms, Trojan horse programs, spyware, root kits, logic bombs, phishing threats, etc.
- **MICR Printer:** Magnetic Ink Character Recognition printers have the capability to print the special numbers and symbols on the bottom of checks. These printers use a special magnetic ink that allows check readers in the banking system to read checks as they are processed.

- **Mobile Applications and Other Digital Platforms:** Any mobile application or interactive platform approved by the Office for operation of iLottery Games and Online Sports Wagering.
- **Mobile iLottery App:** A native smartphone application for iLottery games.
- **Mobile iLottery Web:** A mobile browser user experience for iLottery games.
- **National Institute of Standards and Technology (NIST):** A federal technology agency that develops and promotes measurement, standards, and technology.
- **Near Real Time:** For Lottery purposes, near-real-time means that the transaction or data is available for use with no significant delay after accounting for processing time.
- **Net Instant Sales:** Gross sales minus promotional free tickets and adjustments for instant games.
- **Net Terminal Game Sales:** Gross sales minus cancellations, promotional free tickets and adjustments for terminal.
- **Net Sports Wagering Sales:** Gross sales minus cancellations, promotional free tickets and adjustments for sports wagering.
- **Notifications:** A data-driven and highly personalized communications to each player.
- **Office:** The Office of Lottery and Gaming (OLG).
- **Office of the Chief Financial Officer (OCFO):** Office of the Chief Financial Officer for the District of Columbia.
- **Terminal game Ticket:** A computer-generated ticket issued to a player as a receipt for the combination of numbers a player has selected, and generated on a Terminal game terminal on official OLG paper stock, by either selecting his or her own numbers or selecting Quick Pick, which is a random number generator operated by the computer. That ticket shall be the only acceptable evidence of the combination of digits, numbers, or symbols selected. A ticket may contain multiple plays, depending on the game.
- **Online Sports Wagering:** A sports wagering operation in which wagers on sports events are made through computers or mobile application on mobile devices or other approved interactive devices accepted through the System.

- **Operating Hours:** The period of time during a Day that the OLG designates, in its sole discretion, that instant and terminal game sales, validations, reporting, and management functions are available.
- **Other Services:** Charges for other commodities and/or services delivered outside of the Settlement of Funds.
- **Pack:** A pack of instant game tickets, with individual tickets uniquely numbered by virtue of game/pack/ticket identifiers. Packs contain varying numbers of tickets, depending on the game.
- **Person:** An individual, a partnership, a joint venture, a registered limited liability partnership, an association, a corporation, a limited liability company, a trust, an unincorporated organization or any other entity, business or enterprise, authorized to do business in the District of Columbia.
- **Personal Information:** All data relating to a registered player including name, address, date of birth, credit card and other payment details, credit rating, player history etc.
- **Play For Fun:** A production environment enabling CGS without functions such as wager logging or prize payment while still allowing a player to play a game for fun.
- **Play Slip:** A preprinted Optical Mark Reader (OMR) readable form used for marking a player's choices.
- **Play:** A single unit of purchase and consumption for a game or wager.
- **Player Data:** Player history, deposits as well as qualitative information surrounding the player including player segmentation, analytical profiling, etc.
- **Portal:** A primary user interface to serve as the gateway to players for core services such as account management and wager purchase and redemption.
- **Primary Data Center:** The computer facility that supports the System which is maintained and operated by the Contractor.
- **Production Operations:** The period of time when the System is operational offering players the ability to deposit, withdraw and play the games.
- **Promo or Free Play Dollars:** Free wagering funds issued to players, by the OLG. Any Promo Dollars are considered “used” once a player has redeemed Promo Dollars for Play.

- **Random Winner Technology (RWT):** Software that randomly determines winning and non-winning outcomes of Lottery Games that is continually certified by an accredited third-party.
- **Report:** Information produced by the System that is viewed via display, printed, or saved to a file depending on the needs of the OLG.
- **Retailer Master File:** The authority file containing the official list and data defining retailers.
- **Retailer:** A business licensed by the OLG to sell Lottery Tickets and/or conduct sports wagering.
- **RFID:** Radio Frequency Identification, a unique tagging technology to identify objects, in which the object responds to an inquiry radio signal from a reader by broadcasting its identification tag value.
- **Terminal Games:** Games sold through a computer network at retailer locations. The tickets are generated on demand of the customer.
- **Sales:** For purposes of calculating the compensation due to the Contractor, sales are defined as sold tickets, less any tickets that have been canceled, returned and less any promotional tickets or promotional coupons.
- **Sales Agent Billing Period:** The current billing period is Wednesday through Tuesday. The weekly billing period is subject to change at the sole discretion of the OLG.
- **Sales Agent:** An OLG sales agent, licensed by the OLG to sell Lottery Tickets and/or conduct sports wagering.
- **Sales Day:** The period of time the System support transactions from terminals at retailer locations, currently 6:00 a.m. to 11:00 p.m., seven (7) days a week, subject to future modifications.
- **Software Quality Assurance and Acceptance Testing:** The process by which the OLG separately tests any hardware or software changes to the System. Lottery QA represents the acceptance testing of the Contractor's products and is distinct from the Contractor's own quality assurance efforts.
- **Sports Wagering Event:** A sporting event as determined by the Office Executive Director as a sporting event on which a wager may be authorized by the Office of Lottery and Gaming.
- **Sports Wagering Ticket:** A printed record issued, or an electronic record maintained by the sports wagering system that evidences a wager on a sporting event.
- **Sports Wagering:** Accepting wagers on sporting events, or a portion of a sporting event, or on the individual performance statistics of an athlete in a sporting event or combination of sporting events,

including single game bets, teaser bets, parlays, over-under, money line, pools, exchange wagering, in-game wagering, in-play bets, proposition bets, straight bets, or other means by a system or method of wagering, including in-person at a Retailer or over the internet through websites or on mobile devices.

- **Subcontractor:** Any person other than an employee of the Contractor who is retained by the Contractor to perform any of the services specified in this Contract for compensation.
- **Substantial Subcontractor:** A subcontractor that performs an integral component to the Contractor's products or service, either by value or volume.
- **Support Services:** Products and services offered to assist the Contractor in managing a scalable and safe operation. These products and services are highly specialized and complex, requiring the skill set of a specialist company to assist in providing the product or service. Support Services include but are not limited to payment processing, geo-location, hosting, player identification/authentication, etc.
- **System:** A set of hardware, software, facilities, and procedural elements that provides useful services and which produces useful outputs. In this Contract there are numerous references to systems, inclusive of references to systems that are subsystems of other referenced systems. The immediate context and adjectives or labels define which system is being discussed. When used without other qualification, "System" refers to the comprehensive System (sports wagering, instant ticket and terminal game system) supplied by the Contractor.
- **Tax Withholdings:** Federal and State Tax Withholding.
- **Term:** The time period when the Contract is in effect.
- **Validation Code:** A security feature of instant tickets printed under the latex (or other coating). Also known as a VIRN (Void If Removed Number).
- **Validation:** Process by which winning tickets are checked against computer files, to ensure that the ticket presented is valid, and that it has not been redeemed previously. Validations apply to sports wagering, terminal game, and instant tickets.
- **Virtual Private Network (VPN):** A private data network that makes use of the public telecommunication infrastructure (e.g., Internet) or other unsecured network. The VPN maintains privacy through the use of a tunneling protocol and security procedures (e.g., encryption) for confidentiality and integrity of the data in transit.
- **Virtual Wagering Account (VWA):** This represents the player-specific management of funds available for use within the System.

- **Wager:** The staking or risking by a person of something of value upon an agreement or understanding that the person or another person shall receive something of value in the event of a certain outcome. The term wager does not include any activity governed by securities laws of the United States or the District of Columbia, a contract of indemnity or guarantee, a contract for insurance, or participation in any game or contest in which the participants do not stake or risk anything of value other than personal efforts of the participants in playing the game or contest or obtaining access to the internet, or points or credits that the sponsor of the game or contest provides to participants free of charge and that can be used or redeemed only for participation in games or contest offered by the sponsor.
- **Wager Pooling:** The capability to automatically sum wagers or portions of wagers for use of creating a progressive / pari-mutuel prize.
- **Working Days:** Business days occurring Monday through Friday except for the legal holidays observed by the Government of the District of Columbia. The terms "working days" and "business days" may be used interchangeably.
- **Works:** Any idea, design, concept, method, process, technique, apparatus, invention, discovery, or improvement, whether patentable or un-patentable, trade secrets, and know-how; any work of authorship (including any computer software, documentation, design documents, requirements, whether registered or unregistered), any trademark, service mark, trade dress, trade name, logo or other indicia of source or origin, domain name registrations and uniform resource locaters, (whether registered or unregistered), and any other similar materials, developed by Contractor or any third party for Contractor. Works shall include without limitation all Application Lottery Software and all enhancements, whether complete or incomplete, to the Base System.

SECTION D

PACKAGING AND MARKING

D.1 PACKAGING

All reports and deliverables that are in “hard copy” and physically transported through the U.S. mail or private courier services are to be securely packaged using the Contractor’s best practices.

D.2 MARKING

- D.2.1 Unless otherwise specified herein, all reports and deliverables delivered under this Contract must be plainly marked, stating the Contractor’s name, contract number and addressed to the recipient, including the name of the office or floor, and the recipient’s office telephone number as noted in the Contract.
- D.2.2 In case of carload lots, the Contractor shall tag the car, stating Contractor’s name and contract number. Any failure to comply with these instructions will place the material at the Contractor’s risk.
- D.2.3 Deliveries by rail, water, truck or otherwise, must be within the working hours and in ample time to allow for unloading and if necessary, the storing of the materials or supplies before closing time. Deliveries at any other time will not be accepted unless specific arrangements have been previously made with the contact person identified in the Contract at the delivery point.

SECTION E

INSPECTION, ACCEPTANCE AND WARRANTY OF SERVICES

E.1 INSPECTION

- E.1.1 All supplies and services provided by the Contractor under this contract shall be subject to inspection by the Contracting Officer's Technical Representative ("COTR") identified in Section G.1 (b).
- E.1.2 Inspection of Supplies
- (a) Definition. "Supplies," as used in this clause, includes, but is not limited to raw materials, components, intermediate assemblies, end products, and lots of supplies.
 - (b) The Contractor shall be responsible for the materials or supplies covered by this contract until they are delivered at the designated point, but the Contractor shall bear all risk on rejected materials or supplies after notification of rejection. Upon the Contractor's failure to cure within ten (10) days after date of notification, the District may return the rejected materials or supplies to the Contractor at the Contractor's risk and expense.
 - (c) The Contractor shall provide and maintain an inspection system acceptable to the District covering supplies under this contract and shall tender to the District for acceptance only supplies that have been inspected in accordance with the inspection system and have been found by the Contractor to be in conformity with contract requirements. As part of the system, the Contractor shall prepare records evidencing all inspections made under the system and the outcome. These records shall be kept complete and made available to the District during contract performance and for as long afterwards as the contract requires. The District may perform reviews and evaluations as reasonably necessary to ascertain compliance with this paragraph. These reviews and evaluations shall be conducted in a manner that will not unduly delay the contract work. The right of review, whether exercised or not, does not relieve the Contractor of the obligations under this contract.
 - (d) The District has the right to inspect and test all supplies called for by the contract, to the extent practicable, at all places and times, including the period of manufacture, and in any event before acceptance. The District will perform inspections and tests in a manner that will not unduly delay the work. The District assumes no contractual obligation to perform any inspection and test for the benefit of the Contractor unless specifically set forth elsewhere in the contract.
 - (e) If the District performs inspection or test on the premises of the Contractor or subcontractor, the Contractor shall furnish, and shall require subcontractors to furnish, without additional charge, all reasonable facilities and assistance for the safe and convenient performance of these duties. Except as otherwise provided in the contract, the District will bear the expense of District inspections or tests made at other than Contractor's or subcontractor's premises; provided, that in case of rejection, the District will not be liable for any reduction in the value of inspection or test samples.
 - (1) When supplies are not ready at the time specified by the Contractor for

inspection or test, the Contracting Officer may charge to the Contractor the additional cost of inspection or test.

(2) Contracting Officer may also charge the Contractor for any additional cost of inspection or test when prior rejection makes re-inspection or retest.

- (f) The District has the right either to reject or to require correction of nonconforming supplies. Supplies are nonconforming when they are defective in material or workmanship or otherwise not in conformity with contract requirements. The District may reject nonconforming supplies with or without disposition instructions.
- (g) The Contractor shall remove supplies rejected or required to be corrected. However, the Contracting Officer may require or permit correction in place, promptly after notice, by and at the expense of the Contractor. The Contractor shall not tender for acceptance corrected or rejected supplies without disclosing the former rejection or requirement for correction, and when required, shall disclose the corrective action taken.
- (h) If the Contractor fails to remove, replace, or correct rejected supplies that are required to be replaced or corrected within ten (10) days, the District may either (1) by contract or otherwise, remove, replace or correct the supplies and charge the cost to the Contractor or (2) terminate the contract for default. Unless the Contractor corrects or replaces the supplies within the delivery schedule, the Contracting Officer may require their delivery and make an equitable price reduction. Failure to agree to a price reduction shall be a dispute.
- (i) If this contract provides for the performance of District quality assurance at source, and if requested by the District, the Contractor shall furnish advance notification of the time (i) when Contractor inspection or tests will be performed in accordance with the terms and conditions of the contract, and (ii) when the supplies will be ready for District inspection.
- (j) The District request shall specify the period and method of the advance notification and the District representative to whom it shall be furnished. Requests shall not require more than 2 business days of advance notification if the District representative is in residence in the Contractor's plant, nor more than 7 business days in other instances.
- (k) The District will accept or reject supplies as promptly as practicable after delivery, unless otherwise provided in the contract. District failure to inspect and accept or reject the supplies shall not relieve the Contractor from responsibility, nor impose liability upon the District, for non-conforming supplies.
- (l) Inspections and tests by the District do not relieve the Contractor of responsibility for defects or other failures to meet contract requirements discovered before acceptance. Acceptance shall be conclusive, except for latent defects, fraud, gross mistakes amounting to fraud, or as otherwise provided in the contract.
- (m) If acceptance is not conclusive for any of the reasons in subparagraph (l) hereof, the District, in addition to any other rights and remedies provided by law, or under provisions of this contract, shall have the right to require the Contractor (1) at no increase in contract price, to correct or replace the defective or nonconforming supplies at the original point of delivery or at the Contractor's plant at the Contracting Officer's election, and in accordance with a reasonable delivery schedule as may be agreed upon between the Contractor and the Contracting Officer; provided, that the Contracting Officer may require a reduction in contract price if the Contractor fails to meet such delivery schedule, or (2) within a reasonable time after receipt by the Contractor of notice of defects or noncompliance, to repay such portion of the contract as is equitable

under the circumstances if the Contracting Officer elects not to require correction or replacement. When supplies are returned to the Contractor, the Contractor shall bear the transportation cost from the original point of delivery to the Contractor's plant and return to the original point when that point is not the Contractor's plant. If the Contractor fails to perform or act as required in (1) or (2) above and does not cure such failure within a period of 10 days (or such longer period as the Contracting Officer may authorize in writing) after receipt of notice from the Contracting Officer specifying such failure, the District will have the right to return the rejected materials at Contractor's risk and expense or contract or otherwise to replace or correct such supplies and charge to the Contractor the cost occasioned the District thereby.

E.1.3 Inspection of Services

- (a) Definition. "Services" as used in this clause includes services performed, workmanship, and material furnished or utilized in the performance of services.
- (b) The Contractor shall provide and maintain an inspection system acceptable to the District covering the services under this contract. Complete records of all inspection work performed by the Contractor shall be maintained and made available to the District during contract performance and for as long afterwards as the contract requires.
- (c) The District has the right to inspect and test all services called for by the contract, to the extent practicable at all times and places during the term of the contract. The District will perform inspections and tests in a manner that will not unduly delay the work.
- (d) If the District performs inspections or tests on the premises of the Contractor or subcontractor, the Contractor shall furnish, without additional charge, all reasonable facilities and assistance for the safety and convenient performance of these duties.
- (e) If any of the services do not conform to the contract requirements, the District may require the Contractor to perform these services again in conformity with contract requirements, at no increase in contract amount. When the defects in services cannot be corrected by performance, the District may require the Contractor to take necessary action to ensure that future performance conforms to contract requirements and reduce the contract price to reflect value of services performed. If the Contractor fails to promptly perform the services again or take the necessary action to ensure future performance in conformity to contract requirements, the District may (1) by contract or otherwise, perform the services and charge the Contractor any cost incurred by the District that is directly related to the performance of such services, or (2) terminate the contract for default.

E.2 ACCEPTANCE

Acceptance of all products and services provided under this contract shall be performed by the COTR. Acceptance means approval by the COTR of specific services as partial or complete performance of the contract.

E.3 WARRANTY OF SERVICES

- E.3.1 The time period for this warranty provision is the life of the contract plus all active options and extensions.

E.3.2 Warranty Provision:

- (a) Notwithstanding inspection and acceptance by the District or any provision concerning the conclusiveness thereof, the Contractor warrants that all services performed under this contract will, at the time of acceptance, be free from defects in workmanship and conform to the requirements of this contract. The Contracting Officer shall give written notice of any defect or nonconformance to the Contractor within 30 days from the date of discovery. This notice shall state either:
 - (1) That the Contractor shall correct or re-perform any defective or nonconforming services; or
 - (2) That the District does not require correction or reperformance.
- (b) If the Contractor is required to correct or reperform, it shall be at no cost to the District, and any services corrected or reperformed by the Contractor shall be subject to this clause to the same extent as work initially performed. If the Contractor fails or refuses to correct or reperform, the Contracting Officer may, by contract or otherwise, correct or replace with similar services and charge to the Contractor the cost occasioned to the District thereby, or make an equitable adjustment in the contract price.
- (c) If the District does not require correction or reperformance, the Contracting Officer shall make an equitable adjustment in the contract price.

SECTION F

PERIOD OF PERFORMANCE AND DELIVERABLES

F.1 TERM OF CONTRACT

F.1.1. The term of the Contract shall be as follows:

- (a) Base Paid Period. The base paid period shall begin the date of the Contracting Officer's signature and shall end 5 (five) years thereafter.

F.2 OPTION TO EXTEND THE TERM OF THE CONTRACT

F.2.1 The District may extend the term of this contract for a period of one (1), five (5) year option, or successive fractions thereof, by written notice to the Contractor before the expiration of the contract; provided that the District will give the Contractor preliminary written notice of its intent to extend before the contract expires. The preliminary notice does not commit the District to an extension. The exercise of this option is subject to the availability of funds at the time of the exercise of the option.

F.2.2 If the District exercises this option, the extended contract shall be considered to include this option provision.

F.2.3 The price for the option period shall be as specified in the Section B of the contract.

F.3 DELIVERABLES

F.3.1 The Contractor shall perform the activities required to successfully complete the District's requirements and submit each deliverable to the COTR identified in Section G in accordance with Section C and any Attachments.

F.3.2 The Contractor shall submit to the District, as a deliverable, the report described in Section I.31 that is required by the 51% District Residents New Hires Requirements and First Source Employment Agreement. If the Contractor does not submit the report as part of the deliverables, final payment to the Contractor shall not be paid pursuant to Section G.6.

SECTION G

CONTRACT ADMINISTRATION

G.1 CONTRACT ADMINISTRATORS

(a) Contracting Officer

- i. The Contracting Officer (or “CO”) for this contract is:

Drakus Wiggins
Contracting Officer
1100 4th St. SW Suite E610
Washington, DC 20024
Telephone: (202) 442-7121
Fax: 202-442-6454
E-mail address: drakus.wiggins@dc.gov

- ii. The Contracting Officer is the only official authorized to legally bind the District and make changes to the requirements, terms and conditions of this contract. Only the Contracting Officer can increase, decrease, extend or terminate this contract. All other changes are unauthorized.
- iii. The Contractor shall not comply with any order, directive or request that changes or modifies the requirements of this contract, unless issued in writing and signed by the Contracting Officer.
- iv. In the event the Contractor effects any change at the instruction or request of any person other than the Contracting Officer, the change will be considered to have been made without authority and no adjustment will be made in the contract price to cover any cost increase incurred as a result thereof.

(b) Contracting Officer Technical Representative (COTR)

- i. The COTR for this contract is:

Tracey Cohen
Chief Operating Officer
Office of the Chief Financial Officer
Office of Lottery and Gaming
2235 Shannon Place, SE, Washington, DC 20020
(202) 645-8970
tracey.cohen@dc.gov

- ii. The COTR is responsible for general administration of the contract and advising the Contracting Officer as to the Contractor’s compliance or noncompliance with the Contract. The COTR has the responsibility of ensuring the work conforms to the

requirements of the Contract and such other responsibilities and authorities as may be specified in the Contract. These include:

- a. Keeping the Contracting Officer fully informed of any technical or contractual difficulties encountered during the performance period and advising the Contracting Officer of any potential problem areas under the Contract;
 - b. Coordinating site entry for Contractor personnel, if applicable;
 - c. Reviewing invoices for completed work and recommending approval by the Contracting Officer if the Contractor's costs are consistent with the negotiated amounts and progress is satisfactory and commensurate with the rate of expenditure;
 - d. Reviewing and approving invoices for deliverables to ensure receipt of goods and services.
 - e. Timely processing of invoices and vouchers in accordance with the District's payment provisions; and
 - f. Maintaining a file that includes all Contract correspondence, modifications, records of inspections and invoice or vouchers.
- iii. The COTR does NOT have the authority to:
- a. Award, agree to, or sign any contract, delivery order or task order. Only the Contracting Officer shall make contractual agreements, commitments or modifications;
 - b. Grant deviations from or waive any of the terms and conditions of the Contract;
 - c. Increase the dollar limit of the Contract or authorize work beyond the dollar limit of the Contract,
 - d. Authorize the expenditure of funds by the Contractor;
 - e. Change the period of performance; or
 - f. Authorize the use of District property, except as specified under the Contract.
- iv. The Contractor will be fully responsible for any changes not authorized in advance, in writing, by the Contracting Officer; may be denied compensation or other relief for any additional work performed that is not so authorized; and may also be required, at no additional cost to the District, to take all corrective action necessitated by reason of the unauthorized changes.

G.2 INVOICE PAYMENT

- G.2.1 The District will make payments to the Contractor, upon the submission of proper invoices, at the prices stipulated in this contract, for supplies delivered and accepted or services performed and accepted, less any discounts, allowances or adjustments provided for in this contract.
- G.2.2 The District will pay the Contractor on or before the 30th day after receiving a proper invoice from the Contractor. The District reserves the right to conduct post payment reviews or audits.

G.2.3 Unless otherwise specified in this contract, and with presentation of a properly executed invoice:

- a) Payment will be made on completion and acceptance of each item for which the price is stated in the Pricing Schedule in Section B,
- b) Payment will be made on completion and acceptance of each percentage or milestone of work in accordance with the prices stated in the Pricing Schedule in Section B, or
- c) Payment may be made on partial deliveries of goods and services accepted by the District if the Contractor requests it and the amount due on the deliveries warrants it as determined by the District.

G.3 INVOICE SUBMITTAL

G.3.1 The Contractor shall create and submit payment requests in an electronic format through the DC Vendor Portal, <https://vendorportal.dc.gov>

G.3.2 The Contractor shall submit proper invoices on a monthly basis or as otherwise specified in Section G.4.

G.3.3 To constitute a proper invoice, the Contractor shall enter all required information into the Portal after selecting the applicable purchase order number which is listed on the Contractor's profile.

G.4 THE QUICK PAYMENT ACT

G.4.1 Interest Penalties to Contractors

G.4.1.1 The District will pay interest penalties on amounts due to the Contractor under the Quick Payment Act, D.C. Official Code § 2-221.01 *et seq.*, as amended, for the period beginning on the day after the required payment date and ending on the date on which payment of the amount is made. Interest shall be calculated at the rate of at least 1% per month. No interest penalty shall be paid if payment for the completed delivery of the item of property or service is made on or before the required payment date. The required payment date shall be:

G.4.1.1.1 The date on which payment is due under the terms of this contract;

G.4.1.1.2 Not later than 7 calendar days, excluding legal holidays, after the date of delivery of meat or meat food products;

G.4.1.1.3 Not later than 10 calendar days, excluding legal holidays, after the date of delivery of a perishable agricultural commodity; or

G.4.1.1.4 30 calendar days, excluding legal holidays, after receipt of a proper invoice for the amount of the payment due.

