

AWARD/CONTRACT		DCLB Lottery Draw Services		Page of Pages 1 67 plus attachments		
2. Contract Number CFOPD-12-C-015		3. Effective Date Upon Date of Contracting Officers Signature		4. Requisition/Purchase Request/Project No.		
5. Issued By OCFO/OFFICE OF MANAGEMENT AND ADMINISTRATION OFFICE OF CONTRACTS 1100 4th Street Suite 610E WASHINGTON, DC 20024		Code		6. Administered By (If other than line 5) Office of the Chief Financial Officer Office of Contracts 1100 4th Street Suite 600E Washington, DC 20024		
7. Name and Address of Contractor (No. Street, city, country, state and ZIP Code) Scientific Games International Inc. 1500 Bluegrass Lakes Parkway Alpharetta, GA 30004		Code		8. Delivery <input type="checkbox"/> FOB Origin <input checked="" type="checkbox"/> Other (See Schedule Section F)		
Code		Facility		9. Discount for prompt payment		
11. Ship to/Mark For District of Columbia Government DC Lottery and Charitable Games Control Board 2101 Martin Luther King Jr. Avenue SE Washington, DC 20020		Code		12. Payment will be made by District of Columbia Government DC Lottery and Charitable Games Control Board 2101 Martin Luther King Jr. Avenue SE Washington, DC 20020		
13		Code		14. Accounting and Appropriation Data		
15A. Item		15B. Supplies/Services		15C. Qty	15D. Unit	
1		DCLB Lottery Draw Services		N/A	N/A	
				15E. Unit Price	15F. Amount	
				N/A	NTE \$244,776.00	
				Total Amount of Contract NTE \$244,776.00		
16. Table of Contents						
(X)	Section	Description	Pages	(X)	Section	
	PART I - THE SCHEDULE				PART II - CONTRACT CLAUSES	
	A	Solicitation/Contract Form			i	Contract Clauses
	B	Supplies or Services and Price/Cost			PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS	
	C	Description/Specifications/Work Statement			J	List of Attachments
	D	Packaging and Marking			PART IV - REPRESENTATIONS AND INSTRUCTIONS	
	E	Inspection and Acceptance			K	Representations, Certifications and Other Statements of Offerors
	F	Deliveries or Performance			L	Instructions, conditions & notices to offerors
	G	Contract Administration Data			M	Evaluation factors for award
	H	Special Contract Requirements				
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 <u>1</u> copy 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>WILLIAM HUNTLEY, PRESIDENT, SG SYS</i>			20A. Name of Contracting Officer Dorothy Whisler Fortune			
19B. Name of Contractor <i>William Huntley</i>		19C. Date Signed <i>2/1/12</i>	20B. District of Columbia <i>Dorothy Fortune</i>		20C. Date Signed <i>2/2/12</i>	
		(Signature of person authorized to sign)			(Signature of Contracting Officer)	
Office of the Chief Financial Officer Office of Contracts						

SECTION B**B.1 Pricing****Table One: Base Year Pricing**

Item	Fixed Price
Random Number Generator	\$89,984.00
Video Raffle Digital Machine	\$11,592.00
Random Number Generator and Video Raffle Digital Machine Software	\$84,000.00
Animation Software	\$18,000.00
Fixed Price Total	\$203,576.00

Item	Not to Exceed
Training for End Users	\$16,000.00
Supervision of Launch	\$19,600.00
Maintenance	\$5,600.00
Not to Exceed Total*	\$41,200.00

***The Base Year Shall total shall Not Exceed \$244,776.00.**

Table Two: New Hardware for Random Number Generator/Vendor Raffle Digital Machine and other components

A. Random Number Generator (Base Year)

Item	Description	Firm Fixed Unit Price	Quantity	Firm Fixed Price Total
CLIN 1	Desktop Computer	\$16,593.00	3	\$49,779.00
CLIN 2	Keyboard	\$706.00	3	\$2,118.00
CLIN 3	Draw button or other selection method	Included	3	Included
CLIN 4	Hard drive	Included	3	Included
CLIN 5	Additional Hard Drive	\$332.00	15	\$4,980.00
CLIN 6	Enclosure/Desk Equipment	\$2,754.00	2	\$5,508.00

CLIN7	Printers HP Laser Jet Enterprise P3015dn	\$840.00	2	\$1,680.00
CLIN8	Audio Visual Equipment	N/A	N/A	\$22,173.00
CLIN9	Cabling/Networking	N/A	N/A	\$1,640.00
CLIN10	Shipping	\$2,106.00	1	\$2,106.00
	Random Number Generator Firm Fixed Price Total			\$89,984.00

B. Video Raffle Digital Machine (Base Year)

Item	Description	Firm Fixed Unit Price	Quantity	Firm Fixed Price Total
CLIN 10	Desktop Computer	\$3,158.00	3	\$9,474.00
CLIN 11	Keyboard	\$706.00	3	\$2,118.00
CLIN 12	Draw button or other selection method	Included	3	Included
CLIN 13	Hard drive	Included	3	Included
	Video Raffle Digital Machine Firm Fixed Price Total			\$11,592.00