G.4.1.2 No interest penalty shall be due to the Contractor if payment for the completed delivery of goods or services is made on or before:

G.4.1.2.1 3rd day after the required payment date for meat or a meat product;

G.4.1.2.2 5th day after the required payment date for an agricultural commodity; or

G.4.1.2.3 15th day after any other required payment date.

G.4.1.3 Any amount of an interest penalty which remains unpaid at the end of any 30-day period shall be added to the principal amount of the debt and thereafter interest penalties shall accrue on the added amount.

G.4.2 Payments to Subcontractors

G.4.2.1 The Contractor shall take one of the following actions within seven (7) days of receipt of any amount paid to the Contractor by the District for work performed by any subcontractor under the contract:

G.4.2.1.1 Pay the subcontractor(s) for the proportionate share of the total payment received from the District that is attributable to the subcontractor(s) for work performed under the contract; or

G.4.2.1.2 Notify the CO and the subcontractor(s), in writing, of the Contractor's intention to withhold all or part of the subcontractor's payment and state the reason for the nonpayment.

G.4.2.2 The Contractor shall pay subcontractors or suppliers interest penalties on amounts due to the subcontractor or supplier beginning on the day after the payment is due and ending on the date on which the payment is made. Interest shall be calculated at the rate of at least 1% per month. No interest penalty shall be paid on the following if payment for the completed delivery of the item of property or service is made on or before the:

G.4.2.2.1 3rd day after the required payment date for meat or a meat product;

G.4.2.2.2 5th day after the required payment date for an agricultural commodity; or

G.4.2.2.3 15th day after any other required payment date.

G.4.2.3 Any amount of an interest penalty which remains unpaid by the Contractor at the end of any 30-day period shall be added to the principal amount of the debt to the subcontractor and thereafter interest penalties shall accrue on the added amount.

G.4.2.4 A dispute between the Contractor and subcontractor relating to the amounts or entitlement of a subcontractor to a payment or a late payment interest penalty under the Quick Payment Act does not constitute a dispute to which the District is a party. The District may not be interpleaded in any judicial or administrative proceeding involving such a dispute.

G.4.3 Subcontract requirements

- G.4.3.1 The Contractor shall include in each subcontract under this contract a provision requiring the subcontractor to include in its contract with any lower-tier subcontractor or supplier the payment and interest clauses required under paragraphs (1) and (2) of D.C. Official Code § 2-221.02(d).
- G.4.3.2 The Contractor shall include in each subcontract under this contract a provision that obligates the Contractor, at the election of the subcontractor, to participate in negotiation or mediation as an alternative to administrative or judicial resolution of a dispute between them.

G.5 ASSIGNMENT OF CONTRACT PAYMENTS

- G. 5.1 The Contractor may assign funds due or to become due as a result of the performance of this contract to a bank, trust company, or other financing institution.
- G.5.2 Any assignment shall cover all unpaid amounts payable under this contract and shall not be made to more than one party.
- G.5.3 Notwithstanding an assignment of contract payments, the Contractor, not the assignee, is required to prepare invoices. Where such an assignment has been made, the original copy of the invoice must refer to the assignment and must show that payment of the invoice is to be made directly to the assignee as follows:

“Pursuant to the instrument of assignment dated _____, make payment of this invoice to (name and address of assignee).”

G.6 FIRST SOURCE AGREEMENT REQUEST FOR FINAL PAYMENT

- G.6.1 For contracts subject to the 51% District Residents New Hires Requirement and First Source Employment Agreement, final requests for payment shall be accompanied by the report or a waiver of compliance pursuant to Section I.31.
- G.6.2 No final payment shall be made to the Contractor until the CFO has received the Contracting Officer’s final determination or approval of waiver of the Contractor’s compliance with 51% District Residents New Hires Requirement and First Source Employment Agreement requirements.

G.7 ORDERING CLAUSE

- G.7.1 Any supplies and services to be furnished in conjunction with this contract under a provision that the supplies or services must be ordered will be ordered by issuance of delivery orders, task orders, or purchase orders by the CO. Such orders may be issued during the term of this contract.
- G.7.2 All orders are subject to the terms and conditions of this contract. In the event of a conflict between an order and this contract, the contract shall control.

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Sports Betting, Lottery Gaming Systems and Related Services

G.7.3 If mailed, an order is considered "issued" when the District deposits the order in the mail. Orders may be issued by facsimile or by electronic commerce methods.

SECTION H

SPECIAL CONTRACT REQUIREMENTS

H.1 OLG APPROVAL OF STAFFING

The Contractor shall not employ or permit the employment of any unfit or unqualified person or persons not skilled in the tasks assigned to them by the contractor. The OLG shall review and approve all perspective employees, contractors, consultants or other persons assigned to provide services under this contract. The Contractor shall at all times employ sufficient labor to carry out functions and services in the manner and time prescribed by the Contract. The Contractor shall be responsible to the OLG for all acts and omissions of the Contractor's employees, agents (including, but not limited to, lobbyists) and subcontractors and the Contractor shall enforce strict discipline among the Contractor's employees, agents (including, but not limited to, lobbyists) and subcontractors performing the services under the Contract. Any person employed by the Contractor shall, at the written request of the OLG, and within the OLG's sole discretion, be removed immediately by the Contractor from work relating to the Contract.

H.2 SUBCONTRACTS

The Contractor hereunder shall not subcontract any of the Contractor's work or services to any subcontractor without the prior, written consent of the Contracting Officer in consultation with the COTR. Any such subcontract shall specify that the Contractor and the subcontractor shall be subject to every provision of this Contract. Notwithstanding any such subcontract approved by the District, the Contractor shall remain liable to the District for all Contractor's work and services required hereunder, including any work conducted by a subcontractor.

H.3 CERTIFIED BUSINESS ENTERPRISE SUBCONTRACTING REQUIREMENTS

H.3.1 Beneficiaries of all non-construction contracts for government-assisted projects in excess of \$250,000, unless a waiver has been approved by the Director of the Department of Small and Local Business Development in accordance with D.C. Code §2-218.51, are required to:

- (a) Subcontract at least 35% of the dollar volume to small business enterprises, as defined in D.C. Code §2-218.32; or
- (b) If there are insufficient qualified small business enterprises to completely fulfill the requirement set forth in H.3.1(a), then the subcontracting requirement may be satisfied by subcontracting 35% of the dollar volume to any qualified certified business enterprises, as defined in D.C. Code §§2-218.31-39a; provided, that all reasonable efforts shall be made to ensure that qualified small business enterprises are significant participants in the overall subcontracting work.
- (c) For each government-assisted project for which a certified business enterprise is utilized to meet the subcontracting requirements set forth above in H.3.1(a) or H.3.1(b), the certified business enterprise shall perform at least 35% of the contracting effort with its own organization and resources.

- (d) Beneficiaries certified as a small business enterprise, local business enterprise, or disadvantaged business enterprise shall not have to comply with Sections H.3.1(a) or H.3.1(b).

H.3.2

- (a) For each government-assisted project for which a certified business enterprise is selected as a Beneficiary and is granted points or a price reduction pursuant to D.C. Code §2-218.43 or is selected through a set-aside program, the certified business enterprise shall perform at least 35% of the contracting effort with its own organization and resources and, if it subcontracts, 35% of the subcontracted effort shall be with certified business enterprises.
- (b) For each government-assisted project for which a certified joint venture is selected as a Beneficiary and is granted points or a price reduction pursuant to D.C. Code §2-218.43 or is selected through a set-aside program, the certified business enterprise shall perform at least 50% of the contracting effort with its own organization and resources and, if it subcontracts, 35% of the subcontracted effort shall be with certified business enterprises.
- (c) For each government-assisted project of \$1 million or less for which a certified business enterprise is selected as a Beneficiary and is granted points or a price reduction pursuant to D.C. Code §2-218.43 or is selected through a set-aside program, the certified business enterprise shall perform at least 50% of the on-site work with its own workforce.

H.3.3 RESERVED.

H.3.4 A Beneficiary's subcontracting plan shall specify all of the following:

- (a) The name and address of the subcontractor;
- (b) A current certification number of the small or certified business enterprise;
- (c) The scope of work to be performed by the subcontractor; and
- (d) The price to be paid by the Beneficiary to the subcontractor.

H.3.5 No Beneficiary shall be allowed to amend the subcontracting plan except with the consent of the Director of the Department of Small and Local Business Development. Any reduction in the dollar volume of the subcontracted portion resulting from such amendment of the plan shall inure to the benefit of the District.

H.3.6 No multiyear contracts or extended contracts, which are not in compliance with D.C. Code §2-218.46 or this Section H.3 at the time of the contemplated exercise of the option or extension, shall be renewed or extended, and any such option or extension shall be void.

H.3.7 A Beneficiary shall submit within 15 days of contract award, to the Contracting Officer, project manager, District of Columbia Auditor and the Director of the Department of Small and Local Business Development (at compliance.enforcement@dc.gov) copies of the executed contracts with the subcontracts identified in the subcontracting plan. Failure to submit copies of the executed contracts shall render the underlying contract voidable by the District.

H.3.8 The Beneficiary shall provide written notice to the Department of Small and Local Business Development and District of Columbia Auditor upon the initiation and completion of a project.

H.3.9 Within 15 days after the end of each quarter, the Beneficiary shall provide a quarterly report to the Department of Small and Local Business Development (at compliance.enforcement@dc.gov), the Contracting Officer, project manager and the District of Columbia Auditor which shall include a list of each subcontractor identified in the subcontracting plan and for each subcontract:

- (a) The price to be paid by the contractor to the subcontractor;
- (b) A description of the goods procured or the services contracted for;
- (c) The amount paid by the contractor to the subcontractor under the subcontract; and
- (d) A copy of the fully executed subcontract, if it was not provided in a prior quarterly report. If not included, the Beneficiary shall not receive credit toward the subcontracting requirements of this section for that subcontract.

The Beneficiary shall go to <https://dslbd.dc.gov> □ Scroll down to SBE Forms under the section ‘Stay in Compliance’ □ Click on that link & select ‘District Agency Compliance’ in order to access the DSLBD forms for beneficiaries to use for reporting requirements. The Beneficiary may further contact DSLBD at (202) 727-3900 for instructions on SBE Forms.

H.3.10 The Beneficiary shall meet on an annual basis with the Department of Small and Local Business Development, the Contracting Officer, project manager and the District of Columbia Auditor to provide an update of the subcontracting plan for utilization of small business enterprises and certified business enterprises. The Department of Small and Local Business development shall provide the Beneficiary with a 30-day written notice of the meeting.

H.3.11 A Beneficiary and/or certified business enterprise subject to this section, that fails to meet the requirements of this section shall be subject to penalties set forth in D.C. Code §2-218.63.

H.3.12 RESERVED.

H.3.14 For purposes of this Section H.3, the term:

- (a) “Beneficiary” means a business enterprise that is the prime contractor or developer on a government-assisted project.
- (b) “Government-assisted project” means:
 - i. A contract executed by an agency on behalf of the District or pursuant to statutory authority that involves District funds or, to the extent not prohibited by federal law, funds that the District administers in accordance with a federal grant or otherwise;
 - ii. A project funded in whole or in part by District funds;
 - iii. A project that receives a loan or grant from a District agency;

- iv. A project that receives bonds or notes or the proceeds thereof issued by a District agency, including tax increment financing or payment in lieu of tax bonds and notes, or industrial revenue bonds;
- v. A project that receives District tax exemptions or abatements that are specific to the project and not to the nature of the entity undertaking the project, such as a religious institution or nonprofit corporation; or
- vi. A development project conducted pursuant to a disposition under section 1 of An Act Authorizing the sale of certain real estate in the District of Columbia no longer required for public purposes, approved August 5, 1939 (53 Stat. 1211; D.C. Official Code § 10-801).

H.3.15 Notwithstanding the requirements set forth in this Section H.3, a Beneficiary, and any other certified business enterprise subject to this section, shall fully comply with the requirements set forth in D.C. Code §§ 2-218.46, 2-218.51. If there is a conflict between the requirements set forth in this Section H.3 and D.C. Code §§ 2-218.46, 2-218.51, the requirements set forth in D.C. Code §§ 2-218.46, 2-218.51 shall govern.

H.4 WARRANTIES

- H.4.1 The Contractor warrants and agrees that it is lawfully organized and constituted under all federal, state and local laws, ordinances and other authorities of its domicile and is otherwise in full compliance with all legal requirements of its domicile.
- H.4.2 The Contractor warrants and agrees that it is of legal authority and capacity to enter into and perform under the Contract, and that it has the financial ability to perform its obligations under such Contract.
- H.4.3 The Contractor warrants and agrees that it has been duly authorized to operate and do business in all places where it will be required to do business under the Contract that it has obtained or will obtain all necessary licenses and permits required in connection with such Contract; and that it will fully comply with all laws, decrees, labor standards and regulations of its domicile and wherever performance occurs during the term of such Contract.
- H.4.4 The Contractor warrants and agrees that it has no present interest and shall not acquire any interest which would conflict in any manner with its duties and obligations under the Contract.
- H.4.5 The Contractor warrants and agrees that all systems analysis, systems design and programming pursuant to the Contract or for use in its performance thereunder has been and shall be prepared or done in a high quality, professional and competent manner using only qualified personnel.
- H.4.6 The Contractor further represents and warrants that all programs implemented in its performance under the contract shall meet the performance standards required thereunder and shall correctly and accurately perform their intended functions on the equipment supplied by the OLG or Contractor.

- H.4.7 The Contractor warrants and agrees that all services provided by it under the Contract shall be performed in a prompt, high quality, professional and competent manner using only qualified personnel.
- H.4.8 The Contractor warrants and agrees that its tickets, games, systems, platforms, goods and services shall in all respects conform to, and function in accordance with, the approved specifications and designs thereof.
- H.4.9 The Contractor warrants and agrees to pay any amount paid by the OLG and any amount incurred by the OLG as the result of a misprinted Terminal Game Ticket. Altered tickets are not misprinted tickets. If a Terminal Game appears to be a winner in all respects, but there is no computer record of the ticket, the Contractor warrants and agrees to pay any amount paid by the OLG and any amount incurred by the OLG as a result of the ticket for which there is no computer record.
- H.4.10 The Contractor warrants and agrees that it will not take any action inconsistent with any of the terms, conditions, agreements, or covenants set forth in this Contract without the express written consent of the OLG.
- H.4.11 The Contractor warrants and agrees that it shall keep all equipment in good condition and repair and shall not permit anything to be done that may materially impair the value thereof. The Contractor shall use such equipment only in the ordinary course of its performance under the Contract and shall not permit such equipment to be used in violation of any applicable law, regulation or policy of insurance. The Contractor agrees to develop a maintenance and replacement schedule subject to approval by the OLG and agrees to comply with that schedule.
- H.4.12 The Contractor warrants and agrees that it shall not sell, assign, lease, transfer, pledge, hypothecate, or otherwise dispose of any component of any goods, system proposed in the Contract or any interest therein, or permit any of it to become a fixture or accession to other goods or property without the prior written consent of the OLG.
- H.4.13 The Contractor warrants and agrees that (except to the extent expressly set forth herein) it shall at all times own the terminals and other components of the systems proposed by the contract, except telecommunications and the buildings to house its facilities, which it is permitted to lease, and shall keep the same free and clear of any and all security interests, liens, charges, levies, assessments or encumbrances. The Contractor shall in all instances protect and defend the systems from and against all claims, demands or legal proceedings brought or asserted by any party other than the OLG. Notwithstanding anything herein to the contrary, the above warranty provisions shall apply not only to the Contractor, but also to its subcontractor(s), joint Contractor(s), or any other party with whom it contracts, and the Contractor warrants and agrees that it will cause these parties to comply with these warranty provisions.
- H.4.14 The Contractor warrants and agrees that the System shall be free from any code which would, or is designed to, disable the System (or any component of the System) automatically after the passage of time or under the control of a person other than the OLG (such as a back door, time bomb, or drop dead device), and free from any code which would permit unauthorized access to the System (or any component of the System) such as a virus or trojan horse. Contractor's use of remote diagnostic software to disable any portion of the System (other than as necessary for

support or maintenance) or to gain unauthorized access to the System will be deemed a breach of this warranty.

- H.4.15 The Contractor warrants and agrees that the System delivered to the OLG under the Contract shall be free from any clock, counter, virus, or other limiting design or routine which will cause the System to be erased, made inoperable, or otherwise become incapable of being used by the OLG after being used a certain number of times, or after the lapse of a certain period of time, or after the occurrence or lapse of any other triggering event.
- H.4.16 The Contractor warrants that the System shall maintain the integrity of the data that is used or displayed by the System.
- H.4.17 The Contractor warrants that the System shall operate in a secure manner and shall be designed and operated so as to prevent intrusions and unauthorized use. The Contractor warrants that it shall immediately report to the OLG any intrusions or unauthorized uses of the System.
- H.4.18 Contractor warrants and represents that it has good and marketable title, and/or the right to license, all of the OLG Gaming System, free and clear of all liens, security interests, and other encumbrances.
- H.4.19 The Contractor warrants and agrees that its operations and the System are, and will continuously be, in compliance with all applicable requirements of any applicable law, statute, rule or regulation. Further, in the event of noncompliance, the contractor agrees to take all reasonable remedial measures at no additional cost to the OLG, to become compliant.
- H.4.20 The Contractor warrants and represents that it has no outstanding assignments, grants, licenses, encumbrances, obligations, or agreements which relate to the System (whether written, oral, or implied) and are inconsistent with the Contract, or the rights, duties, and obligations stated in the contract.

H.5 DISCLOSURE OF LITIGATION

Contractor shall provide the OLG with a complete disclosure of any material civil or criminal litigation or indictment either threatened or pending involving the Contractor. The Contractor shall also disclose any material litigation threatened or pending for subcontractors, consultants, and/or lobbyists. For purposes of this section, material refers to any action or pending action that a reasonable person knowledgeable in the gaming industry would consider relevant to any gaming operation or any development such a person would want to be aware of in order to stay fully apprised of the total mix of information relevant to the gaming industry and its operations. On a twice-yearly basis, Contractor shall notify the OLG about all threatened or pending litigation involving the Contractor's District of Columbia operations and all threatened or pending litigation that may be considered material to the overall operations of the Contractor.

H.6 END OF CONTRACT CONVERSION

- H.6.1 The OLG shall be solely responsible for the identification of and time for conversions (transfers) of Retail Sales Agent terminals, and the Contractor shall cooperate fully and in good faith in said

conversion (transfer). Cooperation may include, but not be limited to, sharing of liability files and cross-validation of winning tickets.

- H.6.2 The Contractor further shall remove all equipment and materials relating solely to the Contractor's system from each Retail Sales Agent location within fourteen (14) calendar days after conversion (transfer) of the location to the new system.
- H.6.3 The Contractor shall cooperate fully with the OLG throughout the period in which the administration of responsibilities under the Contract is transitioned or turned over to the OLG or third party. The Contractor shall continue the Contract services at a consistently high level without interruption during the turnover period. The Contractor shall support the successor, including the sharing of files, until the successor can maintain contract services at a consistently high level without interruption. The Contractor shall provide promptly and without delay, at no cost, copies of all current software specifications, data files, programs, job control language, program designs, procedures and all other elements required to install and operate the games in machine readable form and/or perform the other services required of the successor. Source coding along with all required technical, user and programmer documentation as the OLG may require shall also be provided promptly and without delay. The OLG will determine when the Contractor transition services are not necessary.
- H.6.4 Contractor shall cooperate fully, and in good faith, assist to the extent reasonable and practical in the conversion to any new system. For example, a Contractor shall cooperate in the conversion (transfer) process providing terminal hardware, software specifications and access to the telecommunications network as required. Through the conversion period, the Contractor shall provide sufficient experienced personnel, resources and facilities to assure that the system and services called for by the Contract are maintained at a high level of proficiency.

H.7 BACKGROUND INVESTIGATIONS AND OTHER INTEGRITY REQUIREMENTS

- H.7.1 The OLG may initiate investigations into the backgrounds of any of the Contractor's officers, principals, investors, owners, employees, subcontractors, or subcontractors' officers, principals, owners or employees, or any other associates of the Contractor(s) it deems appropriate. Such background investigations may include fingerprint identification by the Metropolitan Police Department and the Federal Bureau of Investigation.
- H.7.2 In order to facilitate the background investigations, the Contractor, including the parent or subsidiary of the Contractor, shall complete the OLG's Security Background Packet. The OLG reserves the right to require additional background information from any Contractor.
- H.7.3 The Contractor agrees that, during the term of the Contract and any renewal thereof, it shall be obligated to provide such information about its officers, directors, employees and owners, as well as all information about its subcontractors' officers, directors, employees and owners, as the OLG may prescribe. The Contractor also agrees that the OLG may conduct background investigations of such persons.

H.7.4 The District may also require that contractors (1) fully cooperate with official inquiries by responding to questions truthfully and under oath when required, whether orally or in writing, (2) provide documents and other information of official interest, and (3) attend integrity training.

H.8 DIVERSION, REASSIGNMENT AND REPLACEMENT OF KEY PERSONNEL

The key personnel specified in the contract are considered to be essential to the work being performed hereunder. Prior to diverting any of the specified key personnel for any reason, the Contractor shall notify the CO at least thirty (30) calendar days in advance and shall submit justification, including proposed substitutions, in sufficient detail to permit evaluation of the impact upon the contract. The Contractor shall obtain written approval of the CO for any proposed substitution of key personnel.

H.9 ADVISORY AND ASSISTANCE SERVICES

This contract is a “non-personal services contract”. The Contractor and the Contractor’s employees: (1) shall perform the services specified herein as independent contractors, not as employees of the government; (2) shall be responsible for their own management and administration of the work required and bear sole responsibility for complying with any and all technical, schedule, financial requirements or constraints attendant to the performance of this contract; (3) shall be free from supervision or control by any government employee with respect to the manner or method of performance of the service specified; but (4) shall, pursuant to the government’s right and obligation to inspect, accept or reject work, comply with such general direction of the CO, or the duly authorized representative of the CO as is necessary to ensure accomplishment of the contract objectives.

H.10 NO PURCHASE OF LOTTERY TICKETS OR SPORTS WAGERING

During the term of the Contract and any extensions thereof, Contractor’s personnel (including, but not limited to, partners, temporary employees, subcontractors and consultants) who are performing services directly under or related to the awarded contract, including members of their households, are prohibited from purchasing any the DC Lottery tickets, playing any DC Lottery games, claiming any DC Lottery prize, engaging in any DC Lottery promotions, engaging in sports wagering in the District of Columbia offered or regulated by the DC Lottery/OLG and claiming sports wagering winnings in the District of Columbia offered or regulated by the DC Lottery/OLG. The Contractor shall ensure that this requirement is made known to all personnel involved with the performance of this contract.

H.11 EFFECT OF TERMINATION

Upon any termination or expiration of the Contract, the following terms shall apply:

- (a) The licenses related to the operation of the gaming system, such as software or other intellectual property licenses, granted under the Contract shall remain in full force and effect.

- (b) The OLG may, at its option, purchase the Lottery Equipment at its depreciated value as determined by the lower of the GAAP (Generally Accepted Accounting Principles) basis or the Federal tax basis.
- (c) In the event that the contracts and assets related to the Lottery Communications Network have not been assigned by Contractor to the OLG, the Contractor shall immediately assign all such contracts and assets to the OLG. Upon such assignment, the Contractor shall provide a detailed inventory and network diagrams of the Lottery Communications Network, which shall include all components necessary for the operation of the Lottery Network. The Contractor's obligation to assign third party contracts is subject to the terms and conditions of those third party contracts.
- (d) The Contractor shall immediately surrender to the OLG all memoranda, notes, records, drawings, manuals, computer software and other documents or materials pertaining to the works, reports and other data or materials generated or developed by the Contractor for the OLG pursuant to this Contract, or furnished by the OLG to the Contractor, including all materials embodying any OLG confidential information, regardless of whether the works or material are complete or incomplete. This section shall apply to all materials made or compiled by the Contractor, as well as to all materials furnished to the Contractor by OLG or by anyone else that pertain to the works. For clarification purposes, nothing contained in this provision or Contract is intended to require, or otherwise result in, the transfer of ownership of anything owned by the OLG, the Contractor and/or any third party prior to the date of this Contract.
- (e) If the Contract is terminated for default by the OLG, the OLG shall be entitled to receive delivery of the source code for the System software from the source code escrow established pursuant to the requirements contained in the Contract.

H.12 CONTRACTOR SITE VISITS/INSPECTION

The OLG, shall have the free and unrestricted right, acting by itself or through its authorized representatives, to enter the premises of the Contractor or any subcontractor, and to enter any other sites involved in operation or support of the OLG, at all times to examine the system and to inspect and copy the records of the Contractor pertaining to the operation thereof. The Contractor agrees that it and its subcontractors shall implement all reasonable quality control and security procedures requested by the OLG or representatives as designated by the OLG. The site visits and inspections will be subject to Contractor's reasonable safety and security procedures.

H.13 NON-DISCLOSURE AGREEMENT

The Contractor shall maintain as confidential and shall not disclose to third parties without the OLG's prior written consent, any OLG information including, but not limited to, the OLG's business activities, practices, systems, conditions, products, services, public information and education plans and related materials, and game and marketing plans. The Contractor's nondisclosure requirements under this subsection shall not apply to any OLG materials that are (through no fault of the Contractor) already in the public domain at the time of the Contractor's receipt of such materials and/or where such disclosure is required by applicable law or regulation.

H.14 EQUIPMENT

The Contractor hereby represents and warrants that all equipment provided shall be free from defects in materials and workmanship, shall be merchantable and fit for the purpose for which it is intended, and shall meet or exceed the performance standards and specifications required by this Contract. Any equipment, or component thereof, used by the Contractor which does not conform to the foregoing shall be repaired or replaced by the Contractor without cost to the OLG in addition to other amounts the OLG may be entitled to in law or in equity, or as specified in the Contract.

H.15 PROGRAMS

- H.15.1 The Contractor represents and warrants that all systems analysis, systems design, and programming prepared or done, or to be prepared or done, by the Contractor, its subcontractors, or its officers, employees or agents has been and shall be prepared or done in a professional manner. The Contractor further hereby represents and warrants that all programs implemented in its performance herein shall meet the performance standards required hereunder and shall correctly and accurately perform their intended functions.
- H.15.2 The Contractor hereby warrants that all System software is maintainable and reusable. The Contractor warrants and represents that all software used by the Contractor in performance of any and all Contract requirements in the Lottery Software shall be written in languages that can be maintained and supported by the OLG and/or any third-party contractor. The Contractor hereby warrants that all Lottery Software shall be documented. The Contractor hereby warrants that all System software will be delivered in a format including both source code and object code, such that the System software can be readily modified, compiled, and maintained by the OLG and/or any third party contractor.
- H.15.3 Programming languages, tools, and methodologies used by the Contractor shall be approved as supportable by the OLG prior to their use by the Contractor. The Contractor shall support all software for the term of the Contract and any extension thereof. If the programming support software is not available in the open normal data processing market, other than the gaming industry, then the Contractor shall be required to supply compilers and all normal programming support software, which is available to the Contractor's software staff and training to persons designated by the OLG.
- H.15.4 The Contractor shall enter into a source code escrow agreement with the OLG and an escrow agent acceptable to the OLG for the source code and system and/or technical documentation for the System software (the "Source Code Escrow Agreement"). Contractor shall be responsible for all charges associated with the escrow of the source code. Contractor shall continuously maintain and perform all of its respective obligations in the Source Code Escrow Agreement in accordance with the terms of the Source Code Escrow Agreement. At a minimum, the Source Code Escrow Agreement shall provide for release of the source code to the OLG in the event of termination for cause and from any bankruptcy, insolvency, arrangement with creditors, failure to do business in the ordinary course, default on debt, of other indication of financial instability. The Source Code Escrow shall not permit the Contractor to give contrary instructions to the escrow agent in the event that the OLG sends the agent a certified letter indicating that a release condition has occurred. The OLG shall have full rights of inspection during the term of the

Source Code Escrow Agreement. The Contractor hereby grants the OLG, specifically the OLG, a non-exclusive perpetual license to use, have used, modify, have modified, compile, have compiled, execute, have executed, display, have displayed, and operate and have operated the source code for the System software as necessary to operate the Lottery. The OLG may allow access to the source code to third party contractors, but only if the OLG enters into a non-disclosure agreement with such third party requiring the third party to maintain the source code in confidence, not to use the source code for any purpose other than to support the OLG and naming the Contractor as a third party beneficiary of such non-disclosure agreement. The OLG's right to license any source code is expressly conditioned upon a release event under the Escrow Agreement. The Parties intend that the OLG shall have all rights afforded to licensees under section 365(n) of the U.S. Bankruptcy Code (and any successor thereto) in connection with any bankruptcy of Contractor.

H.16 EQUIPMENT AND SOFTWARE CORRECTIONS AND UPGRADES

H.16.1 Corrections:

The Contractor shall report any relevant deficiencies in licensed third party software used in the System and is responsible for ensuring that corrections from the supplier are incorporated in the configuration in a timely and responsible manner. At the time the Contractor is notified by a supplier that a release is scheduled to have support dropped, it is the Contractor's obligation to acquire and install an appropriate upgrade with the OLG's prior approval.

H.16.2 Workload Growth:

The Contractor shall provide the following equipment (i.e. computer hardware, terminals, all network communication equipment and monitoring devices) and software changes necessary to support the following:

- (a) Increased volumes of Terminal Game transactions shall be included in the Contractor's base price for the System.
- (b) Increased volumes of instant product distribution and sales shall be included in the Contractor's base price for the System.
- (c) Expanded requirements from multi-jurisdictional organizations in which the Lottery participates or elects to participate in the future shall be included in the Contractor's base price for the System.

H.16.3 Reporting Changes:

All software and stored procedure changes for scheduled administrative reports, ad hoc reports, screen displays, processing options, and other features required for the OLG to manage the gaming system, meet reporting obligations, and respond to new business needs or rules, are included. This Section shall pertain to any expanded reporting necessary for management information terminals, as well as to the interface reporting necessary for accurate tracking by Lottery staff for service and repair calls.

H.16.4 Other Changes:

Changes and enhancements to the equipment and software identified in the contract and current requirements and which are not otherwise accommodated by the Pricing Method and Options detailed in the Contract, such as additional terminal peripherals, game enhancements, game options, promotions, new games, new terminal types, new administrative reporting or changes to existing administrative reporting and new retailer user interface features, will be handled as follows:

- (d) Software changes are included in the base price, even if additional developments are required to create or adapt software for the OLG's needs; and,
- (e) Capital equipment, facilities, third-party licenses, or substantive service additions or changes will have their pricing negotiated with the OLG.

H.17 ATTACHMENT OF THIRD PARTY SYSTEMS, TERMINALS OR PRODUCTS

H.17.1 The OLG reserves the right to require the Contractor to allow any required access to, and to provide support to, the OLG and to an OLG Contractor or Retail Sales Agent in attaching to the System or otherwise installing terminals, terminal peripherals, products, or systems other than those required by this Contract. The Contractor may protect its proprietary information through the execution of a commercially reasonable non-disclosure agreement by the third party contractor. Provisions that will cause a non-disclosure agreement to be commercially unreasonable shall be at the discretion of the Contracting Officer.

H.17.2 The Contractor shall supply to the OLG specifications to permit other products other than products produced by the Contractor to carry out all functions and capabilities required by the OLG. The Contractor shall provide required support and access to the OLG and to an OLG Contractor or Sales Agent for additional products including, but not limited to, providing facilities and support to allow other parties to attach, install and/or test products. The OLG will monitor progress to ensure full cooperation.

H.18 USUFRUCT

If, for any reason other than breach of Contract by the OLG, a Contractor shall lose its ability to provide service against the Contract, the OLG shall acquire a usufruct in all contractual items owned by the Contractor in conjunction with the Contract and which are necessary to provide such services. Said usufruct shall be limited to the right of the OLG to possess and make use of such contractual items solely for the use and benefit of the OLG in operating, maintaining, altering, replacing and improving the programs and systems being used by the OLG under the Contract. Such usufruct shall be limited in time to the duration of the Contract and any extension thereof, and in scope for programs, systems, and other items being used by the OLG under the Contract. In the event that the OLG determines that assumption of operations by the OLG may be pending, the Contractor shall not unreasonably withhold access to the System and shall reasonably comply with any OLG request for training in the operations of the System.

H.19 LIQUIDATED DAMAGES PROVISIONS

H.19.1 The goods and services to be provided under the Contract are not readily available on the open market. Further, any breach by the Contractor will delay and disrupt the OLG's operations and

will lead to damages. Therefore, the parties agree that the liquidated damages, as specified in all the sections below, are reasonable and are not to be construed as a penalty.

H.19.2 In no case shall liquidated damages be measured in terms of potential lost revenue or potential lost net profit to the OLG, unless and to the extent that a court of competent jurisdiction should determine that a liquidated damages provision is unenforceable as a matter of law.

H.19.3 Assessment of liquidated damages shall be in addition to, and not in lieu of, such other remedies as may be available to the OLG. Except and to the extent expressly provided herein, the OLG shall be entitled to recover liquidated damages under each section applicable to any given incident. Liquidated damages will not be assessed by the OCFO/OLG under multiple provisions relating to a single incident.

H.19.4 Notification of Liquidated Damages:

Upon determination that liquidated damages are to or may be assessed, the OLG shall notify the Contractor of the assessment in writing. The availability of any period of cure will depend on the situation and will be in the sole discretion of the OLG.

H.19.5 Conditions for Termination of Liquidated Damages:

The Contractor may obtain relief from the continued assessment of liquidated damages that have been imposed.

- (a) Except as waived in writing by the OLG, no liquidated damages imposed shall be terminated or suspended until the Contractor issues a written notice verifying the correction of the condition(s) for which liquidated damages were imposed, and all corrections have been subjected to system testing or other verification at the discretion of the OLG.
- (b) As appropriate, the Contractor shall conduct system testing of any correction, as the OLG deems necessary. Such testing shall be developed jointly by the OLG and the Contractor and shall be approved by the OLG specifically the OLG, including the test script, test environment, and test results. A notice of correction shall not be accepted until verification by the OLG.

H.19.6 Severability of Individual Liquidated Damages:

If any portion of the liquidated damages provisions is determined to be unenforceable in one or more applications, that portion remains in effect in all applications not determined to be invalid and is severable from the invalid applications. If any portion of the liquidated damages provisions is determined to be unenforceable, the other provision or provisions shall remain in full force and effect.

H.19.7 Waivers of Liquidated Damages:

The waiver of any liquidated damages due the OLG shall constitute a waiver only as to such liquidated damages and not a waiver of any future liquidated damages. Failure to assess

liquidated damages or to demand payment of liquidated damages within any period of time shall not constitute a waiver of such claim by the OLG.

H.19.8 Payment of Liquidated Damages:

All assessed liquidated damages for which a timely Notice of Dispute has not been received will be deducted from any moneys owed the Contractor by the OLG and, in the event the amount due the Contractor is not sufficient to satisfy the amount of the liquidated damages, the Contractor shall pay the balance to the OLG within thirty (30) calendar days of written notification. If the amount due is not paid in full, the balance will be deducted from subsequent payments to the Contractor. At the OLG's, specifically the OLG's sole option, the OLG may obtain payment of assessed liquidated damages through one (1) or more claims upon the Performance Bond. Notwithstanding the forgoing, the OLG may only draw upon the bond for payment of liquidated damages if the Contractor fails to pay liquidated damages within the required 30-day period, subject to any dispute resolution process provided for in this Contract.

H.19.9 Applicability of Liquidated Damages and Pro Rata Liquidated Damages:

The Contractor shall not be required to pay liquidated damages for delays solely due to matters as enumerated in the section entitled "Force Majeure," or for time delays specifically due to, or approved by, the OLG. The OCFO/OLG may waive liquidated damages if the Contracting Officer determines that events leading to the breach were caused by the OLG, its Retail Sales Agents, or third parties not under the reasonable control of the Contractor. In addition, the OCFO/OLG will not assess liquidated damages for communications failures caused by a common carrier (i.e. Verizon). In all of the following liquidated damages sections, the damages shall be pro-rated for partial periods. For example, if liquidated damages are six hundred dollars (\$600) per minute, and the period is eight (8) seconds, the liquidated damages shall be six hundred dollars (\$600) times $8/60 = \$80$.

H.19.10 Gaming Installation:

- (a) Condition. The Contractor shall complete all installation preparations as required, complete system testing to the OLG's satisfaction, pass the OLG's acceptance testing, comply with all other contractual requirements in effect during the implementation period, and achieve readiness for production operations.
- (b) Damages. The OLG may impose liquidated damages for each calendar day of delay as follows:
 - (1) Readiness for Start of the OLG Acceptance Testing. Up to one thousand dollars (\$1,000) per day, beginning one hundred and ninety (30) days prior to the Contract-agreed production start-up date.
 - (2) Successful Completion of OLG Acceptance Testing. Up to one thousand dollars (\$1,000) per day beginning thirty (30) days prior to the Contract-agreed production start-up date, when such delay is caused by the Contractor as a result of unresolved errors and issues encountered in acceptance testing.

- (3) Production Operations. Up to five thousand dollars (\$5,000) per day beginning with the Contract-agreed production start-up date. At start-up, all terminals, network, communications and system requirements shall be ready to go live.

H.19.11 **Missing Deliverables.** Up to one hundred dollars (\$100) per day for each and every failure to provide a deliverable, meet a requirement, or resolve an acceptance test problem pursuant to the Contract-agreed- project schedule until such is provided or performed.

H.19.12 **Terminal Provisioning: Moves, Adds, Deletions, Removals, Changes:**

- (c) Condition. The Contractor shall install, move and remove terminals (including their associated retailer-site peripherals and communications equipment) in accordance with the provisioning schedules that are agreed to by the Contractor and the OLG.
- (d) Damages. In the event that the Contractor fails to install a new terminal, delete or remove an existing terminal, conduct an outside move for a retailer or conduct an inside move for a retailer on the agreed-upon schedule, the OLG may impose liquidated damages of up to one hundred dollars (\$100) per day per terminal, or pro-rated fraction thereof, until provisioning is complete. For this section, a retailer terminal includes all associated peripherals and communications equipment.

H.19.13 **System Down:**

- (a) Condition. The central computer system shall be defined to be "down" if wagers cannot be sold, wagers cannot be canceled (under the allowed conditions), or winning wagers cannot be validated during the operational sales period each day. The total time during which the central computer system is down during the day shall be the sum of all time during such operational sales period when System is "down."
- (b) Damages. In the event that the System has been down, the OLG may impose liquidated damages as a result of the total time during each daily operational sales period that the System is down, except for the first three (3) minutes, according to the following schedule:
 - (1) Liquidated damages in an amount up to two hundred fifty dollars (\$250) may be assessed for each one (1) minute of system downtime, or prorated fraction thereof.
 - (2) In the event that two (2) downtime incidents in excess of three (3) minutes each have already occurred in a business week, the grace period of three (3) minutes shall be rescinded, and liquidated damages shall begin immediately with any subsequent outage in that week.

H.19.14 **System Degraded Performance:**

- (a) Condition. The System shall evidence "degraded performance" of no more than one (1) hour during the operational sales period on any day. The System shall be considered as having degraded performance when any of the following circumstances exists:

- (1) Retailer terminals exceed the average response time requirements, or the System is incapable of meeting the required throughput specifications;
 - (2) The System can process transactions from less than 95% of the installed and operational terminals;
 - (3) The System can process transactions from all terminals or digital platforms (Sports Wagering and iGaming, but not for all gaming products/categories and retailer-related activities);
 - (4) The System does not support activations, disables, settlements and validations of instant tickets;
 - (5) Transactions are not logged to at least two (2) local systems, one (1) remote system, and the OLG's ICS;
 - (6) Critical functions of System management and administration including, but not limited to, file transfers to the OLG that cannot be conducted by the management terminals;
 - (7) Instant ticket inventory management is compromised, including the ability to receive, order, pack, and ship instant tickets, etc. in a manner concordant with production schedules; or
 - (8) During a defined promotion period the System cannot issue tickets and conduct transactions to support an intended promotion.
- (b) Damages. In the event that the central system has "degraded performance" that collectively exceeds one (1) hour in a day, the OLG may impose liquidated damages as a result of the total time during each daily operational sales period that the central system is "degraded", except for the cure period of the first hour, according to the following schedule:
- (1) Liquidated damages in an amount up to two hundred fifty dollars (\$250) may be assessed for each minute of degraded time, or prorated fraction thereof.
 - (2) In the event that two (2) degraded performance incidents in excess of one (1) hour each have occurred in a business week, the grace period of one (1) hour shall be rescinded, and liquidated damages shall begin immediately with a subsequent degraded performance incident in that week.

H.19.15 Timely and Accurate Files:

- (a) Condition. The Contractor shall produce and deliver timely, sufficient and accurate files within the specified timeframes, as categorized and approved in writing by the OLG. The time schedule shall also determine a cure period for the delivery of late, incomplete, or incorrect files. Files will be categorized into three groups (A, B, and C) according to time criticality, and schedules and liquidated damages will reflect that.

- (1) Group A will consist of files needed to conduct a drawing, and without which a drawing will be delayed. Group A will include files for the Claims Proxy and Retailer Central applications. Group A has no cure period.
 - (2) Group B will consist of time-sensitive files including, but not limited to, those needed for the Electronic Funds Transfer (EFT) process and Retailer Maintenance. Group B will have a cure of two (2) hours.
 - (3) Group C will include files including, but not limited to, those needed for the public facing websites, mobile applications and various retailer update files, and will have a twelve (12) hour cure period.
- (b) Damages:
- (1) For each late, insufficient, or inaccurate file in Group A, once the approved cure period has passed, the OLG may impose liquidated damages up to five hundred dollars (\$500) per hour, or pro-rated fraction thereof, per file, until the file is provided, made sufficient or corrected.
 - (2) For each late, insufficient, or inaccurate file in Group B, once the approved cure period has passed, the OLG may impose liquidated damages up to one hundred dollars (\$100) per hour, or pro-rated fraction thereof, per file, until the file is provided, made sufficient or corrected.
 - (3) For each late, insufficient, or inaccurate file in Group C, once the approved cure period has passed, the OLG may impose liquidated damages up to twenty five dollars (\$25) per hour, or pro-rated fraction thereof, per file, until the file is provided, made sufficient or corrected.

H.19.16 Terminal/Retailer Site Communications Repair:

- (a) Condition. The Contractor shall ensure that “non-operational” terminals (and their associated peripherals and communications devices) are repaired or replaced and operational within four (4) hours of notification of a non-operational condition. (Repairs are required only during gaming operating hours and the operational hours of the sales agent at which the non-operational terminal is located.) A retailer terminal is considered non-operational if tickets cannot be sold, canceled (under allowable conditions) or validated. The terminal is considered inoperable or “down” if the reader and/or scanner cannot process wagers or play slips. Critical failures are those involving readers, scanners, keyboards, retailer display screens, etc. For less critical failures that do not render the terminal non-operational such as those defined above (e.g. the terminal’s advertising display is out of service), the Contractor has twenty-four (24) hours to complete a repair from the time of retailer notification. For purposes of this paragraph, “terminal” refers to the retailer terminal, all associated peripherals, and all retailer-site communications equipment. Current operating hours are 6:00 a.m. through 2:00 a.m. for selling and validations (Eastern US Time). The OCFO/OLG reserves the right to extend operating hours upon 90 days written notice to the Contractor.

(b) Damages:

- (1) If there has been a maintenance delay beyond the allowable four (4) minutes for non-operational terminals, the OLG may impose liquidated damages up to fifty dollars (\$50) per terminal per hour or pro-rated fraction thereof, excluding gaming system non-operating hours.
- (2) For terminals with other, less critical failures, the OLG may impose liquidated damages up to twenty-five dollars (\$25) per day or pro-rated fraction thereof, until a repair has been completed.
- (3) For chronic failures applying to individual retailers, in which the retailer terminal has failed and required a dispatch and repair three (3) times or more in any one (1) month or 30-day period (including terminal replacements), the OLG may impose liquidated damages up to one hundred dollars (\$100) per incident. Chronic failure does not apply under Force Majeure or tampering or abuse by the retailer or its customers.

H.19.17 Failure to Modify Existing Terminal Games or to Install Additional Games:

- (a) Condition. The Contractor shall modify existing games or install additional games and their supporting controls within one hundred twenty (120) days from delivery of approved game specifications, unless an extension is authorized in writing by the OLG. In addition, the Contractor's change shall complete an acceptance test and receive the OLG's written approval, within the timeframe specified.
- (b) Damages. The OLG may impose liquidated damages up to one thousand dollars (\$1,000) per day of delay that the modified or additional game is not installed. The Contractor is not obligated to pay liquidated damages if the OLG opts to release the change at a later time than the agreed-upon schedule.

H.19.18 Failure to Produce an Administrative Software Change:

- (a) Condition. The Contractor shall modify or add software to produce reports, screen displays, inquiries, and other administrative applications within sixty (60) days from delivery of approved specifications, unless an extension is authorized in writing by the OLG. The Contractor's change shall complete an acceptance test and receive the OLG's written approval, within the timeframe specified.
- (b) Damages. The OLG may impose liquidated damages up to one hundred dollars (\$100) per day of delay that the modified or additional software is not installed.

H.19.19 Failure to Support an Instant Ticket Game:

The Contractor shall ensure that instant ticket games are supportable, and if not, liquidated damages will ensue.

- (a) Condition. The System shall handle instant ticket transactions and produce reports for all instant games ordered by the OLG from its instant ticket supplier(s).

- (b) Damages. The OLG may impose liquidated damages of up to one thousand dollars (\$1,000) per day for any instant games for which the Contractor does not provide timely and/or correct instant ticket transaction handling and reporting.

H.19.20 Unauthorized Software and/or Hardware Modifications:

- (a) Condition. The Contractor shall not modify any software or hardware without the prior written approval of the OLG. In situations deemed to be an emergency by the OLG, the OLG may grant such permission to modify software or hardware by means of an email or text message.
- (b) Damages. If the Contractor modifies any software or hardware without the prior written approval of the OLG, the OLG may issue a written order that the change or modification be removed, and the System restored to its previous operating state at the Contractor's expense. "Modification" does not include replacement of a System component with an essentially similar working component in the event of necessary maintenance. Further, the OLG may impose liquidated damages up to one thousand dollars (\$1,000) per violation in addition to any other damages that may occur as a result of such unauthorized modification.

H.19.21 Unauthorized Access:

- (a) Condition. The Contractor shall preclude personnel not authorized by the OLG from accessing the OLG gaming system computer facilities, the computerized systems, and any gaming system data or software.
- (b) Damages. If the Contractor fails to preclude access by unauthorized personnel, the OLG may impose liquidated damages up to five thousand dollars (\$5,000) for each person and for each incident in violation. Each and every act that permits access by an unauthorized person is an incident.