Table Three: Random Number Generator/Video Raffle Digital Machine Software

	Base Year	Option Year One	Option Year Two	Option Year Three	Option Year Four
Software	\$84,000.00	\$84,000.00	\$84,000.00	\$84,000.00	\$84,000.00
Rendering	\$0	\$0	\$0	\$0	\$0

Table Four: Animation

	Base Year	Option Year One	Option Year Two	Option Year Three	Option Year Four
Software	\$18,000.00	\$18,000.00	\$18,000.00	\$18,000.00	\$18,000.00
Upgrade for faster rendering	\$0	\$0	\$0	\$0	\$0

Table Five: Creative Design and Development (Optional)

	Base Year	Option Year One	Option Year Two	Option Year Three	Option Year Four
New Game	\$53,000.00	\$53,000.00	\$53,000.00	\$53,000.00	\$53,000.00
Modification to existing game	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00
Game Repair	\$25,000.00	\$25,000.00	\$25,000.00	\$25,000.00	\$25,000.00
Audit Log Dump	\$0	\$0	\$0	\$0	\$0

Table Six: Support Systems and Services Maintenance (Optional)

	Base Year	Option Year One	Option Year Two	Option Year Three	Option Year Four
On- Site Maintenance (cost per hour)	\$175.00	\$182.00	\$188.00	\$194.00	\$200.00
Emergency Repairs (cost per hour)	\$175.00	\$182.00	\$188.00	\$194.00	\$200.00
Help Desk (cost per call)	\$0	\$0	\$0	\$0	\$0
Upgrades, Changes, or Enhancements	\$40,000.00	\$40,000.00	\$40,000.00	\$40,000.00	\$40,000.00

Table Seven: Training (Training for end users, including troubleshooting. 10 person maximum five (5) days a week for four (4) weeks). (Base Year)

Estimated Number of Hours	Firm Fixed Price Per Person
160 Hours per person (maximum 10 people)	\$1,600.00 per person

Table Eight: Supervision of Launch (2 weeks/14 days) (Base Year)

Estimated Number of Hours	Firm Fixed Price Hourly Rate
112 Hours	\$175.00 per hour

Table Nine: Hourly Rates

Labor Category	Firm Fixed Price Hourly Rate
Animator	\$175.00
Tech Rep	\$175.00

B.2 Contract Type

The Contract shall have a Not to Exceed Total with Firm Fixed Price tasks and rate categories.

B.3 Contract Ceiling

The Contract ceiling shall not exceed \$1,000,000.00

B.4 Period of Performance

The base Contract Period of Performance shall be from the date of the Contracting Officer's signature for one (1) year with four (4) one (1) year option periods.

SECTION C

STATEMENT OF WORK

C.1 Introduction

The D.C. Lottery and Charitable Games Control Board (DCLB herein the “Lottery”) has a requirement for a vendor to supply a computerized draw system (Animation/Graphic system and Random Number Generator) for the daily mid-day and evening drawings. DCLB shall provide the Random Number Generator chip. All deliverables under this contract shall be reviewed, accepted, and approved by the District. The Contractor shall also be responsible for the creative design and development of the three (3) existing DC Lottery games. The Contractor shall be capable of designing and developing the computer generated creative video and audio elements to depict any new game. All works created under this contract shall be owned by the District.

C.2 Background

The Lottery launched its first on-line game, D.C. Lucky Numbers on August 22, 1983. Today, the D.C. Lottery offers three on-line games: DC3, DC4, DC5; two MUSL games, Powerball, Hot Lotto, and Mega Millions.

The Lottery conducts drawings twice a day, seven days a week, and 365 days a year. Mid-day drawings are audio broadcasted for radio only at 2:14pm and 2:20pm for the DC3, DC4 and DC5 games. Evening drawings are televised at 8:13pm for the DC3, DC4 and DC5 games.

Game Details and Matrices

- A. DC3 is a three-digit game. Players select one number from each of the three fields of numbers ranging from 0-9;
- B. DC4 is a four digit game. Players select one number from each of the four fields of numbers ranging from 0-9; and
- C. DC5 is a five number game. Players select five numbers from each of the five fields ranging from 0-9;

All games are selected with a computerized animation and Random Number Generator system.

C.3 Specifications/Scope of Work

C.3.1 The Contractor shall provide a computerized draw system for the daily mid-day and evening drawings as well as the creative design of new and current on-line games.

C.3.2 The computerized system shall include animation/graphic and a random number generator to conduct the Mid-Day games draw program which consists of three (3) on-line games: DC3, DC4 and DC5. The Mid-Day games draw program shall broadcast for

one minute and twenty seconds (1:20). The Lottery's evening games draw program consists of three (3) on-line games: DC3, DC4 and DC5 and shall broadcast for one minute and thirty seconds (1:30). The computerized system shall also have a recap program that will run for 40 seconds and give an audio recap of the evening draw results for radio broadcast.