H.19.22 Failure to Report Incidents:

- (a) Condition. It will be the responsibility of the Contractor to immediately report all significant incidents related to the operation of the System. The immediate reporting shall be delivered personally or by telephone within one (1) hour of the discovery of the incident, followed by a letter addressed to the OLG within twenty-four (24) hours of the incident. All written reports and notifications may be accurate and be sent by courier or facsimile copy directly to the OLG. At a minimum, each of the following types of events shall require a written report:
 - (1) System takeovers;
 - (2) Major communications failures;
 - (3) Significant operator errors;
 - (4) Out of balance conditions;

- (5) Emergency software or hardware changes;
 - (6) Security violations;
 - (7) Other conditions as defined by a memorandum of understanding; or
 - (8) Any situation that may cause the general public to become alarmed and/or that may damage the integrity, reputation or public image of the OLG.
- (b) Damages. In the event that the Contractor fails to report incidents or fails to accurately report incidents, the OLG may impose liquidated damages up to five hundred dollars (\$500) per day or pro-rated fraction thereof, until an incident is correctly reported.

H.19.23 Communications Network Outages:

The communication equipment and network provided by the Contractor shall be subject to liquidated damages for outages and degraded performance (rendering retailers unable to conduct ordinary business), with exception of outages and degraded performance caused by Contractor's Third-party communication providers. Failure of communications equipment at the retailer's premises shall be considered part of a terminal repair. The remainder of this paragraph addresses other network elements that are the obligation of the Contractor to provide or to arrange for, and to manage once installed. Failures may result in a systemic outage event affecting the network at large or affecting individual retailers. Liquidated damages apply to chronic conditions as well as events.

- (c) Condition:
- (1) The System loses connection to five percent (5%) or more of the retailer terminal network and there is a general outage of service for those retailers. This may be caused by failure of Contractor staff to correctly carry out their established duties in supporting or administering the network or by failure of a Contractor-specified protectively redundant network element to support a fail-over.
 - (2) Failure of the network infrastructure to provide continuously reliable service to retailers.
- (d) Damages
- (1) In the event that five percent (5%) or more of the communications network is down, the OLG may impose liquidated damages as a result of the total time during each daily operational sales period that the network is down, except for the first three (3) minutes, according to the following schedule:
 - (A) Liquidated damages in an amount up to one hundred dollars (\$100) may be assessed for each one (1) minute of network outage, or fraction thereof.
 - (B) In the event that two (2) network downtime incidents in excess of three (3) minutes each have already occurred in a business week, the grace

period of three (3) minutes shall be rescinded, and liquidated damages shall begin immediately with any subsequent outage in that week.

- (2) In the event that network availability, as measured on a monthly basis from the retailer's perspective, is less than the Service Level Agreement cited by the Contractor, liquidated damages may be assessed for that month at the rate of twenty-five dollars (\$25) per retailer terminal affected.

H.19.24 Failure to Provide Security Equipment and Secure Operating Procedures at the Primary and Secondary Sites (after approval by the OLG):

- (a) Condition. Failure of the Contractor fails to provide security equipment and secure operating procedures at the data center sites.
- (b) Damages. In the event that approved security equipment and secure procedures are not in place, liquidated damages of one hundred dollars (\$100) for each calendar day the approved security equipment and secure procedures are not in place may be imposed by the OLG.

H.19.25 Failure to Remedy Audit Recommendations:

- (a) Condition. If the Contractor fails to address recommendations made as a result of a System or operational audit, liquidated damages may be assessed.
- (b) Damages. In the event that audit recommendations addressing any of the Contractor's operational or system activities are not corrected within sixty (60) days of notification, unless specifically exempted by the OLG, the Contractor may be assessed liquidated damages of five thousand dollars (\$5,000) at the end of the initial 60-day period and an additional one thousand dollars (\$1,000) for each subsequent 30-day period or any portion thereof, for which the audit recommendation corrections have not been completed.

H.19.26 Failure to Provide Software Testing and Quality Software Turnover:

- (a) Condition. If the Contractor fails to provide a quality assurance test plan or a report on the quality assurance test, or fails to provide quality tested software, there will be liquidated damages assessed.
- (b) Damages. In the event that untested software is turned over for user acceptance testing and that the software does not meet the specifications standards established by the OLG, the Contractor may be assessed liquidated damages of one thousand dollars (\$1,000) for the first violation (return of the software) and two thousand dollars (\$2,000) for each subsequent violation (return of the software).

H.20 INTELLECTUAL PROPERTY SEARCH

The Contractor, at its expense, shall conduct all appropriate intellectual property searches (e.g., full trademark and service mark searches) for all proposed Works, and hold the OLG harmless from the infringement of such Works. The Contractor will be responsible for all the fees and

expenses incurred in connection with the registration of any Works. Ownership of such marks would be jointly owned between the OLG and the Contractor.

H.21 AUDIT REQUIREMENTS

The Contractor shall meet specific auditing obligations:

- (a) The Contractor shall be required to have a complete financial audit conducted annually. A copy of the Contractor's audited financial statements shall be provided to the OLG annually.
- (b) In addition, a complete internal control audit of the Contractor's District of Columbia operations shall be conducted annually by an independent certified public accounting firm chosen by the OLG. The Contractor shall pay for all audit services. The audit shall be conducted pursuant to SSAE 16, as issued by the American Institute of Certified Public Accountants as it may be updated or amended from time to time. The OLG reserves the right to specify the type of report and the control objectives to be examined as well as the accounting firm to perform the audit. The OLG reserves the right to designate the annual period to be covered by the report relating to the internal control audit. The Contractor agrees (i) to fully cooperate with any auditor retained to perform such audit; (ii) to generally release and waive any and all claims against auditor other than those based upon intentional misconduct occurring during such audit, and (iii) to indemnify and hold harmless any auditor retained to perform such audit. Contractor agrees that any such auditor is a direct and intended third party beneficiary of this provision.
- (c) The OLG's internal auditor or external auditors (and other designees) and the District of Columbia Office of the Chief Financial Officer will be given the right to review the work papers of the audits conducted by any independent certified public accounting firm, if considered necessary or desirable by the OLG.
- (d) The OLG's internal auditor and Contracting Officer shall be given a copy of all reports including any management letters issued as a result of the specified audits within ten (10) days of issuance.

H.22 RIGHT TO ADDITIONALLY AUDIT CONTRACTOR'S OPERATIONS

H.22.1 The OLG reserves the right to audit the Contractor's records and operations as they relate to the District of Columbia. The Contractor's records are subject to audit by the OLG, specifically the OLG, the Office of the Chief Financial Officer, the District of Columbia Auditor and the Office of the Inspector General. For the purpose of this provision, the OLG may examine all books, records, papers, electronic storage media or other objects, as well as data and systems that the OLG determines are necessary for conducting a complete examination. The Contractor shall retain all records, financial records, supporting documents, statistical records, and any other documents (including electronic storage media) pertinent to the contract for a period of three (3) years after termination of the contract, or if an audit has been initiated and audit findings have not been resolved at the end of three (3) years, the records shall be retained until resolution of the audit findings or any litigation which may be based on the terms of the contract. The OLG may also examine under oath any officer, director, or employee of the Contractor. The OLG may

conduct an examination at the principal office or any other office of the Contractor or may require the Contractor to produce the records at the office of the OLG, Office of the Chief Financial Officer or other OLG office.

H.22.2 The Contractor agrees (i) to fully cooperate with any auditor retained to perform such audit; (ii) to generally release and waive any and all claims against auditor other than those based upon intentional misconduct occurring during such audit, and (iii) to indemnify and hold harmless any auditor retained to perform such audit. Contractor agrees that any such auditor is a direct and intended third party beneficiary of this provision.

H.23 BONDS AND INSURANCE

All required bonds and insurance shall be issued by companies or financial institutions which are financially rated A-VIII or better as rated by A.M. Best Company and duly licensed, admitted, and authorized to do business in the District of Columbia. The Government of the District of Columbia shall be named as the Obligee in each required bond and as an Additional Insured in each required insurance contract. Except as otherwise expressly provided herein, required coverage shall remain in effect throughout the term of the Contract and provide adequate coverage for incidents discovered after termination of the contract. The Contractor shall submit certificates of insurance to the CO with a copy to the COTR specifically the COTR no later than January 1 of each year, except for the first year of the Contract in which the copies of the required certificates of insurance shall be submitted within fifteen (15) days after contract execution, or as otherwise provided herein. The OLG reserves the right to require the Contractor to provide copies of the required insurance contracts in addition to the certificates of insurance. The Contractor shall submit required bonds when and as provided in herein.

H.24 SELF INSURANCE

The Contractor may not elect to provide entirely or in part for the insurance/bond protections described in the contract through self-insurance. A deductible provision contained in an insurance policy that meets the requirements of the contract is not considered as self-insurance unless the deductible amount exceeds one percent (1%) of the face amount of the insurance policy.

H.25 PERFORMANCE BOND

H.25.1 The Contractor shall, provide a performance bond in the amount of eight million dollars (\$8,000,000).

H.25.2 The bond shall be maintained in full force and effect for the initial term and any and all renewal terms of the Contract. The bond may be renewable on an annual basis provided that the Contractor provides the OLG with a renewed bond that is immediately effective upon expiration of the prior bond. Such renewed bond shall be provided to the OLG prior to the expiration of the previous bond. The bond shall be forfeited to the OLG if the Contractor fails to perform as required by the Contract. Neither non-renewal by the surety, nor failure or inability of the Principal to file a replacement bond in the event the surety exercises its right to not renew this Bond, shall itself constitute a loss to the Obligee recoverable under this bond or any extension. If the Vendor defaults in the performance of its contractual obligations or if the Lottery incurs

damages due to the Vendor's breach of its duties, the surety shall have the option to cure the default or tender funds sufficient to pay the cost of completion, up to an amount not to exceed the penal sum of the bond. With the concurrence of the OLG, the surety may assume the remainder of the contract to perform or sublet.

H.25.3 The Contractor shall provide evidence of all required coverage under the performance bond within fourteen (14) days of contract award.

H.25.4 The OCFO/OLG may in its discretion accept a Non-Revocable Letter of Credit in lieu of a performance bond if it is issued by a financial institution that is acceptable to the OCFO/OLG and the Contracting Officer agrees, in writing, to the terms of the Non-Revocable Letter of Credit.

H.26 GENERAL LIABILITY INSURANCE

The Contractor shall maintain general liability insurance coverage in accordance with Section I.30.

H.27 PROPERTY INSURANCE

The Contractor shall maintain insurance on all buildings, furniture, fixtures, computer and communications equipment used in operating and supporting the Contractor's operation covering and, in an amount, equal to or greater than the actual replacement cost thereof. Coverage shall include an All Risk Property Floater to insure personal property including contents, equipment, and mobile items against fire, theft, collision, flood, etc. The OLG and its Retail Sales Agents will not be responsible for insuring any equipment or facilities included in or associated with the Contractor's operation. The Contractor shall provide the OLG with proof of such coverage no later than October 1st of each year the Contract is in effect.

H.28 ERRORS AND OMISSIONS INSURANCE

The Contractor shall maintain professional liability errors and omissions insurance in accordance with Section I.30. Coverage shall indemnify the OLG for direct loss due to computer error, machine error, system down time, hardware or software problems or errors, and any error or omission caused by the Contractor, its officers, employees, Sales Agents, or subcontractors of the Contractor. The Contractor shall provide the OLG with proof of such coverage no later than October 1st of each year the Contract is in effect.

H.29 CRIME INSURANCE

The Contractor shall maintain crime insurance in accordance with Section I.30, protecting the OLG against losses, including lost income, lost profits, extra expenses and other consequential losses suffered by the OLG, resulting from loss of property (including money, securities and OLG tickets) by robbery, burglary, or theft, or the loss of money, securities or OLG tickets because of destruction or disappearance. The Contractor shall provide the OLG with proof of such coverage no later than October 1st of each year the Contract is in effect. If contractor's crime insurance covers losses to the OLG due to acts of the contractor's officers and employees, then a separate fidelity bond is not required. However, if the crime insurance does not cover losses to the OLG as a result of acts by the contractor's employees, a fidelity bond is required.

H.30 CYBER RISK INSURANCE

The Contractor shall maintain cyber risk insurance in accordance with Section I.30

SECTION I

CONTRACT CLAUSES

I.1 LAWS AND REGULATIONS INCORPORATED BY REFERENCE

To the extent applicable, the provisions of the following acts, together with the provisions of applicable regulations made pursuant to said acts are hereby incorporated by reference into this contract; together with the laws and regulations of the District of Columbia:

- A. Contract Work Standards Act of August 13, 1962, also known as the Contract Work Hours and Safety Standards Act of 1962, 76 Stat. 357-360.
- B. Buy American Act, Act of March 3, 1983, c.212, Title III, 47 Stat. 1520, as amended.
- C. Walsh-Healy Public Contracts Act, Act of June 30, 1936, c.881, 49 Stat. 2036, as amended. (Applies only when contract is \$10,000 or more).
- D. Mayor's Order 85-85, dated June 10, 1985, as amended, entitled: "Compliance with Equal Opportunity Obligations in Contracts."
- E. Public Law 93-112, Rehabilitation Act of 1973, Section 504, as amended.
- F. Mayor's Order 83-265, dated November 9, 1983 entitled: Employment Agreement Goals and Objectives for all District of Columbia Projects."
- G. D.C. Law 5-93, dated May 9, 1984, the First Source Employment Agreement Act of 1984.
- H. Protecting Pregnant Workers Fairness Act of 2016, D.C. Official Code § 32-1231.01 et seq. (PPWF Act)
- I. Unemployed Anti-Discrimination Act of 2012, D.C. Official Code § 32-1361 et seq.
- J. Fair Criminal Record Screening Amendment Act of 2014, effective December 17, 2014 (D.C. Law 20-152)
- K. Title I of the Way to Work Amendment Act of 2006, effective June 8, 2006 (D.C. Law 16-118, D.C. Official Code §2-220.01 et seq.), as amended, ("Living Wage Act of 2006") which applies to all contracts for services in the amount \$100,000 or more in a 12-month period. The current living wage rate, the Living Wage Act Fact Sheet which includes exemption information, and the Living Wage Act Poster may be found at <http://does.dc.gov/service/wage-and-hour-compliance> or contact the Department of Employment Services at (202) 724-7000.

I.2 WAIVER

The waiver of any breach of the contract will not constitute a waiver of any subsequent breach thereof, or a waiver of the contract.

I.3 INDEMNIFICATION

- I.3.1 The Contractor agrees to defend, indemnify and hold harmless the District, its officers, agencies, departments, agents, and employees (collectively the “District”) from and against any and all claims, losses, liabilities, penalties, fines, forfeitures, demands, causes of action, suits, costs and expenses incidental thereto (including cost of defense and attorneys’ fees), resulting from, arising out of, or in any way connected to activities or work performed by the Contractor, Contractor’s officers, employees, agents, servants, subcontractors, or any other person acting for or by permission of the Contractor in performance of this Contract. The Contractor assumes all risks for direct and indirect damage or injury to the property or persons used or employed in performance of this Contract. The Contractor shall also repair or replace any District property that is damaged by the Contractor, Contractor’s officers, employees, agents, servants, subcontractors, or any other person acting for or by permission of the Contractor while performing work hereunder.
- I.3.2 The indemnification obligation under this section shall not be limited by the existence of any insurance policy or by any limitation on the amount or type of damages, compensation or benefits payable by or for Contractor or any subcontractor, and shall survive the termination of this Contract. The District agrees to give Contractor written notice of any claim of indemnity under this section. Additionally, Contractor shall have the right and sole authority to control the defense or settlement of such claim, provided that no contribution or action by the District is required in connection with the settlement. Monies due or to become due the Contractor under the contract may be retained by the District as necessary to satisfy any outstanding claim which the District may have against the Contractor.

I.4 TRANSFER

No contract or any interest therein shall be transferred by the parties to whom the award is made; such transfer will be null and void and will be cause to annul the contract.

I.5 TAXES

- (a) The Government of the District of Columbia is exempt from and will not pay Federal Excise Tax, Transportation Tax, and the District of Columbia Sales and Use Taxes.
- (b) Tax exemption certificates are no longer issued by the District for Federal Excise Tax. The following statement may be used by the supplier when claiming tax deductions for Federal Excise Tax exempt items sold to the District.

“The District of Columbia Government is Exempt from Federal Excise Tax –
Registration No. 52-73-0206-K, Internal Revenue Service, Baltimore, Maryland.”

Exempt from Maryland Sales Tax, Registered with The Comptroller of The Treasury –
Exemption No. 09339

“The District of Columbia Government is Exempt from Sales and Use Tax –
Registration No. 53-600, The District of Columbia Office of Tax and Revenue.”

I.6 OFFICIALS NOT TO BENEFIT

- I.6.1 Unless a determination is made as provided herein, no officer or employee of the District will be admitted to any share or part of this contract or to any benefit that may arise therefrom, and any contract made by the Contracting Officer or any District employee authorized to execute contracts in which they or an employee of the District will be personally interested shall be void, and no payment shall be made thereon by the District or any officer thereof, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit. A District employee shall not be a party to a contract with the District and will not knowingly cause or allow a business concern or other organization owned or substantially owned or controlled by the employee to be a party to such a contract, unless a written determination has been made by the head of the procuring agency that there is a compelling reason for contracting with the employee, such as when the District’s needs cannot reasonably otherwise be met.
- I.6.2 The Contractor represents and covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder. The Contractor further covenants not to employ any person having such known interests in the performance of the contract.

I.7 DISPUTES

- A. All disputes arising under or relating to this contract shall be resolved as provided herein.
- B. **Claims by a Contractor against the District**
Claim, as used in Section B of this clause, means a written assertion by the Contractor seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of contract terms, or other relief arising under or relating to this contract. A claim arising under a contract, unlike a claim relating to that contract, is a claim that can be resolved under a contract clause that provides for the relief sought by the claimant.
- (a) All claims by a Contractor against the District arising under or relating to a contract shall be in writing and shall be submitted to the Contracting Officer for a decision. The contractor’s claim shall contain at least the following:
- (1) A description of the claim and the amount in dispute;
 - (2) Any data or other information in support of the claim;
 - (3) A brief description of the Contractor’s efforts to resolve the dispute prior to filing the claim; and

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- (4) The Contractor's request for relief or other action by the Contracting Officer.
- (b) The Contracting Officer may meet with the Contractor in a further attempt to resolve the claim by agreement.
- (c) For any claim of \$100,000 or less, the Contracting Officer shall issue a decision within sixty (60) days from receipt of a written request from a Contractor that a decision be rendered within that period.
- (d) For any claim over \$100,000, the Contracting Officer shall issue a decision within ninety (90) days of receipt of the claim. Whenever possible, the Contracting Officer shall take into account factors such as the size and complexity of the claim and the adequacy of the information in support of the claim provided by the Contractor.
- (e) The Contracting Officer's written decision shall do the following:
 - (1) Provide a description of the claim or dispute;
 - (2) Refer to the pertinent contract terms;
 - (3) State the factual areas of agreement and disagreement;
 - (4) State the reasons for the decision, including any specific findings of fact, although specific findings of fact are not required and, if made, shall not be binding in any subsequent proceeding;
 - (5) If all or any part of the claim is determined to be valid, determine the amount of monetary settlement, the contract adjustment to be made, or other relief to be granted;
 - (6) Indicate that the written document is the contracting officer's final decision; and
 - (7) Inform the Contractor of the right to seek further redress by appealing the decision.
- (a) Any failure by the Contracting Officer to issue a decision on a contract claim within the required time period will be deemed to be a denial of the claim, and will authorize the commencement of an appeal.
- (g) (1) If a Contractor is unable to support any part of his or her claim and it is determined that the inability is attributable to a material misrepresentation of fact or fraud on the part of the Contractor, the Contractor shall be liable to the District for an amount equal to the unsupported part of the claim in

addition to all costs to the District attributable to the cost of reviewing that part of the Contractor's claim.

- (2) Liability under paragraph (g) (1) shall be determined within six (6) years of the commission of the misrepresentation of fact or fraud.
- (h) The decision of the Contracting Officer shall be final and not subject to review unless an appeal is timely commenced by the Contractor as authorized by Section 1021 of the OCFO Contracting Procedures for the Exempt Gaming Contract.
- (i) Pending final decision of an appeal, action, or final settlement, a Contractor shall proceed diligently with performance of the contract in accordance with the decision of the Contracting Officer.

C. Claims by the District against a Contractor

- (a) Claim as used in Section C of this clause, means a written demand or written assertion by the District seeking, as a matter of right, the payment of money in a sum certain, the adjustment of contract terms, or other relief arising under or relating to this contract. A claim arising under a contract, unlike a claim relating to that contract, is a claim that can be resolved under a contract clause that provides for the relief sought by the claimant.
- (b)
 - (1) All claims by the District against a Contractor arising under or relating to a contract shall be decided by the Contracting Officer.
 - (2) The Contracting Officer shall send written notice of the claim to the Contractor. The Contracting Officer's written decision shall do the following:
 - (a) Provide a description of the claim or dispute;
 - (b) Refer to the pertinent contract terms;
 - (c) State the factual areas of agreement and disagreement;
 - (d) State the reasons for the decision, including any specific findings of fact, although specific findings of fact are not required and, if made, shall not be binding in any subsequent proceeding;
 - (e) If all or any part of the claim is determined to be valid, determine the amount of monetary settlement, the contract adjustment to be made, or other relief to be granted;
 - (f) Indicate that the written document is the Contracting Officer's final decision; and

- (g) Inform the Contractor of the right to seek further redress by appealing the decision.
- (3) The decision shall be supported by reasons and shall inform the Contractor of its rights as provided herein.
- (4) The authority contained in this clause shall not apply to a claim or dispute for penalties or forfeitures prescribed by statute or regulation which another District agency is specifically authorized to administer, settle, or determine.
- (5) This clause shall not authorize the Contracting Officer to settle, compromise, pay, or otherwise adjust any claim involving fraud.
- (6) The decision of the Contracting Officer shall be final and not subject to review unless an appeal is timely commenced by the Contractor as authorized by Section 1031.
- (7) Pending final decision of an appeal, action, or final settlement, the Contractor shall proceed diligently with performance of the contract in accordance with the decision of the Contracting Officer.

I.8 CHANGES

- (a) The CO may, at any time, by written order, and without notice to the surety, if any, make changes in the contract within the general scope hereof. If such change causes an increase or decrease in the cost of performance of the contract, or in the time required for performance, an equitable adjustment shall be made. Any claim for adjustment for a change within the general scope must be asserted within ten (10) days from the date the change is ordered; provided, however, that the CO, if he or she determines that the facts justify such action, may receive, consider, and adjust any such claim asserted at any time prior to the date of final settlement of the contract. If the parties fail to agree upon the adjustment to be made, the dispute shall be determined as provided in **Section I.7 Disputes**.
- (b) The District shall not require the Contractor, and the Contractor shall not require a subcontractor, to undertake any work that is beyond the original scope of the contract or subcontract, including work under a District-issued change order, when the additional work increases the contract price beyond the not-to-exceed price or negotiated maximum price of the contract, unless the CO:
 - (1) Agrees with the Contractor, and if applicable the subcontractor, on a price for the additional work;
 - (2) Obtains a certification of funding to pay for the additional work;
 - (3) Makes a written, binding commitment with the Contractor to pay for the additional work within thirty (30) days after the Contractor submits a proper invoice; and
 - (4) Provides the Contractor with written notice of the funding certification.

- (c) The Contractor shall include in its subcontracts a clause that requires the Contractor to:
 - (1) Within five (5) business days of its receipt of notice of the approved additional funding, provide the subcontractor with notice of the amount to be paid to the subcontractor for the additional work to be performed by the subcontractor;
 - (2) Pay the subcontractor any undisputed amount to which the subcontractor is entitled for the additional work within ten (10) days of receipt of payment from the District; and
 - (3) Notify the subcontractor and CO in writing of the reason(s) the Contractor withholds any payment from a subcontractor for the additional work.
- (d) Neither the District, Contractor, nor any subcontractor may declare another party to be in default, or assess, claim, or pursue damages for delays until the parties agree on a price for the additional work.