C.4 Technical Requirements

The District will implement new hardware with the supporting software. The Contractor shall supply all computerized systems and corresponding software. There shall be three (3) random number generator systems; and three (3) digital animation/graphic production systems. In addition, the Contractor shall supply or provide related equipment and materials; services for installation of the systems; end-user training; annual maintenance services, and computer system and software upgrades. The three (3) systems of random selection and graphic animation shall be separate but will represent a turnkey operation customized for the Lottery. All radio and televised broadcasting transmissions shall originate from the Lottery location at 2101 Martin Luther King, Jr. Avenue, SE, Washington, DC 20020. These radio and television broadcasts shall be produced by the computerized production equipment's real-time uploading capabilities.

C.4.1 Equipment and Software Systems

Random Number Generator: The Contractor shall provide a draw system capable of selecting winning number results. This system shall have the capability to do the following:

- Use dual selection methods, i.e. RNG and VRDM. The RNG with fixed matrix and the VRDM with variable range matrix;
- Conduct from one to ten games;
- Record all system activities;
- Display activities on a monitor;
- Print all draw results;
- Select each game separately; and
- Expand, at a minimum to ten (10) games; inclusive of the three (3) that are currently played.

Equipment: The Contractor shall supply the following:

<u>Item/Description</u>	<u>Qty</u>
Desktop Computer	3
Keyboard	3
Draw button or other selection method	3
Hard drive	3

Video Raffle Digital Machine: The Contractor shall provide an independent computerized draw system capable of selecting winning number results. This system shall have the capability to:

- Use dual selection methods, i.e. random number generator and multiple algorithms;
- Conduct from one to ten games;
- Record all system activities;
- Display activities on a monitor;
- Print all draw results;
- Select each game separately;
- Expand, at a minimum to ten (10) games; including the three (3) that are currently played; and
- Conduct raffles and other games.

Equipment: The Contractor shall supply the following:

<u>Item/Description</u>	<u>Qty</u>
Desktop Computer	3
Keyboard	3
Draw button or other selection method	3
Hard drive	3

Additional Games: The software shall also have the capacity to develop the Lottery's current games (DC3, DC4, and DC5), and to ***add additional games.***

C.4.2 Computerized Animation Software

The Contractor shall provide computerized animation software that shall produce a digitally developed animation production of broadcast quality for any new game drawings. The Mid-day drawing programs shall be produced for radio broadcast and only the audio elements will be required to create a cohesive 30 to 90 second daily production to be reviewed, accepted, and approved by the District. The Evening drawing programs shall be produced for televised broadcast, and both the audio and visual elements shall be required to create a cohesive 60 to 120 second daily production. Total production may vary in length depending on the number of games that are included and when it is to be broadcast. The finished production shall be uploaded for real-time broadcasts to contracted stations. The Lottery staff shall be able to view and/or listen to a finished production prior to broadcast; view and/or listen to the production during its broadcast; and create audio and/or video tape for documentation and archival purposes.

Current games shall be of "realistic" animated renderings. Future games may use "cartoon" style animated representation. All games shall be visually attractive, with audio accompaniments including voice-overs, sound effects and theme music. An individual game shall be completed within nine (9) seconds, including recap pages. Promos shall only be nine (9) seconds, the show opening and closing approximately three (3) seconds each. All games are subject to the review and approval of the Contracting Officer's Technical Representative (COTR) prior to implementation. Daily consistency and reliability is essential for the proposed system.

C.4.3 Audio Elements

The animation system shall have the capability to contemporaneously perform the following:

- (a) Play “Theme Music” at different volume levels throughout the production for 60, 90 and 120 seconds in length;
- (b) Have “Human Voice-Over” flexibility to accurately reflect the salutation name of a game, date, game results and closing remarks in sync with what is visually being displayed;
- (c) The ability to insert periodically verbal “Promotion Tags,” such as the Powerball jackpot or available instant games; and
- (d) The ability to create, mix or select additional sounds from an audio library or sound affects bank, such as a Monopoly token race car honking the horn, revving its motor or ping-pong balls mixing in a drawing machine, etc.

C.4.4 Video Elements

The Contractor shall provide DVD equipment with the capability to do the following:

- (a) Store still graphics “Agency Logo” pages for opening, (1) four-color exact replica, (2) one large logo against a primarily solid-color background, (3) ten small logos against a primarily solid-color background, (4) seasonal themes integrated with one logo, (5) holiday motifs integrated with one logo, and (6) multi-colored, moving ping-pong balls background;
- (b) Store still graphics “Winning Results” pages to recap drawings, containing game logos and changeable numbers with pre-determined positions and character spaces to accommodate results, against backgrounds;
- (c) Store “Photographs” of regional monuments, landmarks, historic sites for use with the opening or closing;
- (d) Store still graphics “Promotional” page with changeable letter characters for brief write-ups of instant ticket games, second-chance drawings, etc., and able to display a rendition of an instant ticket or mixing barrel drum filled with envelopes;
- (e) Store moving animation for “Cartoon-Style Drawings” to portray a game such as Monopoly with Uncle Money Bags pointing at tokens or properties with his cane, tokens moving around the board, game board spinning, Uncle Money Bags talking, etc.;
- (f) Animation game themes and simulation;

- (g) Store moving animation for “Realistic Drawings” with 3-dimensional, life-like renditions of transparent drawing machines, ball sets loaded in the machines, balls released and mixing in the machines, selection of a ball, wide shots, close-up shots, background design; and
- (h) Creating additional video elements as necessary and appropriate for new games or programs.