1.9 TERMINATION FOR DEFAULT

- A. The District may, subject to the provisions of paragraph C., below, by written notice of default to the Contractor, terminate the whole or any part of this contract in any one of the following circumstances: (i) If the Contractor fails to make delivery of the supplies or to perform the services within the time specified within the project work plan or any extension thereof; or (ii) If the Contractor fails to perform any of the other provisions of this contract, or so fails to make progress as to endanger performance of this contract in accordance with its terms and in either of these two circumstances does not cure such failure within a period of ten (10) days (or such longer period as the Contracting Officer may authorize in writing) after receipt of notice from the Contracting Officer specifying such failure.
- B. In the event the District terminates this contract in whole or part as provided in paragraph A. above, the District may procure, upon such terms and in such manner as the Contracting Officer may deem appropriate, supplies or service similar to those so terminated; and the Contractor shall be liable to the District for any excess costs for similar supplies or services. Provided, that the Contractor shall continue the performance of this contract to the extent not terminated under provisions of this clause. The Contractor shall work with any subsequent contractor to ensure a smooth transfer of information for a period of sixty (60) days.
- C. Except with respect to defaults of subcontractors, the Contractor shall not be liable for any excess costs if the failure to perform the contract arises out of causes beyond the control and without the fault or negligence of the contractor. Such causes may include, but are not restricted to, acts of God or of public enemy, acts of the District or Federal Government in either their sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case the failure to perform must be beyond the control and without the fault or negligence of the Contractor. If the failure to perform is caused by the default of the subcontractor, and if such default arises out of causes beyond the control of both the Contractor and the subcontractor, and without the fault or negligence of either of them, the Contractor shall not be liable for any excess cost for failure to perform, unless the supplies or services to be furnished by the contractor were

obtainable from other sources in sufficient time to permit the Contractor to meet the required delivery schedule.

- D. If this contract is terminated as provided in paragraph A., above, the District in addition to any other rights provided in this clause, may require the Contractor to transfer title and deliver to the District, in the manner and to the extent directed by the Contracting Officer, (i) completed supplies, (ii) such partially completed supplies and materials, information, and contract rights (herein after called “manufacturing materials”) as the Contractor has specifically produced or specifically produced or specifically acquired for the performance being terminated; and the Contractor, shall, upon direction of the Contracting Officer, protect and preserve property in possession of the Contractor in which the District has an interest. Payment for completed supplies delivered to and accepted by the District shall be at the contract price. Payment for manufacturing materials delivered to and agreed upon by the Contractor and Contracting Officer; failure to agree to such amount shall be a dispute concerning a question of fact. The District may withhold from amounts otherwise due the Contractor for such completed supplies or manufacturing materials such sums as the Contracting Office determines to be necessary to protect the District against loss because of outstanding liens or claims of former lien holders.
- E. If, after notice of termination of this contract under the provisions of this clause, it is determined for any reason that the Contractor was not in default under the provision of this clause, or that the default was excusable under the provisions of this clause, the rights and obligations of the parties shall, if the contract contains a clause providing for a termination for convenience be the same as if the notice of termination had been issued pursuant to such clause. Section I.10 “Termination for Convenience.”
- F. The rights and remedies of the District provided in this clause shall not be exclusive and are in addition to any rights and remedies provided by law or under this contract.
- G. As used in paragraph C., above, the terms “subcontractor” and “subcontractors” means subcontractor(s) at any tier.

I.10 TERMINATION FOR CONVENIENCE

- (a) The District may terminate performance of work under this contract in whole or, from time to time, in part if the Contracting Officer determines that a termination is in the District’s interest. The Contracting Officer shall terminate by delivering to the Contractor a Notice of Termination specifying the extent of termination and effective date.
- (b) After receipt of a Notice of Termination, and except as directed by the Contracting Officer, the Contractor shall immediately proceed with the following obligations, regardless of any delay in determining or adjusting any amounts due under this clause:

- (1) Stop work as specified in the notice.

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- (2) Place no further subcontracts or orders (referred to as subcontracts in this clause) for materials, services, or facilities, except as necessary to complete the continued portion of the contract.
 - (3) Terminate all contracts to the extent they relate to the work terminated.
 - (4) Assign to the District, as directed by the Contracting Officer, all rights, title and interest of the Contractor under the subcontracts terminated, in which case the District will have the right to settle or pay any termination settlement proposal arising out of those terminations.
 - (5) With approval or ratification to the extent required by the Contracting Officer, settle all outstanding liabilities and termination settlement proposals arising from the termination of subcontracts. The approval or ratification will be final for purposes of this clause.
 - (6) As directed by the Contracting Officer, transfer title and deliver to the District (i) the fabricated or unfabricated parts, work in process, completed work, supplies, and other materials produced or acquired for the work terminated, and (ii) the completed or partially completed plans, drawings, information, and other property that, if the contract has been completed, would be required to be furnished to the District.
 - (7) Complete performance of the work not terminated.
 - (8) Take any action that may be necessary, or that the Contracting Officer may direct, for the protection and preservation of the property related to this contract that is in the possession of the Contractor and in which the District has or may acquire an interest.
 - (9) Use its best efforts to sell, as directed or authorized by the Contracting Officer, any property of the types referred to in subparagraph (6) above; provided, however, that the Contractor (i) is not required to extend credit to any purchaser and (ii) may acquire the property under the conditions prescribed by, and at prices approved by, the Contracting Officer. The proceeds of any transfer or disposition will be applied to reduce any payments to be made by the District under this contract, credited to the price or cost of the work, or paid in any other manner directed by the Contracting Officer.
- (c) After the expiration of ninety (90) days (or such longer period as may be agreed to) after receipt by the Contracting Officer of acceptable inventory schedules, the Contractor may submit to the Contracting Officer a list, certified as to quantity and quality of termination inventory not previously disposed of excluding items authorized for disposition by the Contracting Officer. The Contractor may request the District to remove those items or enter into an agreement for their storage. Within fifteen (15) days, the District will accept title to those items and remove them or enter into a storage agreement. The Contracting Officer may verify the list upon removal of the items, or if stored, within forty-five (45) days from submission of the list, and shall correct the list, as necessary, before final settlement.

(d) After termination, the Contractor shall submit a final termination settlement proposal to the Contracting Officer in the form and with the certification prescribed by the Contracting Officer. The Contractor shall submit the proposal promptly, but no later than one year from the effective date of termination, unless extended in writing by the Contracting Officer upon written request of the Contractor within this one-year period. However, if the Contracting Officer determines that the facts justify it, a termination settlement proposal may be received and acted on after one year or any extension. If the Contractor fails to submit the proposal within the time allowed, the Contracting Officer may determine, on the basis of information available, the amount, if any, due to the Contractor because of the termination and shall pay the amount determined.

(e) Subject to paragraph (d) above, the Contractor and the Contracting Officer may agree upon the whole or any part of the amount to be paid because of the termination. The amount may include a reasonable allowance for profit on work done. However, the agreed amount, whether under this paragraph (e) or paragraph (f) below, exclusive of costs shown in subparagraph (f)(3) below, may not exceed the total contract price as reduced by (1) the amount of payment previously made and (2) the contract price of work not terminated. The contract shall be amended, and the Contractor paid the agreed amount. Paragraph (f) below shall not limit, restrict, or affect the amount that may be agreed upon to be paid under this paragraph.

(f) If the Contractor and the Contracting Officer fail to agree on the whole amount to be paid because of the termination work, the Contracting Officer shall pay the Contractor the amounts determined by the Contracting Officer as follows, but without duplication of any amounts agreed on under paragraph (e) above:

(1) The contract price for completed supplies or services accepted by the District (or sold or acquired under subparagraph (b)(9) above) not previously paid for, adjusted for any saving of freight and other charges.

(2) The total of :

(i) The costs incurred in the performance of the work terminated, including initial costs and preparatory expense allocable thereto, but excluding any costs attributable to supplies or services paid or to be paid under subparagraph (f)(1) above;

(ii) The cost of settling and paying termination settlement proposals under terminated subcontracts that are properly chargeable to the terminated portion of the contract if not included in subparagraph (f)(1) above; and

(iii) A sum, as profit on subparagraph f(1) above, determined by the Contracting Officer to be fair and reasonable; however, if it appears that the Contractor would have sustained a loss on the entire contract had it been completed, the Contracting Officer shall allow no profit under this subparagraph (iii) and shall reduce the settlement to reflect the indicated rate of loss.

(3) The reasonable cost of settlement of the work terminated, including-

- (i) Accounting, legal, clerical, and other expenses reasonably necessary for the preparation of termination settlement proposals and supporting data;
 - (ii) The termination and settlement of subcontractors (excluding the amounts of such settlements); and
 - (iii) Storage, transportation, and other costs incurred, reasonably necessary for the preservation, protection, or disposition of the termination inventory.
- (g) Except for normal spoilage, and except to the extent that the District expressly assumed the risk of loss, the Contracting Officer shall exclude from the amounts payable to the Contractor under paragraph (f) above, the fair value as determined by the Contracting Officer, of property that is destroyed, lost, stolen, or damaged so as to become undeliverable to the District or to a buyer.
- (h) The Contractor shall have the right of appeal, under the Disputes clause, from any determination made by the Contracting Officer under paragraphs (d), (f) or (j), except that if the Contractor failed to submit the termination settlement proposal within the time provided in paragraph (d) or (j), and failed to request a time extension, there is no right of appeal. If the Contracting Officer has made a determination of the amount due under paragraph (d), (f) or (j), the District will pay the Contractor (1) the amount determined by the Contracting Officer if there is no right of appeal or if no timely appeal has been taken, or (2) the amount finally determined on an appeal.
- (i) In arriving at the amount due the Contractor under this clause, there shall be deducted:
- (1) All unliquidated advances or other payments to the Contractor under the termination portion of the contract;
 - (2) Any claim which the District has against the Contractor under this contract; and
 - (3) The agreed price for, or the proceeds of sale of, materials, supplies, or other things acquired by the Contractor or sold under the provisions of this clause and not recovered by or credited to the District.
- (j) If the termination is partial, the Contractor may file a proposal with the Contracting Officer for an equitable adjustment of the price(s) of the continued portion of the contract. The Contracting Officer shall make any equitable adjustment agreed upon. Any proposal by the Contractor for an equitable adjustment under this clause shall be requested within ninety (90) days from the effective date of termination unless extended in writing by the Contracting Officer.
- (k) (1) The District may, under the terms and conditions it prescribes, make partial payments and payments against costs incurred by the Contractor for the terminated

portion of the contract, if the Contracting Officer believes the total of these payments will not exceed the amount to which the Contractor shall be entitled.

(2) If the total payments exceed the amount finally determined to be due, the Contractor shall repay the excess to the District upon demand together with interest computed at the rate of 10 percent (10%) per year. Interest shall be computed for the period from the date the excess payment is received by the Contractor to the date the excess payment is repaid. Interest shall not be charged on any excess payment due to a reduction in the Contractor's termination settlement proposal because of retention or other disposition of termination inventory until 10 days after the date of the retention or disposition, or a later date determined by the Contracting Officer because of the circumstances.

(1) Unless otherwise provided in this contract or by statute, the Contractor shall maintain all records and documents relating to the terminated portion of this contract for 3 years after final settlement. This includes all books and other evidence bearing on the Contractor's costs and expenses under this contract. The Contractor shall make these records and documents available to the District, at the Contractor's office, at all reasonable times, without any direct charge. If approved by the Contracting Officer, photographs, micrographs, or other authentic reproductions may be maintained instead of original records and documents.

I.11 TERMINATION OF CONTRACTS FOR CERTAIN CRIMES AND VIOLATIONS

- A. The District may terminate without liability any contract and may deduct from the contract price or otherwise recover the full amount of any fee, commission, percentage, gift, or consideration paid in violation of this title if:
- (1) the Contractor has been convicted of a crime arising out of or in connection with the procurement of any work to be done or any payment made under this contract.
 - (2) There has been any breach or violation of the contract provision against contingent fees, Section I.32.
- B. If a contract is terminated pursuant to this section, the Contractor: (i) May be paid only the actual costs of the work performed to the date of termination, plus termination costs, if any; and (ii) shall refund all profits or fixed fees realized under the contract.
- C. The rights and remedies contained in this Clause are in addition to any other rights or remedies provided by law, and the exercise of any of them is not a waiver of any other right or remedy provided by law.

I.12 RESERVED.

I.13 NON-DISCRIMINATION CLAUSE

- (a) The Contractor shall not discriminate in any manner against any employee or applicant for employment that would constitute a violation of the District of Columbia Human

Rights Act, approved December 13, 1977, as amended (D.C. Law 2-38; D.C. Official Code §2-1402.11) (2001 Ed.) (“Act” as used in this Section). The Contractor shall include a similar clause in all subcontracts, except subcontracts for standard commercial supplies or raw materials. In addition, Contractor agrees and any subcontractor shall agree to post in conspicuous places, available to employees and applicants for employment, notice setting forth the provisions of this non-discrimination clause as provided in Section 251 of the Act.

- (b) Pursuant to rules of the Office of Human Rights, published on August 15, 1986 in the D.C. Register, Mayor’s Order 2002-175 (10/23/02), 49 DCR 9883 and Mayor’s Order 2006-151 (11/17/06), 52 DCR 9351, the following clauses apply to this contract:
- (1) The Contractor shall not discriminate against any employee or applicant for employment because of actual or perceived: race, color, religion, national origin, sex, age, marital status, personal appearance, sexual orientation, gender identity or expression, familial status, family responsibilities, disability, matriculation, political affiliation, genetic information, source of income, or place of residence or business. Sexual harassment is a form of sex discrimination which is prohibited by the Act. In addition, harassment based on any of the above protected categories is prohibited by the Act.
 - (2) The Contractor agrees to take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their actual or perceived: race, color, religion, national origin, sex, age, marital status, personal appearance, sexual orientation, gender identity or expression, familial status, family responsibilities, disability, matriculation, political affiliation, genetic information, source of income, or place of residence or business.

The affirmative action shall include, but not be limited to the following:

- (a) employment, upgrading or transfer;
 - (b) recruitment or recruitment advertising;
 - (c) demotion, layoff, or termination;
 - (d) rates of pay, or other forms of compensation; and
 - (e) selection for training and apprenticeship.
- (3) The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Agency, setting forth the provisions in subsections (b)(1) and (b)(2) concerning non-discrimination and affirmative action.

- (4) The Contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment pursuant to the non-discrimination requirements set forth in subsection (b)(2).
- (5) The Contractor agrees to send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided by the contracting agency, advising the said labor union or workers' representative of that contractor's commitments under this nondiscrimination clause and the Act, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- (6) The Contractor agrees to permit access to his books, records and accounts pertaining to its employment practices, by the Chief Procurement Officer or designee, or the Director of Human Rights or designee, for purposes of investigation to ascertain compliance with this chapter, and to require under the terms of any subcontractor agreement each subcontractor to permit access of such subcontractor's books, records, and accounts for such purposes.
- (7) The Contractor agrees to comply with the provisions of this chapter and with all guidelines for equal employment opportunity applicable in the District of Columbia adopted by the Director of the Office of Human Rights, or any authorized official.
- (8) The Contractor shall include in every subcontract the equal opportunity clauses, subsections (b)(1) through (b)(9) of this section, so that such provisions shall be binding upon each subcontractor or vendor.
- (9) The Contractor shall take such action with respect to any subcontract as the Contracting Officer may direct as a means of enforcing these provisions, including sanctions for noncompliance; provided, however, that in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or Contractor as a result of such direction by the Contracting Officer, the Contractor may request the District to enter into such litigation to protect the interest of the District.

I.14 SERVICE CONTRACT ACT OF 1965

Definitions:

“Act”, as used in this clause, means the Service Contract Act of 1965, as amended (41 U.S.C. 351- 358). “Contractor” as used in this clause, means the prime Contractor or any subcontractor at any tier. “Service employee” as used in this clause, means any person (other than a person employed in a bona fide executive, administrative, or professional capacity as defined in 29 CFR 541) engaged in performing a Government contract nor exempted under 41 U.S.C. 356, the principal purpose of which is to furnish services in the United States as defined

in section 22.1001 of the Federal Acquisition Regulation. It includes all such persons regardless of the actual or alleged contractual relationship between them and a contractor.

- A. **Applicability.** To the extent that the Act applies, this contract is subject to the following provisions and to all other applicable provisions of the Act and regulations of the Secretary of Labor (29CFR 4). All interpretations of the Act in Subpart C of 29 CFR 4 are incorporated in this contract by reference. This clause does not apply to contracts or subcontracts administratively exempted by the Secretary of Labor or exempted by 41 U.S.C. 356, as interpreted in Subpart C, 29 CFR 4.
- B. **Compensation:** (i) The Contractor shall pay not less than the minimum wage and shall furnish fringe benefits to each service employee under this contract in accordance with wages and benefits determined by the Secretary of Labor or the Secretary's authorized representative, as specified in any attachments to this contract; (ii) If there is an attachment, the Contractor shall classify any class of service employees not listed in it, but to be employed under this contract. The classification shall provide a reasonable relationship to those listed in the attachment. The Contractor shall pay that class wages and fringe benefits determined by agreement of the interested parties: The contracting agency, the Contractor, and the employees who will perform the contract or their representatives. If the interested parties do not agree, the Contracting Officer shall submit the question, with a recommendation for final determination to the Office of Government Contract Wage Standards, Wage and Hour Division Employment Standards Administration (ESA), and the Department of Labor. Failure to pay such employees the compensation agreed upon by the interested parties or finally determined by ESA is a contract violation. (iii) If the term of this contract is more than one (1) year, the minimum wages and fringe benefits required for service employees under this contract shall be subject to adjustment after 1 year and not less often than once every two (2) years under wage determinations issued by ESA.
- C. **Minimum Wage.** In the absence of a minimum wage attachment for this contract, the Contractor shall not pay any service or other employees performing this contract less than the minimum wage specified by section 6(a)(1) of the Fair Labor Standards Act of 1938, as amended (29 U.S.C. 206). Nothing in this clause shall relieve the Contractor of any other legal or contractual obligations to pay a higher wage to any employee.
- D. **Successor Contracts.** If this contract succeeds a contract subject to the Act under which substantially the same services were furnished and service employees were paid wages and fringe benefits provided for in a collective bargaining agreement, then, in the absence of a minimum wage attachment to this contract, the Contractor may not pay any service employee performing this contract less than the wages and benefits, including those accrued and any prospective increases, provided for under that agreement. No Contractor may be relieved of this obligation unless the limitations of 29 CFR 4.1c (b) apply or unless the Secretary of Labor or the Secretary's authorized representative - (i) Determines that the agreement under the predecessor was not the result of arms-length negotiations, or (ii) Finds, after a hearing under 29 CFR 4.10, that the wages and benefits provided for by that agreement vary substantially from those prevailing for similar services in the locality.

- E. **Notification to Employees.** The Contractor shall notify each service employee commencing work on this contract of the minimum wage and any fringe benefits required to be paid, or shall post a notice of these wages and benefits in a prominent and accessible place at the work site, using such poster as may be provided by the Department of Labor.
- F. **Safe and sanitary working conditions.** The Contractor shall not permit services called for by this contract to be performed in building or surroundings or under working conditions provided by or under the control or supervision of the Contractor that are unsanitary, hazardous, or dangerous to the health or safety of service employees. The Contractor shall comply with the health standards applied under 29 CFR Part 1925.
- G. **Records.** The Contractor shall maintain for three (3) years from the completion of the work, and make available for inspection and transcription by authorized ESA representatives, a record of the following:
- (i) For each employee subject to the Act –
 - (a) Name and address;
 - (b) Work classification or classifications, rate or rates of wages and fringe benefits provided;
 - (c) Rate or rates of payments in lieu of fringe benefits, and total daily and weekly compensation;
 - (d) Daily and weekly hours worked; and
 - (e) Any deductions, rebates, or refunds from total daily and weekly compensation.
 - (ii) For those classes of service employees not included in any wage determination attached to this contract, wage rates or fringe benefits determined by the interested parties or by ESA under the terms of paragraph (B)(iii) of this clause. A copy of the report required by paragraph (D) of this clause will fulfill this requirement.
- H. **Withholding of Payments and Termination of Contract:** The Contracting Officer shall withhold from the prime contractor under this or any other government contract with the prime contractor any sums the Contracting Officer, or an appropriate officer of the Labor Department, decides may be necessary to pay underpaid employees. Additionally, any failure to comply with the requirements of this clause may be grounds for termination for default.
- I. **Contractor's Report:** (i) If there is a wage determination attachment to this contract and any classes of service employees not listed on it are to be employed under the

contract, the Contractor shall report promptly to the Contracting Officer the wages to be paid and the fringe benefits to be provided each of these classes, when determined under paragraph C. of this clause. (ii) If wages to be paid or fringe benefits to be furnished any service employee(s) under the contract are covered in collective bargaining agreement effective at any time when the contract is being performed, the prime Contractor shall provide to the Contracting Officer a copy of the agreement and full information on the application and accrual of wages and benefits (including any prospective increases) to service employees working on the contract. The prime Contractor shall report when contract performance begins, in the case of agreements then in effect, and shall report subsequently effective agreements, provisions, or amendments promptly after they are negotiated.

- J. **Variations, tolerances, and exemptions involving employment:** Notwithstanding any of the provisions in this clause, the following employees may be employed in accordance with the following variations, tolerances, and exemptions authorized by the Secretary of Labor: (i) In accordance with regulations issued under Section 14, of the Fair Labor Standards Act of 1938 by the Administrator of the Wage and Hour Division, ESA(29 CFR 520, 521, 524 and 525), apprentices, student learners, and workers whose earning capacity is impaired by age or by physical or mental deficiency or injury, may be employed at wages lower than the minimum wages otherwise required by section 2(a)(1) or 2(b)(1) of the Service Contract Act, without diminishing any fringe benefits or payments in lieu of these benefits required under section 2(a)(2) of the Act. (ii) The Administrator will issue certificates under the Act for employing apprentices, and student learners, disabled persons, or disabled clients of sheltered workshops not subject to the Fair Labor Standards Act of 1938, or subject to different minimum rates of minimum wages, but without changing requirements concerning fringe benefits for supplementary cash payments in lieu of these benefits; (iii) The Administrator may also withdraw, annul, or cancel such certificates under 29 CFR 525 and 528; and (iv) an employee engaged in an occupation in which the employee customarily and regularly receives more than \$30 a month in tips credited by the employer against the minimum wage required by section 2(a)(1) of the Act or section 2(b)(1) of the Act, in accordance with regulations in 29 CFR 531. However, the amount of credit shall not exceed 40 percent of the minimum rate specified in section 6(a) (1) of the Fair Labor Standards Act of 1938, as amended.

I.15 RECOVERY OF DEBTS OWED THE DISTRICT

The Contractor hereby agrees that the District may use all or any portion of any consideration or refund due the Contractor under the present contract to satisfy in whole or part, any debt due the District.

I.16 NON-DISCLOSURE AGREEMENT

- A. The Contractor shall maintain as confidential, and shall not disclose to third parties without the District's prior written consent, any District information including, but not limited to, the District's business activities, practices, systems, conditions, products, services, public information and education plans and related materials, and game and marketing plans.

- B. The Contractor shall at all times obtain the prior written approval from the Contracting Officer before it, any of its officers, agents, employees or subcontractors, either during or after expiration or termination of the contract, make any statement, or issue any material, for publication through any medium of communication, bearing on the work performed or data collected under this contract.
- C. No information regarding the Contractor's performance of the contract shall be disclosed by the Contractor to anyone other than District Government officials unless written approval is obtained in advance from the Contracting Officer.
- D. The District shall ensure that its personnel do not disclose to any non-District person or organization information concerning the process the Contractor uses to provide services under the awarded contract.

I.17 RESERVED.

I.18 RIGHTS IN DATA

A. Definitions

1. "Products" - A deliverable under any contract that may include commodities, services and/or technology furnished by or through Contractor, including existing and custom Products, such as, but not limited to: a) recorded information, regardless of form or the media on which it may be recorded; b) document research; c) experimental, developmental, or engineering work; d) licensed software; e) components of the hardware environment; f) printed materials (including but not limited to training manuals, system and user documentation, reports, drawings); g) third party software; h) modifications, customizations, custom programs, program listings, programming tools, data, modules, components; and i) any intellectual property embodied therein, whether in tangible or intangible form, including but not limited to utilities, interfaces, templates, subroutines, algorithms, formulas, source code, and object code.
2. "Existing Products" - Tangible Products and intangible licensed Products that exist prior to the commencement of work under the contract. Existing Products must be identified on the Product prior to commencement of work or else will be presumed to be Custom Products.
3. "Custom Products" - Products, preliminary, final or otherwise, which are created or developed by Contractor, its subcontractors, partners, employees, resellers or agents for the District under the contract.
4. "District" – The District of Columbia and its agencies.