Offerors shall supply creative samples depicting the aforementioned ideas with their proposals. Any additional creative suggestions and samples will be considered and subject to the Lottery’s approval.

C.4.5 Reviewing and Recording Components / Specified Option

To review and record components, the Contractor shall provide and integrate the following equipment, listed below into the animation system. This shall be a specified option. Specified options are required to be proposed, although the DCLB may opt not to take them. The Contractor shall provide information and pricing for available equipment. The Contractor shall recommend size, and selection for DCLB to review.

<u>Item/Description</u>	<u>Qty</u>
(a) Audio Speakers	2
(b) Television Monitors	1
(c) Audio Recorders	2
(d) Video Recorders	2

Any additional Contractor’s creative suggestions and samples are subject to the Lottery’s consideration and approval.

C.4.6 Support Systems and Services

After the successful completion of the performance testing period and launch, the Contractor shall provide on-going support and maintenance for the random number generation system, video raffle digital machine system and the animation system. The Contractor shall perform upgrading services on an as needed basis in accordance with the Lottery’s requests and maintenance services on a semiannual basis.

The Contractor shall perform the following services:

- (a) Organize and conduct twenty (20) day training sessions prior to the first day of operation. The training shall continue thereafter with supervision during the first two weeks of operation, and as necessary, throughout the life of the contract. Training materials shall be supplied by the Contractor for each student. Instructional booklets for all equipment shall be included for every training session.

- (b) Manage, maintain, and operate a “Hot-Line” for emergency support to deal with problems requiring immediate resolution 24 hours a day, 365 days a year. The Contractor staff shall take appropriate actions to identify, resolve or inform appropriate Lottery personnel of problems that require Lottery responses. The Contractor staff shall promptly report problems concerning threats to system security to the Lottery Chief of Draw and Chief of Security. The Contractor shall troubleshoot animation system issues by modem from an off-site location on an as needed basis 365 days per year and shall provide adequate personnel to repair or replace all equipment in the District of Columbia within 120 minutes of receiving a repair call or upon determining off-site troubleshooting will not resolve the issue, except that in cases of weather emergencies declared by the District of Columbia
- (c) The Contractor shall be responsible for the maintenance of both complete systems, including all computer hardware, cables, and wires to operate the systems. All equipment shall be maintained in accordance with the manufacturer’s requirements for maintenance. The Contractor shall maintain sufficient spare parts to replace parts that are worn out or damaged as a result of normal daily use in the course of business. The Contractor shall replace all necessary parts on both the primary and back-up systems to ensure continuous operation twenty-four (24) hours a day.
- (d) The Contractor shall provide software and/or machine upgrades including; changes, fixes to all software errors and design defects, improved versions, software enhancements and new game additions.
- (e) The Contractor shall maintain communication with the Lottery about future changes and upgrades of the systems. The Contractor shall also give written assessment on any potential problems and include a plan of action to resolve potential problems.

C.5 Creative Design/Development

- C.5.1** The Contractor shall have the ability to create and transfer the recorded video (including audio) files of the animated drawings for posting on dclottery.com. The video files shall be compatible for viewing via Microsoft Windows Media Player and RealMedia. Each video file shall be made available in file sizes/bit rates for both dial-up users (48k-56k) and high speed users (284k-384k). Video files shall be transferred to the website within 10-20 minutes after the actual game drawing.
- C.5.2** DCLB shall reserve the right to employ the services of an animator or animation firm to render creative services of all or part of the drawing program.
- C.5.3** Creative services shall include concept creation, production and final formatting preparation.
- C.5.4** The created elements shall be incorporated into the drawing system program format by the Contractor.

C.5.5 On request, the Contractor shall supply the District with software format information and any appropriate and specific process programs to ensure system compatibility and reliability. Once reviewed, accepted, and approved by the District, the Contractor shall work with the District to expedite the successful implementation as designed.

C.5.6 The Contractor shall propose a Period of Performance to the District for approval to incorporate, deliver and install completed program changes with deadline date allowing for a minimum of one week review, testing, and COTR approval before launch date.

C.6 Hardware and Software Security Measures

C.6.1 The Contractor shall provide internal controls and security programs to ensure the integrity of the drawings. The Contractor shall put in place, detailed security measures necessary to ensure the integrity associated with system hardware and software that could affect the outcome of the draw. These measures shall include; the use of passwords with dual password entry, hardware security password card, an automatic audit system with audit report printout and audit history of every draw maintained within program, the use of randomization methods with a RNG program burned into an EPROM card, locked encasements, backing-up and restoration keys, the installation of a power switch key lock on each machine, user menus and prompts.

C.6.2 To avoid any possible compromise of the integrity of drawing outcomes and broadcasts, the systems that the Contractor shall supply under this contract shall consist of two independent components, each with separate security measures and controls. Additionally, the random number generator system shall have the software burned into the hard-drive. It must be a stand-alone designed to be inaccessible from off-site and modified to eliminate the communications part of the machine, with no modem and a secured floppy disk drive; and shall be such that any maintenance or trouble shooting can only be performed on-site, in the presence of the COTR or other authorized Lottery personnel.

C.7 Automation of Winning Numbers to Separate System

To transfer files of the games in a separate computing environment (secure FTP or Server). i.e. a macro-like process to automatically encrypt and transfer winning numbers to sites such as Facebook and Twitter as well as RSS and XML feeds.

To ensure the execution of the aforementioned, the Contractor shall:

- a) Develop a complete workflow of the process with alternative approaches. Understand and clarify DC Lottery personnel's responsibility, online vendor staff responsibility and agree on changes to the existing processes if necessary.
- b) Evaluate possible areas of threat, existing firewalls, and ensure that sufficient protections are in place to secure the handling and transferring of winning numbers to a computing environment outside of the drawing system.

- c) Define any additional security measures to isolate the drawing system from the outside environment.
- d) Evaluate the possibility of using Secure File Transfer Protocol (sFTP) rather than using Lottery's unsecured File Servers.
- e) Evaluate the naming conventions for files created for each game and the location of these files.
- f) Evaluate the requirements of the District for retrieval of files containing the winning numbers and load them into HOST.
- g) Evaluate the access privileges required by the District Operational staff for retrieving the files.
- h) Develop procedures for the District personnel to confirm the retrieved numbers against official records and print out from RNG subsystem.
- i) Evaluate the potential for communication failure between all the components of the workflow and develop procedures to regenerate the winning numbers for upload.
- j) Evaluate and define management of secure Server or FTP, daily management of files, archiving, directory management, and security concerns. Define the responsible organization to oversee the process.

C.8 Project Management Plan

The Contractor shall provide the Lottery with project management plans, personnel and resources needed to complete all deliverables described herein. The plans shall include: (a) a listing of equipment pieces for the systems; (b) a projected production schedule for the manufacturing of the equipment or acquisition of it; and (c) all plans and requirements for installing the equipment. *A detailed project management plan shall be submitted with the Contractor's RFP proposal.*

C.9 Deliverables

	Items/Deliverable	Time Schedule	Acceptance Official/Office
A.1 ·	<u>Installation of Software Systems</u> (a) Random Number System. (b) Animation Equipment.	Within 120 days of contract award. Within 120 days of contract award.	Chief of Draw w/Consultant Chief of Draw w/Consultant
A.2 ·	<u>Testing of Software Systems</u> (a) Random Number System. (b) Animation equipment.	Daily, for a minimum of 90 days after installation of both systems.	Chief of Draw w/Consultant Chief of Draw w/Consultant
A.3 ·	<u>Upgrading of Software Systems</u> (a) Random Number System. (b) Animation Equipment.	To Be Determined To Be Determined	Chief of Draw w/Consultant Chief of Draw w/Consultant Chief of Draw w/Consultant Chief of Draw w/Consultant
B.	<u>Equipment</u> (a) Design of any equipment. (b) Production (c) Room layout sketch for installation (d) Installation. (e) Testing.	Within 15 days of contract award. Within 30 days of design approval. Within 15 days of contract award. Within 21 days of production. Daily-90 days after installed.	Chief of Draw w/Consultant Chief of Draw w/Consultant Chief of Draw w/Consultant Chief of Draw w/Consultant Chief of Draw w/Consultant
C.	<u>Training</u> (a) Equipment training for Lottery staff. (Maximum of 10 people) (b) Supervision during new launches.	20 business days after installation of equipment. First 2 weeks of launch.	Chief of Draw Chief of Draw
D.	<u>Project Management Plan</u>	Submit with proposal.	Contracting Official w/ Evaluation Committee
E.	<u>Maintenance and Repairs</u> (a) Maintenance (b) Repairs	Every 6 months after launch. Within 120 minutes of Lottery's request.	Chief of Draw & Chief of Sec Chief of Draw & Chief of Sec

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

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.

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.

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

Inspection of all goods and services provided by the Contractor under this contract shall be performed by the Contracting Officer's Technical Representative ("COTR") identified in Section G.1(b).

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**THE TIME PERIOD FOR THIS WARRANTY IS THE LIFE OF THE CONTRACT PLUS ALL ACTIVE OPTIONS AND EXTENSIONS.**

- (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 reperform 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

DELIVERABLES / PERFORMANCE

F.1 CONTRACT PERIOD

The term of the contract shall be as follows:

The term of the contract shall be for a period of one (1) year beginning upon the date of the Contracting Officer's signature with four (4) one year option periods.

F.1.1. *Base Paid Period.* The base paid period shall begin upon the date of the Contracting Officer's signature and end one year from date of signature.

F.1.2. *Options to extend.*

(a) The District may extend the term of this contract for four (4) one-year option periods or fractions thereof. The District may exercise an option by written notice to the Contractor before expiration of the contract. The preliminary notice does not commit the District to an extension.

(b) *Emergency Option to Extend.*

(1) The District reserves the right to reactivate or further extend the initial term of the Contract, or any extension thereof, at the rate agreed upon for the last year of the extension period of the Contract, upon thirty (30) days notice, for one (1) ninety (90) day period to allow additional time to complete the requirement.

(2) The District also reserves the right to further extend the Contract upon expiration of such ninety-day extension, if any, for a period of one (1) year or a fraction thereof.