B. Title to Project Deliverables

The Contractor acknowledges that it is commissioned by the District to perform services detailed in the contract. The District shall have ownership and rights for the duration set forth in the contract to use, copy, modify, distribute, or adapt Products as follows:

1. Existing Products: Title to all Existing Licensed Product(s), whether or not embedded in, delivered or operating in conjunction with hardware or Custom Products, shall: (1) remain with Contractor or third party proprietary owner, who retains all rights, title and interest (including patent, trademark or copyrights). Effective upon payment, the District is granted an irrevocable, non-exclusive, worldwide, paid-up license to use, execute, reproduce, display, perform, adapt (unless Contractor advises the District in advance that adaptation will violate existing agreements or statutes and Contractor demonstrates such to the District's satisfaction) and distribute Existing Product to District users with all license rights necessary to fully effect the general business purpose(s) of the project or work plan or contract; and (2) be licensed in the name of the District. The District agrees to reproduce the copyright notice and any other legend of ownership on any copies authorized under this paragraph.

2. Custom Products: Effective upon Product creation, Contractor hereby conveys, assigns, and transfers to the District the sole and exclusive rights, title and interest in Custom Product(s), whether preliminary, final or otherwise, including all patent, trademark and copyrights. Contractor hereby agrees to take all necessary and appropriate steps to ensure that the Custom Products are protected against unauthorized copying, reproduction and marketing by or through Contractor.

3. Right after Termination: For a period of five (5) years after termination or expiration of the Contract, Contractor grants the District an irrevocable, non-exclusive, worldwide, paid-up license to use Existing Product solely for the purpose of accessing archived data.

3. Transfers or Assignments of Existing or Custom Products by the District

The District may transfer or assign Existing or Custom Products and the licenses thereunder to another District agency. Nothing herein shall preclude the Contractor from otherwise using the related or underlying general knowledge, skills, ideas, concepts, techniques and experience developed under a project or work plan in the course of Contractor's business.

4. Subcontractor Rights

Whenever any data, including computer software, are to be obtained from a subcontractor under the contract, the Contractor shall use this clause, **Rights in Data**, in the subcontract, without alteration, and no other clause shall be used to enlarge or diminish the District's or the Contractor's rights in that subcontractor data or computer software which is required for the District.

5. Source Code Escrow

1. For all computer software furnished to the District with the rights specified in section B.2, the Contractor shall furnish to the District, a copy of the source code with such rights of the scope as specified in section B.2 of this clause. For all computer software furnished to the District with the restricted rights specified in section B.1 of this clause, the District, if the Contractor either directly or through a successor or affiliate shall cease to provide the maintenance or warranty services provided the District under the contract or any paid-up maintenance agreement, or if the Contractor should be declared insolvent by a court of competent jurisdiction, shall have the right to obtain, for its own and sole use only, a single copy of the current version of the source code supplied under the contract, and a single copy of the documentation associated therewith, upon payment to the person in control of the source code the reasonable cost of making each copy.

2. If the Contractor or Product manufacturer/developer of software furnished to the District with the rights specified in section B.1 of this clause offers the source code or source code escrow to any other commercial customers, the Contractor shall either: (1) provide the District with the source code for the Product; (2) place the source code in a third party escrow arrangement with a designated escrow agent who shall be named and identified to the District, and who shall be directed to release the deposited source code in accordance with a standard escrow arrangement acceptable to the District; or (3) will certify to the District that the Product manufacturer/ developer has named the District as a named beneficiary of an established escrow arrangement with its designated escrow agent who shall be named and identified to the District, and who shall be directed to release the deposited source code in accordance with the terms of escrow.

3. The Contractor shall update the source code, as well as any corrections or enhancements to the source code, for each new release of the Product in the same manner as provided above, and certify such updating of escrow to the District in writing.

6. Indemnification and Limitation of Liability

The Contractor shall indemnify and save and hold harmless the District, its officers, agents and employees acting within the scope of their official duties against any liability, including costs and expenses, (i) for violation of proprietary rights, copyrights, or rights of privacy, arising out of the publication, translation, reproduction, delivery, performance, use or disposition of any data furnished under this contract, or (ii) based upon any data furnished under this contract, or based upon libelous or other unlawful matter contained in such data.

I.19 PATENTS

The Contractor shall hold and save the District, its officers, agents, servants and employees harmless from liability of any nature or kind, including costs, expenses, for or on account of any patented or unpatented invention, article, process, or appliance, manufactured or use in the performance of this contract, including their use by the District, unless otherwise specifically stipulated in this contract.

I.20 RESERVED

I.21 APPROPRIATION OF FUNDS

The District's liability under this contract is contingent upon the future availability of appropriated monies with which to make payment for the contract purposes. The legal liability on the part of the District for payment of any money shall not arise unless and until such monies shall have been provided. The District's obligation to pay under this contract is subject to the provisions of (i) the federal Anti-Deficiency Act, 31 U.S.C. §§1341, 1342, 1349, 1351; (ii) the District of Columbia Anti-Deficiency Act, D.C. Official Code §§ 47-355.01 – 355.08 (2001); (iii) D.C. Official Code § 47-105 (2001); and (iv) D.C. Official Code § 1-204.46 (2001), as the foregoing statutes may be amended from time to time. Any expenditures under the contract in excess of the encumbered budget authority are subject to appropriation or additional budget authority.

I.22 MULTIYEAR CONTRACT

If funds are not appropriated or otherwise made available for the continued performance in a subsequent year of a multiyear contract, the contract for the subsequent year shall be terminated, either automatically or in accordance with the termination clause of this contract. Unless otherwise provided for in this contract, the effect of termination is to discharge both the District and the Contractor from future performance of the Contract, but not from their existing obligations. The Contractor shall be reimbursed for the reasonable value of any nonrecurring costs incurred, but not amortized in the price of the supplies or services delivered under the Contract.

I.23 RESERVED

I.24 CONTRACTS IN EXCESS OF \$1 MILLION DOLLARS

Any contract in excess of one million dollars (\$1,000,000) within a 12-month period shall not be binding or give rise to any claim or demand against the District unless first approved by the Council of the District of Columbia and signed by the Contracting Officer.

I.25 CONTRACTS THAT CROSS FISCAL YEARS

Continuation of this contract beyond the current fiscal year is contingent upon future fiscal appropriations.

I.26 RESERVED

I.27 AMERICANS WITH DISABILITIES ACT OF 1990 (“ADA”)

During the performance of the contract, the Contractor and any of its subcontractors shall comply with the ADA. The ADA makes it unlawful to discriminate in employment against a qualified individual with a disability. See 42 U.S.C. § 12101 et seq.

I.28 FREEDOM OF INFORMATION ACT (“FOIA”)

The District of Columbia’s Freedom of Information Act, at D.C. Official Code § 2-532 (a)(3), requires the District to make available for inspection and copying any record produced or collected pursuant to a District contract with a private contractor to perform a public function, to the same extent as if the record were maintained by the agency on whose behalf the contract is made. If the Contractor receives a request for such information, the Contractor shall immediately send the request to the COTR designated in subsection G.1 who will provide the request to the FOIA Officer for the agency with programmatic responsibility in accordance with the D.C. Freedom of Information Act. If the agency with programmatic responsibility receives a request for a record maintained by the Contractor pursuant to the contract, the COTR will forward a copy to the Contractor. In either event, the Contractor is required by law to provide all responsive records to the COTR within the timeframe designated by the COTR. The FOIA Officer for the agency with programmatic responsibility will determine the releasability of the records. The District will reimburse the Contractor for the costs of searching and copying the records in accordance with D.C. Official Code § 2-532 and Chapter 4 of Title 1 of the *D.C. Municipal Regulations*.

I.29 RESERVED

I.30 INSURANCE

- A. GENERAL REQUIREMENTS. The Contractor at its sole expense shall procure and maintain, during the entire period of performance under this contract, the types of insurance specified below. The Contractor shall have its insurance broker or insurance company submit a Certificate of Insurance to the CO giving evidence of the required coverage prior to commencing performance under this contract. In no event shall any work be performed until the required Certificates of Insurance signed by an authorized representative of the insurer(s) have been provided to, and accepted by, the CO. All insurance shall be written with financially responsible companies authorized to do business in the District of Columbia or in the jurisdiction where the work is to be performed and have an A.M. Best Company rating of A- / VII or higher. The Contractor shall require all of its subcontractors to carry the same insurance required herein.

All required policies shall contain a waiver of subrogation provision in favor of the Government of the District of Columbia.

The Government of the District of Columbia shall be included in all policies required hereunder to be maintained by the Contractor and its subcontractors (except for workers’ compensation and professional liability insurance) as an additional insureds for claims against The Government of the District of Columbia relating to this contract, with the understanding that any affirmative obligation imposed upon the insured Contractor or its subcontractors (including without limitation the liability to pay premiums) shall be the sole obligation of the Contractor

or its subcontractors, and not the additional insured. The additional insured status under the Contractor's and its subcontractors' Commercial General Liability insurance policies shall be effected using the ISO Additional Insured Endorsement form CG 20 10 11 85 (or CG 20 10 07 04 **and** CG 20 37 07 04) or such other endorsement or combination of endorsements providing coverage at least as broad and approved by the CO in writing. All of the Contractor's and its subcontractors' liability policies (except for workers' compensation and professional liability insurance) shall be endorsed using ISO form CG 20 01 04 13 or its equivalent so as to indicate that such policies provide primary coverage (without any right of contribution by any other insurance, reinsurance or self-insurance, including any deductible or retention, maintained by an Additional Insured) for all claims against the additional insured arising out of the performance of this Statement of Work by the Contractor or its subcontractors, or anyone for whom the Contractor or its subcontractors may be liable. These policies shall include a separation of insureds clause applicable to the additional insured.

If the Contractor and/or its subcontractors maintain broader coverage and/or higher limits than the minimums shown below, the District requires and shall be entitled to the broader coverage and/or the higher limits maintained by the Grantee and subcontractors.

1. Commercial General Liability Insurance ("CGL") - The Contractor shall provide evidence satisfactory to the CO with respect to the services performed that it carries a CGL policy, written on an occurrence (not claims-made) basis, on Insurance Services Office, Inc. ("ISO") form CG 00 01 04 13 (or another occurrence-based form with coverage at least as broad and approved by the CO in writing), covering liability for all ongoing and completed operations of the Contractor, including ongoing and completed operations under all subcontracts, and covering claims for bodily injury, including without limitation sickness, disease or death of any persons, injury to or destruction of property, including loss of use resulting therefrom, personal and advertising injury, and including coverage for liability arising out of an Insured Contract (including the tort liability of another assumed in a contract) and acts of terrorism (whether caused by a foreign or domestic source). Such coverage shall have limits of liability of not less than \$1,000,000 each occurrence, a \$2,000,000 general aggregate (including a per location or per project aggregate limit endorsement, if applicable) limit, a \$1,000,000 personal and advertising injury limit, and a \$2,000,000 products-completed operations aggregate limit.
2. Automobile Liability Insurance - The Contractor shall provide evidence satisfactory to the CO of commercial (business) automobile liability insurance written on ISO form CA 00 01 10 13 (or another form with coverage at least as broad and approved by the CO in writing) including coverage for all owned, hired, borrowed and non-owned vehicles and equipment used by the Contractor, with minimum per accident limits equal to the greater of (i) the limits set forth in the Contractor's commercial automobile liability policy or (ii) \$1,000,000 per occurrence combined single limit for bodily injury and property damage.
3. Workers' Compensation Insurance - The Contractor shall provide evidence satisfactory to the CO of Workers' Compensation insurance in accordance with the statutory mandates of the District of Columbia or the jurisdiction in which the contract is performed.

Employer's Liability Insurance - The Contractor shall provide evidence satisfactory to the CO of employer's liability insurance as follows: \$500,000 per accident for injury; \$500,000 per employee for disease; and \$500,000 for policy disease limit.

All insurance required by this paragraph 3 shall include a waiver of subrogation endorsement for the benefit of Government of the District of Columbia.

4. Cyber Liability Insurance - The Contractor shall provide evidence satisfactory to the Contracting Officer of Cyber Liability Insurance, with limits not less than \$10,000,000 per occurrence or claim, \$20,000,000 aggregate. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Contractor in this agreement and shall include, but not limited to, claims involving infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion and network security. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to these obligations. This insurance requirement will be considered met if the general liability insurance includes an affirmative cyber endorsement for the required amounts and coverages.
5. Commercial Umbrella or Excess Liability - The Contractor shall provide evidence satisfactory to the CO of commercial umbrella or excess liability insurance with minimum limits equal to the greater of (i) the limits set forth in the Contractor's umbrella or excess liability policy or (ii) \$20,000,000 per occurrence and \$20,000,000 in the annual aggregate, following the form and in excess of all liability policies. **All** liability coverages must be scheduled under the umbrella and/or excess policy. The insurance required under this paragraph shall be written in a form that annually reinstates all required limits. Coverage shall be primary to any insurance, self-insurance or reinsurance maintained by the District and the "other insurance" provision must be amended in accordance with this requirement and principles of vertical exhaustion.

B. PRIMARY AND NONCONTRIBUTORY INSURANCE

The insurance required herein shall be primary to and will not seek contribution from any other insurance, reinsurance or self-insurance including any deductible or retention, maintained by the Government of the District of Columbia.

- C. **DURATION.** The Contractor shall carry all required insurance until all contract work is accepted by the District of Columbia, and shall carry listed coverages for ten years for construction projects following final acceptance of the work performed under this contract and two years for non-construction related contracts.
- D. **LIABILITY.** These are the required minimum insurance requirements established by the District of Columbia. **HOWEVER, THE REQUIRED MINIMUM INSURANCE REQUIREMENTS PROVIDED ABOVE WILL NOT IN ANY WAY LIMIT THE CONTRACTOR'S LIABILITY UNDER THIS CONTRACT.**

- E. **CONTRACTOR’S PROPERTY.** Contractor and subcontractors are solely responsible for any loss or damage to their personal property, including but not limited to tools and equipment, scaffolding and temporary structures, rented machinery, or owned and leased equipment. A waiver of subrogation shall apply in favor of the District of Columbia.
- F. **MEASURE OF PAYMENT.** The District shall not make any separate measure or payment for the cost of insurance and bonds. The Contractor shall include all of the costs of insurance and bonds in the contract price.
- G. **NOTIFICATION.** The Contractor shall ensure that all policies provide that the CO shall be given thirty (30) days prior written notice in the event of coverage and / or limit changes or if the policy is canceled prior to the expiration date shown on the certificate. The Contractor shall provide the CO with ten (10) days prior written notice in the event of non-payment of premium. The Contractor will also provide the CO with an updated Certificate of Insurance should its insurance coverages renew during the contract.
- H. **CERTIFICATES OF INSURANCE.** The Contractor shall submit certificates of insurance giving evidence of the required coverage as specified in this section prior to commencing work. Certificates of insurance must reference the corresponding contract number. Evidence of insurance shall be submitted to:

The Government of the District of Columbia

**And mailed to the attention of:
(Name of Contracting Officer/Agency)
(Address)
(Phone Number)
(E-mail Address)**

The CO may request and the Contractor shall promptly deliver updated certificates of insurance, endorsements indicating the required coverages, and/or certified copies of the insurance policies. If the insurance initially obtained by the Contractor expires prior to completion of the contract, renewal certificates of insurance and additional insured and other endorsements shall be furnished to the CO prior to the date of expiration of all such initial insurance. For all coverage required to be maintained after completion, an additional certificate of insurance evidencing such coverage shall be submitted to the CO on an annual basis as the coverage is renewed (or replaced).

- I. **DISCLOSURE OF INFORMATION.** The Contractor agrees that the District may disclose the name and contact information of its insurers to any third party which presents a claim against the District for any damages or claims resulting from or arising out of work performed by the Contractor, its agents, employees, servants or subcontractors in the performance of this contract.
- J. **CARRIER RATINGS.** All Contractor’s and its subcontractors’ insurance required in connection with this contract shall be written by insurance companies with an A.M. Best

Insurance Guide rating of at least A- VII (or the equivalent by any other rating agency) and licensed in the in the District.

I.31 51% DISTRICT RESIDENTS NEW HIRES REQUIREMENTS AND FIRST SOURCE EMPLOYMENT AGREEMENT

I.31.1 For contracts for services in the amount of \$300,000 or more, the Contractor shall comply with the First Source Employment Agreement Act of 1984, as amended, D.C. Official Code § 2-219.01 et seq. (First Source Act).

I.31.2 The Contractor shall enter into and maintain during the term of the contract, a First Source Employment Agreement (Employment Agreement) with the District of Columbia Department of Employment Service's (DOES), in which the Contractor shall agree that:

- (a) The first source for finding employees to fill all jobs created in order to perform the contract shall be the First Source Register; and
- (b) The first source for finding employees to fill any vacancy occurring in all jobs covered by the Employment Agreement shall be the First Source Register.

I.31.3 The Contractor shall not begin performance of the contract until its Employment Agreement has been accepted by DOES. Once approved, the Employment Agreement shall not be amended except with the approval of DOES.

I.31.4 The Contractor agrees that at least 51% of the new employees hired to perform the contract shall be District residents.

I.31.5 The Contractor's hiring and reporting requirements under the First Source Act and any rules promulgated thereunder shall continue for the term of the contract.

I.31.6 The CO may impose penalties, including monetary fines of 5% of the total amount of the direct and indirect labor costs of the contract, for a willful breach of the Employment Agreement, failure to submit the required hiring compliance reports, or deliberate submission of falsified data.

I.31.7 If the Contractor does not receive a good faith waiver, the CO may also impose an additional penalty equal to 1/8 of 1% of the total amount of the direct and indirect labor costs of the contract for each percentage by which the Contractor fails to meet its hiring requirements.

I.31.8 Any contractor which violates, more than once within a 10-year timeframe, the hiring or reporting requirements of the First Source Act shall be referred for debarment for not more than five (5) years.

I.31.9 The contractor may appeal any decision of the CO pursuant to this clause to the D.C. Contract Appeals Board as provided in Section I.7.

I.31.10 The provisions of the First Source Act do not apply to nonprofit organizations which employ 50 employees or less.

I.32 COVENANT AGAINST CONTINGENT FEES

The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the District will have the right to terminate the contract without liability or in its discretion to deduct from the contract price or consideration or otherwise recover, the full amount of the commission, percentage, brokerage, or contingent fee.

I.33 HEALTH AND SAFETY STANDARDS

Items delivered under this Contract shall conform to all requirements of the Occupational Safety and Health Act of 1970, as amended (“OSHA”), and Department of Labor Regulations under OSHA, and all Federal requirements in effect on the effective date of the Contract.

I.34 FORCE MAJEURE

Neither the Contractor nor the District shall be deemed in default or otherwise liable hereunder due to either party’s inability to perform by reason of any fire, earthquake, flood, epidemic, accident, explosion, casualty, strike, lockout, labor controversy, riot, civil disturbance, act of public enemy, embargo, war, act of God, or any municipal, county, state or national ordinance or law, or any executive, administrative or judicial orders (which judicial orders are not the result of any act or omission to act which would constitute a default hereunder), or any failure or delay of any transportation, power or other essential thing required, or similar causes beyond the parties control.

I.35 GOVERNING LAW

This contract shall be governed by, and construed in accordance with, the laws of the District of Columbia.

I.36 ORDER OF PRECEDENCE

A conflict in language shall be resolved by giving precedence to the document in the highest order of priority that contains language addressing the issue in question. The following documents are incorporated into the contract by reference and made a part of the contract in the following order of precedence:

- (1) Contract
- (2) Contract Attachments
- (3) Contractor’s proposal dated May 20, 2019

SECTION J

ATTACHMENTS

The following Attachments are hereby incorporated:

- J.1 U.S. Department of Labor Wage Determination No. 2015-4281, Revision 13, Dated 04/25/2019
- J.2 Bidder/Offeror Certifications
- J.3 Doing Business with Integrity

Attachment J.1

WD 15-4281 (Rev.-13) was first posted on www.wdol.gov on 04/30/2019

REGISTER OF WAGE DETERMINATIONS UNDER		U.S. DEPARTMENT OF LABOR
THE SERVICE CONTRACT ACT		EMPLOYMENT STANDARDS ADMINISTRATION
By direction of the Secretary of Labor		WAGE AND HOUR DIVISION
		WASHINGTON D.C. 20210

Daniel W. Simms	Division of	Wage Determination No.: 2015-4281
Director	Wage Determinations	Revision No.: 13
		Date Of Revision: 04/25/2019

Note: Under Executive Order (EO) 13658, an hourly minimum wage of \$10.60 for calendar year 2019 applies to all contracts subject to the Service Contract Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2015. If this contract is covered by the EO, the contractor must pay all workers in any classification listed on this wage determination at least \$10.60 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in calendar year 2019. The EO minimum wage rate will be adjusted annually. Additional information on contractor requirements and worker protections under the EO is available at www.dol.gov/whd/govcontracts.

States: District of Columbia, Maryland, Virginia

Area: District of Columbia Statewide
 Maryland Counties of Calvert, Charles, Prince George's
 Virginia Counties of Alexandria, Arlington, Fairfax, Falls Church, Fauquier, Loudoun, Manassas, Manassas Park, Prince William, Stafford

Fringe Benefits Required Follow the Occupational Listing

OCCUPATION CODE - TITLE	FOOTNOTE	RATE
01000 - Administrative Support And Clerical Occupations		
01011 - Accounting Clerk I		18.95
01012 - Accounting Clerk II		21.28
01013 - Accounting Clerk III		23.81
01020 - Administrative Assistant		34.06
01035 - Court Reporter		24.02
01041 - Customer Service Representative I		14.94
01042 - Customer Service Representative II		16.81
01043 - Customer Service Representative III		18.33
01051 - Data Entry Operator I		16.64
01052 - Data Entry Operator II		18.16
01060 - Dispatcher, Motor Vehicle		19.84
01070 - Document Preparation Clerk		17.75
01090 - Duplicating Machine Operator		17.75
01111 - General Clerk I		14.88
01112 - General Clerk II		16.24
01113 - General Clerk III		18.74
01120 - Housing Referral Assistant		25.29
01141 - Messenger Courier		16.71
01191 - Order Clerk I		15.29
01192 - Order Clerk II		16.68
01261 - Personnel Assistant (Employment) I		18.87
01262 - Personnel Assistant (Employment) II		21.11
01263 - Personnel Assistant (Employment) III		23.52
01270 - Production Control Clerk		25.59
01290 - Rental Clerk		16.55
01300 - Scheduler, Maintenance		18.07

01311 - Secretary I	18.07
01312 - Secretary II	20.18
01313 - Secretary III	25.29
01320 - Service Order Dispatcher	17.73
01410 - Supply Technician	34.06
01420 - Survey Worker	20.03
01460 - Switchboard Operator/Receptionist	15.56
01531 - Travel Clerk I	16.28
01532 - Travel Clerk II	17.50
01533 - Travel Clerk III	18.79
01611 - Word Processor I	17.16
01612 - Word Processor II	19.27
01613 - Word Processor III	21.56
05000 - Automotive Service Occupations	
05005 - Automobile Body Repairer, Fiberglass	28.60
05010 - Automotive Electrician	23.78
05040 - Automotive Glass Installer	22.39
05070 - Automotive Worker	22.39
05110 - Mobile Equipment Servicer	19.26
05130 - Motor Equipment Metal Mechanic	25.04
05160 - Motor Equipment Metal Worker	22.39
05190 - Motor Vehicle Mechanic	25.04
05220 - Motor Vehicle Mechanic Helper	18.49
05250 - Motor Vehicle Upholstery Worker	21.63
05280 - Motor Vehicle Wrecker	22.39
05310 - Painter, Automotive	23.78
05340 - Radiator Repair Specialist	22.39
05370 - Tire Repairer	14.44
05400 - Transmission Repair Specialist	25.04
07000 - Food Preparation And Service Occupations	
07010 - Baker	14.14
07041 - Cook I	15.92
07042 - Cook II	18.51
07070 - Dishwasher	12.39
07130 - Food Service Worker	11.88
07210 - Meat Cutter	20.41
07260 - Waiter/Waitress	11.34
09000 - Furniture Maintenance And Repair Occupations	
09010 - Electrostatic Spray Painter	19.86
09040 - Furniture Handler	14.06
09080 - Furniture Refinisher	20.23
09090 - Furniture Refinisher Helper	15.52
09110 - Furniture Repairer, Minor	17.94
09130 - Upholsterer	19.86
11000 - General Services And Support Occupations	
11030 - Cleaner, Vehicles	11.64
11060 - Elevator Operator	13.50
11090 - Gardener	19.77
11122 - Housekeeping Aide	13.50
11150 - Janitor	13.50
11210 - Laborer, Grounds Maintenance	14.75
11240 - Maid or Houseman	13.12
11260 - Pruner	13.08
11270 - Tractor Operator	18.08
11330 - Trail Maintenance Worker	14.75
11360 - Window Cleaner	15.22
12000 - Health Occupations	
12010 - Ambulance Driver	23.71
12011 - Breath Alcohol Technician	23.49
12012 - Certified Occupational Therapist Assistant	33.40
12015 - Certified Physical Therapist Assistant	27.29

12020 - Dental Assistant	22.82
12025 - Dental Hygienist	45.97
12030 - EKG Technician	33.48
12035 - Electroneurodiagnostic Technologist	33.48
12040 - Emergency Medical Technician	23.71
12071 - Licensed Practical Nurse I	19.82
12072 - Licensed Practical Nurse II	22.17
12073 - Licensed Practical Nurse III	24.71
12100 - Medical Assistant	17.99
12130 - Medical Laboratory Technician	22.97
12160 - Medical Record Clerk	18.96
12190 - Medical Record Technician	21.21
12195 - Medical Transcriptionist	20.67
12210 - Nuclear Medicine Technologist	40.09
12221 - Nursing Assistant I	11.91
12222 - Nursing Assistant II	13.39
12223 - Nursing Assistant III	14.61
12224 - Nursing Assistant IV	16.41
12235 - Optical Dispenser	23.25
12236 - Optical Technician	19.12
12250 - Pharmacy Technician	18.12
12280 - Phlebotomist	19.00
12305 - Radiologic Technologist	34.88
12311 - Registered Nurse I	27.64
12312 - Registered Nurse II	33.44
12313 - Registered Nurse II, Specialist	33.44
12314 - Registered Nurse III	40.13
12315 - Registered Nurse III, Anesthetist	40.13
12316 - Registered Nurse IV	48.10
12317 - Scheduler (Drug and Alcohol Testing)	28.97
12320 - Substance Abuse Treatment Counselor	27.04
13000 - Information And Arts Occupations	
13011 - Exhibits Specialist I	22.07
13012 - Exhibits Specialist II	27.35
13013 - Exhibits Specialist III	33.44
13041 - Illustrator I	20.48
13042 - Illustrator II	25.38
13043 - Illustrator III	31.03
13047 - Librarian	38.84
13050 - Library Aide/Clerk	17.04
13054 - Library Information Technology Systems Administrator	35.07
13058 - Library Technician	20.89
13061 - Media Specialist I	25.31
13062 - Media Specialist II	28.32
13063 - Media Specialist III	31.55
13071 - Photographer I	18.32
13072 - Photographer II	20.79
13073 - Photographer III	26.04
13074 - Photographer IV	31.52
13075 - Photographer V	37.14
13090 - Technical Order Library Clerk	21.40
13110 - Video Teleconference Technician	27.27
14000 - Information Technology Occupations	
14041 - Computer Operator I	18.92
14042 - Computer Operator II	21.18
14043 - Computer Operator III	23.60
14044 - Computer Operator IV	26.22
14045 - Computer Operator V	29.05
14071 - Computer Programmer I	(see 1) 26.36
14072 - Computer Programmer II	(see 1)

14073 - Computer Programmer III	(see 1)	
14074 - Computer Programmer IV	(see 1)	
14101 - Computer Systems Analyst I	(see 1)	
14102 - Computer Systems Analyst II	(see 1)	
14103 - Computer Systems Analyst III	(see 1)	
14150 - Peripheral Equipment Operator		18.92
14160 - Personal Computer Support Technician		26.22
14170 - System Support Specialist		38.69
15000 - Instructional Occupations		
15010 - Aircrew Training Devices Instructor (Non-Rated)		36.47
15020 - Aircrew Training Devices Instructor (Rated)		44.06
15030 - Air Crew Training Devices Instructor (Pilot)		52.81
15050 - Computer Based Training Specialist / Instructor		36.47
15060 - Educational Technologist		39.20
15070 - Flight Instructor (Pilot)		52.81
15080 - Graphic Artist		32.93
15085 - Maintenance Test Pilot, Fixed, Jet/Prop		49.06
15086 - Maintenance Test Pilot, Rotary Wing		49.06
15088 - Non-Maintenance Test/Co-Pilot		49.06
15090 - Technical Instructor		29.67
15095 - Technical Instructor/Course Developer		36.30
15110 - Test Proctor		23.96
15120 - Tutor		23.96
16000 - Laundry, Dry-Cleaning, Pressing And Related Occupations		
16010 - Assembler		13.81
16030 - Counter Attendant		13.81
16040 - Dry Cleaner		16.94
16070 - Finisher, Flatwork, Machine		13.81
16090 - Presser, Hand		13.81
16110 - Presser, Machine, Drycleaning		13.81
16130 - Presser, Machine, Shirts		13.81
16160 - Presser, Machine, Wearing Apparel, Laundry		13.81
16190 - Sewing Machine Operator		17.81
16220 - Tailor		18.68
16250 - Washer, Machine		15.14
19000 - Machine Tool Operation And Repair Occupations		
19010 - Machine-Tool Operator (Tool Room)		27.18
19040 - Tool And Die Maker		31.49
21000 - Materials Handling And Packing Occupations		
21020 - Forklift Operator		20.25
21030 - Material Coordinator		25.59
21040 - Material Expediter		25.59
21050 - Material Handling Laborer		13.83
21071 - Order Filler		15.09
21080 - Production Line Worker (Food Processing)		20.25
21110 - Shipping Packer		18.13
21130 - Shipping/Receiving Clerk		18.13
21140 - Store Worker I		14.12
21150 - Stock Clerk		18.82
21210 - Tools And Parts Attendant		20.25
21410 - Warehouse Specialist		20.25
23000 - Mechanics And Maintenance And Repair Occupations		
23010 - Aerospace Structural Welder		38.52
23019 - Aircraft Logs and Records Technician		28.93
23021 - Aircraft Mechanic I		36.58
23022 - Aircraft Mechanic II		38.52
23023 - Aircraft Mechanic III		40.41
23040 - Aircraft Mechanic Helper		25.67
23050 - Aircraft, Painter		34.74
23060 - Aircraft Servicer		28.93
23070 - Aircraft Survival Flight Equipment Technician		34.74

23080 - Aircraft Worker	30.76
23091 - Aircrew Life Support Equipment (ALSE) Mechanic I	30.76
23092 - Aircrew Life Support Equipment (ALSE) Mechanic II	36.58
23110 - Appliance Mechanic	21.75
23120 - Bicycle Repairer	14.92
23125 - Cable Splicer	34.63
23130 - Carpenter, Maintenance	22.89
23140 - Carpet Layer	20.49
23160 - Electrician, Maintenance	28.88
23181 - Electronics Technician Maintenance I	30.70
23182 - Electronics Technician Maintenance II	32.60
23183 - Electronics Technician Maintenance III	34.33
23260 - Fabric Worker	23.31
23290 - Fire Alarm System Mechanic	25.71
23310 - Fire Extinguisher Repairer	21.47
23311 - Fuel Distribution System Mechanic	32.57
23312 - Fuel Distribution System Operator	25.56
23370 - General Maintenance Worker	22.30
23380 - Ground Support Equipment Mechanic	36.58
23381 - Ground Support Equipment Servicer	28.93
23382 - Ground Support Equipment Worker	30.76
23391 - Gunsmith I	21.47
23392 - Gunsmith II	24.96
23393 - Gunsmith III	27.91
23410 - Heating, Ventilation And Air-Conditioning Mechanic	28.90
23411 - Heating, Ventilation And Air Contidioning Mechanic (Research Facility)	30.44
23430 - Heavy Equipment Mechanic	28.32
23440 - Heavy Equipment Operator	23.39
23460 - Instrument Mechanic	30.07
23465 - Laboratory/Shelter Mechanic	26.51
23470 - Laborer	14.98
23510 - Locksmith	28.14
23530 - Machinery Maintenance Mechanic	28.87
23550 - Machinist, Maintenance	26.10
23580 - Maintenance Trades Helper	18.27
23591 - Metrology Technician I	30.07
23592 - Metrology Technician II	31.67
23593 - Metrology Technician III	33.22
23640 - Millwright	28.19
23710 - Office Appliance Repairer	22.96
23760 - Painter, Maintenance	21.75
23790 - Pipefitter, Maintenance	28.47
23810 - Plumber, Maintenance	27.04
23820 - Pneudraulic Systems Mechanic	27.91
23850 - Rigger	28.23
23870 - Scale Mechanic	24.96
23890 - Sheet-Metal Worker, Maintenance	26.09
23910 - Small Engine Mechanic	20.49
23931 - Telecommunications Mechanic I	31.34
23932 - Telecommunications Mechanic II	33.00
23950 - Telephone Lineman	33.81
23960 - Welder, Combination, Maintenance	24.34
23965 - Well Driller	22.91
23970 - Woodcraft Worker	27.91
23980 - Woodworker	21.47
24000 - Personal Needs Occupations	
24550 - Case Manager	20.05

24570 - Child Care Attendant	13.72
24580 - Child Care Center Clerk	17.77
24610 - Chore Aide	12.99
24620 - Family Readiness And Support Services Coordinator	20.05
24630 - Homemaker	20.05
25000 - Plant And System Operations Occupations	
25010 - Boiler Tender	33.55
25040 - Sewage Plant Operator	25.77
25070 - Stationary Engineer	33.55
25190 - Ventilation Equipment Tender	23.62
25210 - Water Treatment Plant Operator	25.77
27000 - Protective Service Occupations	
27004 - Alarm Monitor	23.83
27007 - Baggage Inspector	17.28
27008 - Corrections Officer	26.85
27010 - Court Security Officer	28.44
27030 - Detection Dog Handler	20.57
27040 - Detention Officer	26.85
27070 - Firefighter	30.03
27101 - Guard I	17.28
27102 - Guard II	20.57
27131 - Police Officer I	30.76
27132 - Police Officer II	34.19
28000 - Recreation Occupations	
28041 - Carnival Equipment Operator	13.62
28042 - Carnival Equipment Repairer	14.88
28043 - Carnival Worker	9.85
28210 - Gate Attendant/Gate Tender	15.74
28310 - Lifeguard	11.59
28350 - Park Attendant (Aide)	17.62
28510 - Recreation Aide/Health Facility Attendant	12.85
28515 - Recreation Specialist	21.82
28630 - Sports Official	14.03
28690 - Swimming Pool Operator	18.21
29000 - Stevedoring/Longshoremen Occupational Services	
29010 - Blocker And Bracer	33.39
29020 - Hatch Tender	33.39
29030 - Line Handler	33.39
29041 - Stevedore I	31.17
29042 - Stevedore II	35.46
30000 - Technical Occupations	
30010 - Air Traffic Control Specialist, Center (HFO) (see 2)	43.35
30011 - Air Traffic Control Specialist, Station (HFO) (see 2)	29.89
30012 - Air Traffic Control Specialist, Terminal (HFO) (see 2)	32.93
30021 - Archeological Technician I	20.19
30022 - Archeological Technician II	22.60
30023 - Archeological Technician III	27.98
30030 - Cartographic Technician	27.98
30040 - Civil Engineering Technician	27.17
30051 - Cryogenic Technician I	29.70
30052 - Cryogenic Technician II	32.81
30061 - Drafter/CAD Operator I	20.19
30062 - Drafter/CAD Operator II	22.60
30063 - Drafter/CAD Operator III	25.19
30064 - Drafter/CAD Operator IV	31.00
30081 - Engineering Technician I	22.92
30082 - Engineering Technician II	25.72
30083 - Engineering Technician III	28.79
30084 - Engineering Technician IV	35.64
30085 - Engineering Technician V	43.61

30086 - Engineering Technician VI	52.76
30090 - Environmental Technician	27.93
30095 - Evidence Control Specialist	26.82
30210 - Laboratory Technician	25.68
30221 - Latent Fingerprint Technician I	34.60
30222 - Latent Fingerprint Technician II	38.22
30240 - Mathematical Technician	28.94
30361 - Paralegal/Legal Assistant I	21.36
30362 - Paralegal/Legal Assistant II	26.47
30363 - Paralegal/Legal Assistant III	32.36
30364 - Paralegal/Legal Assistant IV	39.16
30375 - Petroleum Supply Specialist	32.81
30390 - Photo-Optics Technician	27.98
30395 - Radiation Control Technician	32.81
30461 - Technical Writer I	27.08
30462 - Technical Writer II	33.13
30463 - Technical Writer III	40.08
30491 - Unexploded Ordnance (UXO) Technician I	27.56
30492 - Unexploded Ordnance (UXO) Technician II	33.34
30493 - Unexploded Ordnance (UXO) Technician III	39.96
30494 - Unexploded (UXO) Safety Escort	27.56
30495 - Unexploded (UXO) Sweep Personnel	27.56
30501 - Weather Forecaster I	29.70
30502 - Weather Forecaster II	36.13
30620 - Weather Observer, Combined Upper Air Or	(see 2) 25.19
Surface Programs	
30621 - Weather Observer, Senior	(see 2) 27.98
31000 - Transportation/Mobile Equipment Operation Occupations	
31010 - Airplane Pilot	33.34
31020 - Bus Aide	14.32
31030 - Bus Driver	20.85
31043 - Driver Courier	15.66
31260 - Parking and Lot Attendant	12.79
31290 - Shuttle Bus Driver	17.12
31310 - Taxi Driver	14.64
31361 - Truckdriver, Light	17.12
31362 - Truckdriver, Medium	18.58
31363 - Truckdriver, Heavy	21.87
31364 - Truckdriver, Tractor-Trailer	21.87
99000 - Miscellaneous Occupations	
99020 - Cabin Safety Specialist	16.26
99030 - Cashier	11.43
99050 - Desk Clerk	13.77
99095 - Embalmer	33.76
99130 - Flight Follower	27.56
99251 - Laboratory Animal Caretaker I	13.24
99252 - Laboratory Animal Caretaker II	14.47
99260 - Marketing Analyst	35.01
99310 - Mortician	34.10
99410 - Pest Controller	20.07
99510 - Photofinishing Worker	14.85
99710 - Recycling Laborer	21.84
99711 - Recycling Specialist	26.77
99730 - Refuse Collector	19.37
99810 - Sales Clerk	12.20
99820 - School Crossing Guard	16.38
99830 - Survey Party Chief	27.60
99831 - Surveying Aide	17.15
99832 - Surveying Technician	26.22
99840 - Vending Machine Attendant	15.48
99841 - Vending Machine Repairer	19.67

99842 - Vending Machine Repairer Helper

15.48

Note: Executive Order (EO) 13706, Establishing Paid Sick Leave for Federal Contractors, applies to all contracts subject to the Service Contract Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2017. If this contract is covered by the EO, the contractor must provide employees with 1 hour of paid sick leave for every 30 hours they work, up to 56 hours of paid sick leave each year. Employees must be permitted to use paid sick leave for their own illness, injury or other health-related needs, including preventive care; to assist a family member (or person who is like family to the employee) who is ill, injured, or has other health-related needs, including preventive care; or for reasons resulting from, or to assist a family member (or person who is like family to the employee) who is the victim of, domestic violence, sexual assault, or stalking. Additional information on contractor requirements and worker protections under the EO is available at www.dol.gov/whd/govcontracts.

ALL OCCUPATIONS LISTED ABOVE RECEIVE THE FOLLOWING BENEFITS:

HEALTH & WELFARE: \$4.48 per hour or \$179.20 per week or \$776.53 per month

HEALTH & WELFARE EO 13706: \$4.18 per hour, or \$167.20 per week, or \$724.53 per month*

*This rate is to be used only when compensating employees for performance on an SCA-covered contract also covered by EO 13706, Establishing Paid Sick Leave for Federal Contractors. A contractor may not receive credit toward its SCA obligations for any paid sick leave provided pursuant to EO 13706.

VACATION: 2 weeks paid vacation after 1 year of service with a contractor or successor, 3 weeks after 5 years, and 4 weeks after 15 years. Length of service includes the whole span of continuous service with the present contractor or successor, wherever employed, and with the predecessor contractors in the performance of similar work at the same Federal facility. (Reg. 29 CFR 4.173)

HOLIDAYS: A minimum of ten paid holidays per year: New Year's Day, Martin Luther King Jr.'s Birthday, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving Day, and Christmas Day. (A contractor may substitute for any of the named holidays another day off with pay in accordance with a plan communicated to the employees involved.) (See 29 CFR 4.174)

THE OCCUPATIONS WHICH HAVE NUMBERED FOOTNOTES IN PARENTHESES RECEIVE THE FOLLOWING:

1) COMPUTER EMPLOYEES: Under the SCA at section 8(b), this wage determination does not apply to any employee who individually qualifies as a bona fide executive, administrative, or professional employee as defined in 29 C.F.R. Part 541. Because most Computer System Analysts and Computer Programmers who are compensated at a rate not less than \$27.63 (or on a salary or fee basis at a rate not less than \$455 per week) an hour would likely qualify as exempt computer professionals, (29 C.F.R. 541.400) wage rates may not be listed on this wage determination for all occupations within those job families. In addition, because this wage determination may not list a wage rate for some or all occupations within those job families if the survey data indicates that the prevailing wage rate for the occupation equals or exceeds \$27.63 per hour conformances may be necessary for certain nonexempt employees. For example, if an individual employee is nonexempt but nevertheless performs duties within the scope of one of the Computer Systems Analyst or Computer Programmer

occupations for which this wage determination does not specify an SCA wage rate, then the wage rate for that employee must be conformed in accordance with the conformance procedures described in the conformance note included on this wage determination.

Additionally, because job titles vary widely and change quickly in the computer industry, job titles are not determinative of the application of the computer professional exemption. Therefore, the exemption applies only to computer employees who satisfy the compensation requirements and whose primary duty consists of:

(1) The application of systems analysis techniques and procedures, including consulting with users, to determine hardware, software or system functional specifications;

(2) The design, development, documentation, analysis, creation, testing or modification of computer systems or programs, including prototypes, based on and related to user or system design specifications;

(3) The design, documentation, testing, creation or modification of computer programs related to machine operating systems; or

(4) A combination of the aforementioned duties, the performance of which requires the same level of skills. (29 C.F.R. 541.400).

2) AIR TRAFFIC CONTROLLERS AND WEATHER OBSERVERS - NIGHT PAY & SUNDAY PAY: If you work at night as part of a regular tour of duty, you will earn a night differential and receive an additional 10% of basic pay for any hours worked between 6pm and 6am. If you are a full-time employed (40 hours a week) and Sunday is part of your regularly scheduled workweek, you are paid at your rate of basic pay plus a Sunday premium of 25% of your basic rate for each hour of Sunday work which is not overtime (i.e. occasional work on Sunday outside the normal tour of duty is considered overtime work).

** HAZARDOUS PAY DIFFERENTIAL **

An 8 percent differential is applicable to employees employed in a position that represents a high degree of hazard when working with or in close proximity to ordnance, explosives, and incendiary materials. This includes work such as screening, blending, dying, mixing, and pressing of sensitive ordnance, explosives, and pyrotechnic compositions such as lead azide, black powder and photoflash powder. All dry-house activities involving propellants or explosives. Demilitarization, modification, renovation, demolition, and maintenance operations on sensitive ordnance, explosives and incendiary materials. All operations involving re-grading and cleaning of artillery ranges.

A 4 percent differential is applicable to employees employed in a position that represents a low degree of hazard when working with, or in close proximity to ordnance, (or employees possibly adjacent to) explosives and incendiary materials which involves potential injury such as laceration of hands, face, or arms of the employee engaged in the operation, irritation of the skin, minor burns and the like; minimal damage to immediate or adjacent work area or equipment being used. All operations involving, unloading, storage, and hauling of ordnance, explosive, and incendiary ordnance material other than small arms ammunition. These differentials are only applicable to work that has been specifically designated by the agency for ordnance, explosives, and incendiary material differential pay.

** UNIFORM ALLOWANCE **

If employees are required to wear uniforms in the performance of this contract (either by the terms of the Government contract, by the employer, by the state or local law, etc.), the cost of furnishing such uniforms and maintaining (by laundering or dry cleaning) such uniforms is an expense that may not be borne by an employee where such cost reduces the hourly rate below that required by the wage determination. The Department of Labor will accept payment in accordance with the

following standards as compliance:

The contractor or subcontractor is required to furnish all employees with an adequate number of uniforms without cost or to reimburse employees for the actual cost of the uniforms. In addition, where uniform cleaning and maintenance is made the responsibility of the employee, all contractors and subcontractors subject to this wage determination shall (in the absence of a bona fide collective bargaining agreement providing for a different amount, or the furnishing of contrary affirmative proof as to the actual cost), reimburse all employees for such cleaning and maintenance at a rate of \$3.35 per week (or \$.67 cents per day). However, in those instances where the uniforms furnished are made of "wash and wear" materials, may be routinely washed and dried with other personal garments, and do not require any special treatment such as dry cleaning, daily washing, or commercial laundering in order to meet the cleanliness or appearance standards set by the terms of the Government contract, by the contractor, by law, or by the nature of the work, there is no requirement that employees be reimbursed for uniform maintenance costs.

** SERVICE CONTRACT ACT DIRECTORY OF OCCUPATIONS **

The duties of employees under job titles listed are those described in the "Service Contract Act Directory of Occupations", Fifth Edition (Revision 1), dated September 2015, unless otherwise indicated.

** REQUEST FOR AUTHORIZATION OF ADDITIONAL CLASSIFICATION AND WAGE RATE, Standard Form 1444 (SF-1444) **

Conformance Process:

The contracting officer shall require that any class of service employee which is not listed herein and which is to be employed under the contract (i.e., the work to be performed is not performed by any classification listed in the wage determination), be classified by the contractor so as to provide a reasonable relationship (i.e., appropriate level of skill comparison) between such unlisted classifications and the classifications listed in the wage determination (See 29 CFR 4.6(b)(2)(i)). Such conforming procedures shall be initiated by the contractor prior to the performance of contract work by such unlisted class(es) of employees (See 29 CFR 4.6(b)(2)(ii)). The Wage and Hour Division shall make a final determination of conformed classification, wage rate, and/or fringe benefits which shall be paid to all employees performing in the classification from the first day of work on which contract work is performed by them in the classification. Failure to pay such unlisted employees the compensation agreed upon by the interested parties and/or fully determined by the Wage and Hour Division retroactive to the date such class of employees commenced contract work shall be a violation of the Act and this contract. (See 29 CFR 4.6(b)(2)(v)). When multiple wage determinations are included in a contract, a separate SF-1444 should be prepared for each wage determination to which a class(es) is to be conformed.

The process for preparing a conformance request is as follows:

- 1) When preparing the bid, the contractor identifies the need for a conformed occupation(s) and computes a proposed rate(s).
- 2) After contract award, the contractor prepares a written report listing in order the proposed classification title(s), a Federal grade equivalency (FGE) for each proposed classification(s), job description(s), and rationale for proposed wage rate(s), including information regarding the agreement or disagreement of the authorized representative of the employees involved, or where there is no authorized representative, the employees themselves. This report should be submitted to the contracting officer no later than 30 days after such unlisted class(es) of employees performs any contract work.