(3) The District's right to extend shall not be construed as obligating the District to repeat the procurement process for any subsequent contract or conferring any right or expectation for Contractor to continue operating under the Contract after the expiration of either a ninety (90) day or one (1) year or fraction thereof extension.

F.2 DELIVERABLES

All deliverables shall be submitted in accordance with the statement of work in Section C.

Reports that are required are to be submitted to the District as a deliverable(s) shall be delivered in accordance with the Statement of Work contained in Section C. If the report(s) is not submitted as part of the deliverables, final payment to the Contractor shall not be paid.

SECTION G**CONTRACT ADMINISTRATION DATA****G.1 CONTRACT ADMINISTRATION****(a) Contracting Officer**

The Contracting Officer for this contract is:

Dorothy Whisler - Fortune
Contracting Officer
Office of Contracts
Office of Management and Administration
Office of the Chief Financial Officer
1100 4th Street SW Suite 610 East
Washington, DC 20024
Phone: 202-442-8078
Email: dorothy.whisler@dc.gov

The Contracting Officer is the ONLY official authorized to legally bind the District or make changes to the Terms and Conditions of this contract. Only he or his designee can increase, decrease, extend or terminate this agreement. All other changes are unauthorized.

(b) Contracting Officer Technical Representative (COTR)

The COTR for this contract will maintain a close relationship with the Contractor and will ensure that the Contractor's work conforms to the day-to-day technical requirements of the contract. **It is understood and agreed that the COTR shall not have authority to make changes in the scope or terms and conditions of the contract.** The COTR is:

Melody Booker
Chief of Draw
D.C. Lottery and Charitable Games Control Board
2101 Martin Luther King Jr. Avenue SE 4th Floor
Washington, DC 20020
Phone: 202-645-8055
Fax: 202-645-7987
Email: melody.booker@dc.gov

G2 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.

G3 INVOICE SUBMITTAL

G.3.1 The Contractor shall submit proper invoices on a monthly basis or as otherwise specified in this Section G. Invoices shall be prepared and submitted to the D.C. Lottery and Charitable Games Control Board at the address below with concurrent copies to the COTR.

D.C. Lottery and Charitable Games Control Board
Attn: Melody Booker, Draw Division
2101 Martin Luther King Jr. Avenue, SE 4th Floor
Washington, DC 20020
Phone: 202-645-8055
Fax: 202-645-7987

Invoices shall not contain charges for items not listed in the Schedule of Fees. Work performed outside this contract, for which there was no prior modification to include it under Section C, Description/Specification/Work Statement, shall not be included.

G.3.2 INVOICES

- A. An invoice is a written request for payment under the contract for supplies delivered or services rendered. In order to be proper, an invoice must include as applicable, the following:
- (1) Name and address of the Contractor;
 - (2) Invoice date;
 - (3) Contract number or other authorization for supplies delivered or services performed (*including order number and contract line item number*);
 - (4) Description, quantity, unit of measure, unit price and extended price of supplies delivered or services performed;
 - (5) Shipping and payment terms (e.g., shipment number and date of shipment, prompt payment discount terms);
 - (6) Name and address of Contractor official to whom the payment is

to be sent *(must be the same as that on the contract or accompanied by a proper notice of assignment)*;

- (7) Name *(where practicable)*, title, phone number, mailing address of person to be notified in event of defective invoice; and
- (8) Any other information or documentation required by the Contract *(such as evidence of shipment)*.

G.4 THE QUICK PAYMENT PROVISIONS

G.4.1 INTEREST AND 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.*, 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 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 15th day after the required payment date for any other item.

G.4.1.2 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 7 days of receipt of any amount paid to the Contractor by the District for work performed by any subcontractor under a contract:

- a. Pay the subcontractor for the proportionate share of the total payment received from the District that is attributable to the subcontractor for work performed under the contract; or
- b. Notify the District and the subcontractor, 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 any lower-tier subcontractor or supplier 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 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 15th day after the required payment date for any other item.

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 of Columbia is a party. The District of Columbia may not be interpleaded in any judicial or administrative proceeding involving such a dispute.

G5 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.37.

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.

SECTION H

SPECIAL CONTRACT REQUIREMENTS

The terms and conditions in Section H and Section I shall be incorporated into the contract.

H.1 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 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 District for all acts and omissions of the Contractor's employees, agents and subcontractors and the Contractor shall enforce strict discipline among the Contractor's employees, agents and subcontractors performing the services under the Contract. Any person employed by the Contractor shall, at the written request of the District, and within the District'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 RESERVED

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 there under 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 there under and shall correctly and accurately perform their intended functions on the equipment supplied by the District 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 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 District.
- H.4.9 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 District and agrees to comply with that schedule.
- H.4.10 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 District.