3) The contracting officer reviews the proposed action and promptly submits a report of the action, together with the agency's recommendations and pertinent information including the position of the contractor and the employees, to the U.S. Department of Labor, Wage and Hour Division, for review (See 29 CFR 4.6(b)(2)(ii)).

4) Within 30 days of receipt, the Wage and Hour Division approves, modifies, or disapproves the action via transmittal to the agency contracting officer, or notifies the contracting officer that additional time will be required to process the request.

5) The contracting officer transmits the Wage and Hour Division's decision to the contractor.

6) Each affected employee shall be furnished by the contractor with a written copy of such determination or it shall be posted as a part of the wage determination (See 29 CFR 4.6(b)(2)(iii)).

Information required by the Regulations must be submitted on SF-1444 or bond paper.

When preparing a conformance request, the "Service Contract Act Directory of Occupations" should be used to compare job definitions to ensure that duties requested are not performed by a classification already listed in the wage determination. Remember, it is not the job title, but the required tasks that determine whether a class is included in an established wage determination. Conformances may not be used to artificially split, combine, or subdivide classifications listed in the wage determination (See 29 CFR 4.152(c)(1)).

BIDDER/OFFEROR CERTIFICATION FORM

COMPLETION			
The person(s) completing this form must be knowledgeable about the bidder's/offeror's business and operations.			
RESPONSES			
Every question must be answered. Each response must provide all relevant information that can be obtained within the limits of the law. Individuals and sole proprietors may use a Social Security number but are encouraged to obtain and use a federal Employer Identification Number (EIN). Provide any explanation at the end of the section or attach additional sheets with numbered responses. Include the bidder's/offeror's name at the top of each attached page.			
GENERAL INSTRUCTIONS			
This form contains four (4) sections. Section I concerns the bidder's/offeror's responsibility; Section II includes additional required certifications; Section III relates to the Buy American Act (if applicable); and Section IV requires the bidder's/offeror's signature.			
SECTION I. BIDDER/OFFEROR RESPONSIBILITY CERTIFICATION			
Instructions for Section I: Section I contains eight (8) parts. Part 1 requests information concerning the bidder's/offeror's business entity. Part 2 inquires about current or former owners, partners, directors, officers or principals. Part 3 relates to the responsibility of the bidder's/offeror's business. Part 4 concerns the bidder's/offeror's business certificates and licenses. Part 5 inquires about legal proceedings. Part 6 relates to the bidder's/offeror's financial and organizational status. Part 7 requires the bidder/offeror to agree to update the information provided. Part 8 relates to disclosures under the District of Columbia Freedom of Information Act (FOIA).			
PART 1: BIDDER/OFFEROR INFORMATION			
Legal Business Entity Name: INTRALOT INC		Solicitation #:	
Address of the Principal Place of Business (street, city, state, zip code) 11360 TECHNOLOGY CIRCLE DULUTH GA 30097		Telephone # and ext.: 678.473.7200	Fax #: 678.473.7201
Email Address:		Website: WWW.INTRALOT.COM	
Additional Legal Business Entity Identities: If applicable, list any other DBA, Trade Name, Former Name, Other Identity and EIN used in the last five (5) years and the status (active or inactive). N/A			
Type:	Name:	EIN:	Status:
1.1 Business Type (Please check the appropriate box and provide additional information if necessary.):			
<input checked="" type="checkbox"/> Corporation (including PC)	Date of Incorporation: 12, 2001		
<input type="checkbox"/> Joint Venture	Date of Organization:		
<input type="checkbox"/> Limited Liability Company (LLC or PLLC)	Date of Organization:		
<input type="checkbox"/> Nonprofit Organization	Date of Organization:		
<input type="checkbox"/> Partnership (including LLP, LP or General)	Date of Registration or Establishment:		
<input type="checkbox"/> Sole Proprietor	How many years in business?:		
<input type="checkbox"/> Other	Date established?:		
If "Other," please explain:			
1.2 Was the bidder's/offeror's business formed or incorporated in the District of Columbia?			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If "No" to Subpart 1.2, provide the jurisdiction where the bidder's/offeror's business was formed or incorporated. Attach a Certificate or Letter of Good Standing from the applicable jurisdiction and a certified Application for Authority from the District, or provide an explanation if the documents are not available.			
State GEORGIA		Country USA	
1.3 Please provide a copy of each District of Columbia license, registration or certification that the bidder/offeror is required by law to obtain (other than those provided in Subpart 1.2). If the bidder/offeror is not providing a copy of its license, registration or certification to transact business in the District of Columbia, it shall either:			
(a) Certify its intent to obtain the necessary license, registration or certification prior to contract award; or			

(b) Explain its exemption from the requirement.

PART 2: INDIVIDUAL RESPONSIBILITY

Additional Instructions for Section I, Parts 2 through 8: Provide an explanation of the issue(s), relevant dates, the government entity involved, any remedial or corrective action(s) taken and the current status of the issue(s).

Within the past five (5) years, has any current or former owner, partner, director, officer, principal or any person in a position involved in the administration of funds, or currently or formerly having the authority to sign, execute or approve bids, proposals, contracts or supporting documentation on behalf of the bidder/offeror with any government entity:

2.1 Been sanctioned or proposed for sanction relative to any business or professional permit or license?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
2.2 Been under suspension, debarment, voluntary exclusion or determined ineligible under any federal, District or state statutes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
2.3 Been proposed for suspension or debarment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
2.4 Been the subject of an investigation, whether open or closed, by any government entity for a civil or criminal violation for any business-related conduct?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
2.5 Been charged with a misdemeanor or felony, indicted, granted immunity, convicted of a crime, or subject to a judgment or a plea bargain for: (a) Any business-related activity; or (b) Any crime the underlying conduct of which was related to truthfulness?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
2.6 Been suspended, cancelled, terminated or found non-responsible on any government contract, or had a surety called upon to complete an awarded contract?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Please provide an explanation for each "Yes" in Part 2.

PART 3: BUSINESS RESPONSIBILITY

Within the past five (5) years, has the bidder/offeror:

3.1 Been under suspension, debarment, voluntary exclusion or determined ineligible under any federal, District or state statutes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
3.2 Been proposed for suspension or debarment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
3.3 Been the subject of an investigation, whether open or closed, by any government entity for a civil or criminal violation for any business-related conduct?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
3.4 Been charged with a misdemeanor or felony, indicted, granted immunity, convicted of a crime, or subject to a judgment or plea bargain for: (a) Any business-related activity; or (b) Any crime the underlying conduct of which was related to truthfulness?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
3.5 Been disqualified or proposed for disqualification on any government permit or license?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
3.6 Been denied a contract award or had a bid or proposal rejected based upon a non-responsibility finding by a government entity?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
3.7 Had a low bid or proposal rejected on a government contract for failing to make good faith efforts on any Certified Business Enterprise goal or statutory affirmative action requirements on a previously held contract?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
3.8 Been suspended, cancelled, terminated or found non-responsible on any government contract, or had a surety called upon to complete an awarded contract?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Please provide an explanation for each "Yes" in Part 3.

PART 4: CERTIFICATES AND LICENSES

Within the past five (5) years, has the bidder/offeror:

4.1 Had a denial, decertification, revocation or forfeiture of District of Columbia certification of any Certified Business Enterprise or federal certification of Disadvantaged Business Enterprise status for other than a change of ownership?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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Please provide an explanation for "Yes" in Subpart 4.1.

4.2 Please provide a copy of the bidder's/offeror's District of Columbia Office of Tax and Revenue Tax Certification Affidavit.

PART 5: LEGAL PROCEEDINGS

Within the past five (5) years, has the bidder/offeror:

5.1 Had any liens or judgments (not including UCC filings) over \$25,000 filed against it which remain undischarged?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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If "Yes" to Subpart 5.1, provide an explanation of the issue(s), relevant dates, the Lien Holder or Claimant's name, the amount of the lien(s) and the current status of the issue(s).	
5.2 Had a government entity find a willful violation of District of Columbia compensation or prevailing wage laws, the Service Contract Act or the Davis-Bacon Act?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
5.3 Received any OSHA citation and Notification of Penalty containing a violation classified as serious or willful?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Please provide an explanation for each "Yes" in Part 5.	
PART 6: FINANCIAL AND ORGANIZATIONAL INFORMATION	
6.1 Within the past five (5) years, has the bidder/offeror received any formal unsatisfactory performance assessment(s) from any government entity on any contract?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If "Yes" to Subpart 6.1, provide an explanation of the issue(s), relevant dates, the government entity involved, any remedial or corrective action(s) taken and the current status of the issue(s).	
6.2 Within the past five (5) years, has the bidder/offeror had any liquidated damages assessed by a government entity over \$25,000?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If "Yes" to Subpart 6.2, provide an explanation of the issue(s), relevant dates, the government entity involved, the amount assessed and the current status of the issue(s).	
SEE ATTACHMENT	
6.3 Within the last seven (7) years, has the bidder/offeror initiated or been the subject of any bankruptcy proceedings, whether or not closed, or is any bankruptcy proceeding pending?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If "Yes" to Subpart 6.3, provide the bankruptcy chapter number, the court name and the docket number. Indicate the current status of the proceedings as "initiated," "pending" or "closed".	
6.4 During the past three (3) years, has the bidder/offeror failed to file a tax return or pay taxes required by federal, state, District of Columbia or local laws?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If "Yes" to Subpart 6.4, provide the taxing jurisdiction, the type of tax, the liability year(s), the tax liability amount the bidder/offeror failed to file/pay and the current status of the tax liability.	
6.5 During the past three (3) years, has the bidder/offeror failed to file a District of Columbia unemployment insurance return or failed to pay District of Columbia unemployment insurance?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If "Yes" to Subpart 6.5, provide the years the bidder/offeror failed to file the return or pay the insurance, explain the situation and any remedial or corrective action(s) taken and the current status of the issue(s).	
6.6 During the past three (3) years, has the bidder/offeror failed to comply with any payment agreement with the Internal Revenue Service, the District of Columbia Office of Tax and Revenue and the Department of Employment Services?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If "Yes" to Subpart 6.6, provide the years the bidder/offeror failed to comply with the payment agreement, explain the situation and any remedial or corrective action(s) taken and the current status of the issue(s).	
6.7 Indicate whether the bidder/offeror owes any outstanding debt to any state, federal or District of Columbia government.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If "Yes" to Subpart 6.7, provide an explanation of the issue(s), relevant dates, the government entity involved, any remedial or corrective action(s) taken and the current status of the issue(s).	
6.8 During the past three (3) years, has the bidder/offeror been audited by any government entity?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
(a) If "Yes" to Subpart 6.8, did any audit of the bidder/offeror identify any significant deficiencies in internal controls, fraud or illegal acts; significant violations of provisions of contract or grant agreements; significant abuse; or any material disallowance?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
(b) If "Yes" to Subpart 6.8(a), provide an explanation of the issue(s), relevant dates, the government entity involved, any remedial or corrective action(s) taken and the current status of the issue(s).	
PART 7: RESPONSE UPDATE REQUIREMENT	
7.1 The bidder/offeror shall update any response provided in Section I of this form during the term of this contract:	
(a) Within sixty (60) days of a material change to a response; and	

(b) Prior to the exercise of an option year contract.

PART 8: FREEDOM OF INFORMATION ACT (FOIA)

8.1 Indicate whether the bidder/offeror asserts that any information provided in response to a question in Section I is exempt from disclosure under the District of Columbia Freedom of Information Act (FOIA), effective March 25, 1977 (D.C. Law 1-96; D.C. Official Code §§ 2-531, et seq.). Include the question number(s) and explain the basis for the claim. (The District will determine whether such information is, in fact, exempt from FOIA at the time of request for disclosure under FOIA.)

Yes No

LIQUIDATED DAMAGE ARE CONFIDENTIAL BUSINESS SENSITIVE INFORMATION SUBJECT WITHOLDINGS

SECTION II. ADDITIONAL REQUIRED BIDDER/OFFEROR CERTIFICATIONS

Instructions for Section II: Section II contains four (4) parts. Part 1 requests information concerning District of Columbia employees. Part 2 applies to the bidder/offeror's pricing. Part 3 relates to equal employment opportunity requirements. Part 4 relates to First Source requirements.

PART 1. DISTRICT EMPLOYEES NOT TO BENEFIT

The bidder/offeror certifies that:

1.2 No person listed in clause 13 of the Standard Contract Provisions, "District Employees Not To Benefit", will benefit from this contract.

1.3 The following person(s) listed in clause 13 of the Standard Contract Provisions may benefit from this contract. (For each person listed, attach the affidavit required by clause 13.)

(a) _____

(b) _____

PART 2: INDEPENDENT PRICE DETERMINATION REQUIREMENTS

The bidder/offeror certifies that:

2.1 The signature of the bidder/offeror is considered to be a certification by the signatory that:

(a) The contract prices have been arrived at independently without, for the purpose of restricting competition, any consultation, communication or agreement with any bidder/offeror or competitor related to:

- (i) Those prices;
- (ii) The intention to submit a bid/proposal; or
- (iii) The methods or factors used to calculate the prices in the contract.

(b) The prices in this contract have not been and will not be knowingly disclosed by the bidder/offeror, directly or indirectly, to any other bidder/offeror or competitor before bid/proposal opening unless otherwise required by law; and

(c) No attempt has been made or will be made by the bidder/offeror to induce any other concern to submit or not to submit a contract for the purpose of restricting competition.

2.2 The signature on the bid/proposal is considered to be a certification by the signatory that the signatory:

(a) Is the person in the bidder's/offeror's organization responsible for determining the prices being offered in this contract, and that the signatory has not participated and will not participate in any action contrary to subparagraphs 2.1(a)(i) through (a)(iii) above; or

(b) Has been authorized, in writing, to act as an agent for the following principal in certifying that the principal has not participated, and will not participate, in any action contrary to subparagraphs 2.1(a)(i) through (a)(iii) above:

VASSILIS HADJIDIAKOS, CFO

[Insert full name of person(s) in the organization responsible for determining the prices offered in this contract and the title of his or her position in the bidder's/offeror's organization]

(i) As an authorized agent, certifies that the principals named in subparagraph 2.2(b) above have not participated, and will not participate, in any action contrary to subparagraphs 2.1(a)(i) through (a)(iii) above; and

(ii) As an agent, has not participated and will not participate in any action contrary to subparagraphs 2.1(a)(i) through (a)(iii) above.

2.3 If the bidder/offeror deletes or modifies subparagraph 2.1(b) above, the bidder/offeror must furnish with its bid a signed statement setting forth in detail the circumstances of the disclosure.

PART 3: EQUAL OPPORTUNITY AND HUMAN RIGHTS OBLIGATIONS

3.1 I hereby certify that I am fully aware of the contents of Mayor's Order 85-85, Mayor's Order 2017-313 and the Office of Human Rights' regulations in Chapter 11 of title 4 of the DCMR, and agree to comply with them while performing this contract.

PART 4: FIRST SOURCE OBLIGATIONS

4.1 I hereby certify that I am fully aware of the requirements of the Workforce Intermediary Establishment and Reform of the First Source Amendment Act of 2011 (D.C. Law 19-84), and agree to enter into a First Source Employment Agreement with the Department of Employment Services if awarded any contract valued at \$300,000 or more which receives funds or resources from the District, or funds or resources which, in accordance with a federal grant or otherwise, is administered by the District government.

4.2 I certify that the Initial Employment Plan submitted with my bid or proposal is true and accurate.

PART 5: EMPLOYMENT ELIGIBILITY OBLIGATIONS

5.1 I hereby certify that the Bidder/Offeror has verified the identity and employment eligibility of all of its employees.

PART 6: LANGUAGE ACCESS OBLIGATIONS

6.1 For contracts where the contracting agency is a "covered entity" or "covered entity with major public contact" as defined in Sections 2(2) and 2(3) of the Language Access Act of 2004 (D.C. Official Code § 2-1931(2) and § 2-1931(3)), I hereby certify that I will comply with Language Access compliance requirements of the contracting agency while performing this contract.

SECTION III. BUY AMERICAN ACT CERTIFICATION

Instructions for Section III: Section III contains one (1) part which should only be completed if goods are being provided that are subject to the requirements of the Buy American Act.

PART 1: BUY AMERICAN ACT COMPLIANCE

1.1 The bidder/offeror certifies that each end product, except the end products listed below, is a domestic end product (as defined in Paragraph 22 of the Standard Contract Provisions, "Buy American Act"), and that components of unknown origin are considered to have been mined, produced or manufactured outside the United

_____ EXCLUDED END PRODUCTS

_____ COUNTRY OF ORIGIN

SECTION IV. CERTIFICATION

Instruction for Section IV: This section must be completed by all bidder/offerors.

I, I **BYRON E. BOOTHE, JR**, as the person authorized to sign these certifications, hereby certify that the information provided in this form is true and accurate.

Name [Print and sign]:

BYRON E BOOTHE, JR

Telephone #:

678.473.7200

Fax #:

678.473.7201

Title:

INTERIM CEO

Email Address:

BYRON.BOOTHE@INTRALOT.US

Date:

JUNE 7, 2019

The District of Columbia is hereby authorized to verify the above information with appropriate government authorities. Penalty for making false statements is a fine of not more than \$1,000.00, imprisonment for not more than 180 days, or both, as prescribed in D.C. Official Code § 22-2405. Penalty for false swearing is a fine of not more than \$2,500.00, imprisonment for not more than three (3) years, or both, as prescribed in D.C. Official Code § 22-2404.



**GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER**

DOING BUSINESS WITH INTEGRITY

Introduction

You are receiving this because you are a contractor or a vendor who does repeated business with the Office of the Chief Financial Officer (OCFO), Government of the District of Columbia, or you are an organization or individual outside the OCFO with whom we frequently interact.

Our purpose is to advise you of the high expectation of integrity that we strive to bring to bear in all of our business relationships.

Environment of Trust

The Office of the Chief Financial Officer is committed to maintaining working relationships that are founded on fair and honest exchanges in all of our business interactions. Our employees are held to high standards of ethical behavior in the conduct of their official business.

We want to share these expectations of ethical business practices with you to ensure that our business relationships are conducted with the highest level of honesty and integrity.

OCFO Code of Conduct for Employees

The OCFO Code of Conduct imparts three fundamental values for employees:

- Employees should conduct themselves in such a manner as to maintain and enhance the integrity and professional reputation of the OCFO organization
- Employees should not use their position to secure unwarranted privileges, awards, or exemptions for themselves or others
- Employees should avoid real or perceived conflicts of interest between the employee's private interest and the employee's official duties.

For your reference, the OCFO Code of Conduct can be accessed electronically at www.cfo.dc.gov. Go to Information, click on Integrity and Oversight, then click on Integrity Documents to reach the Code of Conduct.

Confidentiality of Financial and Other Information

We expect our employees to maintain absolute confidentiality concerning all information that they obtain, observe, or create relating to the financial affairs of those we do business with. We vigorously investigate any compromise of confidentiality by employees or any attempts to improperly obtain such information by private parties or businesses.

Bribery and Conflict of Interest

In addition to our standards of conduct, there are certain criminal statutes in the federal criminal code relating to bribery and conflict of interest that apply not only to employees of the federal government, but also to employees of the District of Columbia.

- The offer of anything of value in expectation of specific performance by a government employee is a crime, and even the appearance of such activity should be avoided.
- Employees may not accept anything of value (other than their government salaries) for the performance of their duties. This is outlined below under Gratuities and Other Gift Rules.
- Our employees are required to report all offers of bribes and gratuities to us, and we ensure that these matters are investigated and addressed. Likewise, we encourage anyone who believes they may have been solicited for a bribe or gratuity by an OCFO employee to report the matter immediately, as indicated at the end of this document.
- We also expect our employees to avoid conflicts of interest or the appearance of conflicts of interest. A particularly sensitive issue for government employees is the offer of employment with a company doing business with the OCFO. At any point when a government employee is considering employment with a private company that has a business relationship with the government, that employee must discontinue work on any assignment involving that company or face the very real possibility of violating conflict of interest statutes. This could also jeopardize the company's eligibility to be awarded government contracts.
- Employees are also expressly forbidden from performing official duties in situations involving friends, relatives or persons or businesses with whom they, or their family members, have a financial relationship. At any point where such a relationship is discovered or develops, the employee must discontinue their involvement in the official matter. For the employee and the business entity to continue to conduct official business after such a conflict is evident, would be inappropriate and possibly illegal.

Gratuities

It is always gratifying to hear that our staff has provided exemplary service to those with whom we do business. Sometimes, however, the expression of appreciation is made in a form that is inappropriate for government employees to accept.

OCFO employees are prohibited by law from accepting money or other things of value as an appreciation for a job well done. Sometimes even the mere offer of something of value may violate bribery and gratuity statutes. A more appropriate expression of gratitude for the service rendered is a letter to the employee's supervisor. If you don't know who that is, you may simply send your letter to the Office of the Chief Financial Officer, and it will be routed to the proper official.

Other Gift Rules

Gifts of food and/or beverages, even during holiday seasons and other celebratory occasions, are not acceptable if the giver has a business relationship of any kind with the D.C. Government. Such offers, while well-intentioned, tend to give the impression of a special relationship between the giver and the government employee.

This rule does not apply to the offer and acceptance of an insignificant item, such as a soft drink, coffee, donuts and other modest items of food and refreshments when not offered as part of a meal. Additional information on gift rules and exceptions is contained in OCFO Code of Conduct, which can be accessed electronically at www.cfo.dc.gov. Go to Information, click on Integrity and Oversight, then click on Integrity Documents to reach the Code of Conduct.

Compliance with Contracting Rules and Regulations

Ensuring compliance with the provisions of contracts is an important expectation of government employees. Even so, we have seen examples where the rules were not followed, usually based on the "need to get the job done." Such behavior puts both the government employee and the contractor in jeopardy.

If modifications to existing contracts are necessary, they should be formally pursued in accordance with OCFO contracting rules and regulations. No work outside the specifications of a contract should be performed without an approved contract modification. Performing work outside of contract specifications or beyond authorized funding, could result in a default for the contractor and denial of payment for such work. In the more extreme cases, failure to comply with contracting regulations could be considered fraud and may be investigated as a criminal violation.

Reporting Misconduct, Fraud, Waste and Abuse

The OCFO has a zero tolerance policy for fraud and misconduct involving its employees and programs. Similarly, we do not tolerate attempts to corrupt our employees.

The Office of Integrity and Oversight is an independent entity of the OCFO with responsibility for protecting the integrity of the OCFO and preventing fraud and other misconduct in OCFO programs. OIO conducts investigations of alleged employee misconduct and works closely with federal and District law enforcement agencies in investigating criminal offenses affecting the integrity of the OCFO.

We all want the government's business to be conducted fairly, impartially, and with the highest degree of integrity. The best way to ensure this is to report any indication that illegal acts or administrative misconduct may have occurred. Here is how you can report such matters, by telephone, in person, mail, or electronically:

OCFO Office of Integrity and Oversight

1100 4th Street, S.W.; Suite 750-E
Washington, DC 20024
(202) 442-6433

In addition to receiving your report, investigators are available to discuss any questions or concerns you may have about the matter. Reporting can also be done electronically at the OCFO website: www.cfo.dc.gov. Under Information, click on the Integrity and Oversight link, and then click on Reporting Incidents and Concerns.

OCFO Confidential Hotline

In order to address any concern about reporting anonymously, the OCFO has contracted with an independent, third-party organization that provides a confidential hotline service. This hotline is available for reporting allegations of OCFO employee misconduct, and fraud, waste and abuse involving OCFO programs.

Reports can be made by telephone to this toll-free hotline, which is staffed 24 hours a day, at 1-877-252-8805, or it can be accessed at www.ocfo.ethicspoint.com.

District of Columbia Office of the Inspector General

Reports of fraud, waste and abuse may be reported to the Office of the Inspector General by telephone at 1-800-521-1639, or electronically at www.oig.dc.gov.