H.5 Disclosure of Litigation

The Contractor shall provide 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 industry would consider relevant 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 industry and its operations. This is a continuing disclosure requirement; any litigation commencing after acceptance of the

contract shall be disclosed in a written statement within fifteen (15) days of its occurrence. The Contractor shall be required to file with the District comprehensive monthly reports regarding 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 CONTINUITY OF SERVICES

The Contractor recognizes that the services provided under this contract are vital to the District of Columbia and must be continued without interruption and that, upon contract expiration or termination, a successor, either the District Government or another Contractor, at the District's option, may continue to provide these services. If another Contractor is awarded a future contract for performance of the required services, the original Contractor shall cooperate fully with the District and the new Contractor in any transition activities that the Contracting Officer deems necessary during the term of the contract. To that end, the Contractor agrees to exercise its best efforts and cooperation to effect an orderly and efficient transition to a successor.

H.7 BACKGROUND INVESTIGATIONS AND OTHER INTEGRITY REQUIREMENTS

The District may initiate investigations into the backgrounds of any of the Contractor's officers, principals, investors, owners, employees, vendors, subcontractors, or subcontractors' officers, principals, owners, employees or vendors, or any other associates of the Contractor(s) it deems appropriate. Such background investigations may include the completion of certain documents, and fingerprint identification by appropriate law enforcement agencies.

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 District may prescribe. The Contractor also agrees that the District may conduct background investigations of such persons.

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 Intellectual Property Rights

H.8.1 Licenses:

- (a) Contractor grants the District an irrevocable, worldwide license to use, modify, display, execute, and have modified, displayed, used, and executed, the Works for the term of the Contract (including any extensions or renewals thereof) and a period of five (5) years after termination or expiration of the Contract for any

reason. Contractor hereby grants the District an irrevocable, perpetual, worldwide license to use the Works solely for the purpose of accessing archived data.

- (b) The District will only use contractors and consultants to exercise its right under the foregoing paragraph to the extent that such contractors and consultants sign non-disclosure agreements, acknowledging the confidential and proprietary nature of the System and agreeing to access and use the System solely to perform its obligations.
- (c) Upon execution of the Contract, the Contractor hereby grants to the District an irrevocable perpetual license to internally use, modify and display the Works in any manner which will not threaten the security or integrity of the System. The District retains all rights not expressly granted to the Contractor hereunder.

Ownership

- (d) **Ownership.** As between the Contractor and the District, the Works and Intellectual Property Rights therein are and shall be owned exclusively by the District, and not the Contractor. The Contractor specifically agrees that all Works shall be considered “works made for hire” and that the Works shall, upon creation, be owned exclusively by the District. To the extent that the Works, under applicable law, may not be considered works made for hire, the Contractor hereby agrees that the Contract effectively transfers, grants, conveys, assigns, and relinquishes exclusively to the District all right, title and interest in and to all ownership rights in the Works, and all Intellectual Property Rights in the Works, without the necessity of any further consideration, and the District shall be entitled to obtain and hold in its own name all Intellectual Property Rights in and to the Works.
- (e) *Further Actions.* Contractor, upon request of the District and without further consideration, shall perform any acts that may be deemed necessary or desirable by the District to evidence more fully the ownership rights of the District in the Works including but not limited to the execution, acknowledgement and delivery of such further documents in a form determined by the District. In the event the District shall be unable for any reason to obtain Contractor’s authorized signature on any document necessary for any purpose set forth in the foregoing sentence, Contractor hereby irrevocably designates and appoints District and its duly authorized officers and agents as Contractor’s agent and Contractor’s attorney-in-fact to act for and in Contractor’s behalf and stead to execute and file any such document and to do all other lawfully permitted acts to further any such purpose with the same force and effect as if executed and delivered by Contractor.
- (f) *Waiver of Moral Rights.* The Contractor hereby irrevocably and forever waives, and agrees never to assert, any Moral Rights in or to the Works which the Contractor may now have or which may accrue to the Contractor’s benefit under U.S. or foreign copyright laws and any and all other residual rights and benefits which arise under any other applicable law now in force or hereafter enacted. The term “Moral Rights” shall mean any and all rights of paternity or integrity of the

Works and the right to object to any modification, translation or use of the Works, and any similar rights existing under the judicial or statutory law of any country in the world or under any treaty, regardless of whether or not such right is denominated or referred to as a moral right.

- (g) *Confidentiality.* All Works shall be deemed the confidential information of the District, and the Contractor shall not use, disclose, or permit any person to use or obtain the Works, in any manner that might threaten the operation or security of the District.

H.8.2 Injunctive Relief

The Contract shall protect the District's proprietary rights pertaining to the Works, and any misuse of such rights would cause substantial and irreparable harm to the District. Therefore, the Bidder acknowledges and stipulates that a court of competent jurisdiction should immediately enjoin any material breach of the intellectual property, licensing, and confidentiality provisions of the contract, upon a request by the District, without requiring proof of irreparable injury as same should be presumed.

H.8.3 Definitions:

“Intellectual Property Rights” - The worldwide legal rights or interests evidenced by or embodied in: (i) any idea, design, concept, personality right, 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 proprietary or 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.

“Works” - Any tangible or intangible items or things that have been or will be prepared, created, maintained, serviced or developed by the Contractor (or such third parties as the Contractor may be permitted to engage) at any time following the effective date of the Contract, for or on behalf of District under the Contract, including but not limited to any (i) works of authorship (such as literary works, musical works, dramatic works, choreographic works, pictorial, graphic and sculptural works, motion pictures and other audiovisual works, sound recordings and architectural works, which includes but is not limited to lottery games, game names, game designs, ticket format and layout, manuals, instructions, printed material, graphics, artwork, images, illustrations, photographs, computer software, scripts, object code, source code or other programming code, HTML code, data, information, multimedia files, text web pages or web sites, other written or machine readable expression of such works fixed in any tangible media, and all other copyrightable works), (ii) trademarks, service marks, trade dress, trade

names, logos, or other indicia of source or origin, (iii) ideas, designs, concepts, personality rights, methods, processes, techniques, apparatuses, inventions, formulas, discoveries, or improvements, including any patents, trade secrets and know-how, (iv) domain names, (v) copies, and similar or derivative works to any of the foregoing, (vi) all documentation and materials related to any of the foregoing, (vii) all other goods, services or deliverables to be provided to District under the Contract, and (viii) all Intellectual Property Rights in any of the foregoing.

H.8.4 Return of Works

Upon the request of the District, but in any event upon termination of any Contract resulting from this RFP, the Contractor shall surrender to the District all documents and things pertaining to the Works, including but not limited to drafts, memoranda, notes, records, drawings, manuals, computer software, reports, data, and all other documents or materials (and copies of same) generated or developed by the Contractor or furnished by the District to the Contractor, including all materials embodying the Works, any District confidential information, or Intellectual Property Rights, regardless of whether complete or incomplete. This section is intended to apply to all Works made or compiled by the Contractor, as well as to all documents and things furnished to the Contractor by the District or by anyone else that pertains to the Works.

H.8.5 Contractor's Name or Logo

The Contractor shall not affix its company name, label, logo, or any other identifying information to or on any printed products for the District.

H.9 Pre-existing and Third Party Rights

H.9.1 To the extent that any pre-existing rights are embodied or reflected in the Works, the Contractor hereby grants to the District the irrevocable, perpetual, non-exclusive, worldwide, royalty-free right and license to (i) use, execute, reproduce, display, perform, distribute copies of, and prepared derivative works based upon such pre-existing rights and any derivative works thereof and (ii) authorize others to do any or all of the foregoing. The Contractor agrees to notify District on delivery of the Works if such materials include any such pre-existing rights. On request, the Contractor shall provide the District with documentation indicating a third party's written approval for the Contractor to use any pre-existing rights that may be embodied or reflected in the Works. The Contractor shall indemnify, defend, and hold harmless the District from any losses, claims, damages, costs (including attorneys' fees) or causes of action relating to any claim or assertion by any third party that the Works include third party materials or infringe third party rights.

H.9.2 The Contractor agrees that it shall have and maintain, during performance of the Contract, written agreements with all employees, contractors, or agents engaged by the Contractor in performance hereunder, granting the Contractor rights sufficient to support

all performance and grants of rights by the Contractor. Copies of such agreements shall be provided to the District promptly upon request.

H.10 Remediation

If the Works or the Intellectual Property Rights therein become the subject of a lawsuit or claim of infringement, or the Contractor becomes aware that such items are likely to become the subject of a lawsuit or claim or infringement, the Contractor shall exercise one (1) of the following two (2) options in order to provide the District with continued and uninterrupted use of the Works and Intellectual Property Rights therein: (a) obtain for the District the right to continue the use of the alleged infringing Works at no additional cost to the District, or (b) obtain alternative or substitute works for the allegedly infringing Works, which are of equivalent or superior quality to the allegedly infringing Works, at no additional cost to the District, and subject to the acceptance of the District in its sole discretion.

H.11 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 District harmless from the infringement of such Works.

H.12 Bonds and Insurance

All required bonds and insurance shall be issued by companies or financial institutions which are financially rated A or better as rated by A.M. Best Company and duly licensed, admitted, and authorized to do business in the District of Columbia. The District 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 District 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 District reserves the right to require the Contractor to provide copies of the required insurance contracts in addition to the certificates of insurance. Bidders shall submit required bonds when and as provided in herein.

H.13 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.14 Performance Bond

H.14.1 The Contractor shall, provide a performance bond in the amount of one million dollars (\$1,000,000).

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 District with a renewed bond that is immediately effective upon expiration of the prior bond. Such renewed bond shall be provided to the District prior to the expiration of the previous bond. The bond shall be forfeited to the District 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 District 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 District, the surety may assume the remainder of the contract to perform or sublet.

The Contractor shall provide evidence of all required coverage under the performance bond within fourteen (14) days of contract award at the following address:

Dorothy Whisler - Fortune
Contracting Officer
Office of Contracts
Office of Management and Administration
Office of the Chief Financial Officer
1100 4th Street SW Suite 610 East
Washington, DC 20024
Phone: 202-442-8078
Email: dorothy.whisler@dc.gov

With a copy to the COTR at the following address:

Melody Booker
Chief of Draw
D.C. Lottery and Charitable Games Control Board
2101 Martin Luther King Jr. Avenue SE 4th Floor
Washington, DC 20020
Phone: 202-645-8055
Fax: 202-645-7987
Email: melody.booker@dc.gov

H.15 Fidelity Bond

H.15.1 The Contractor shall submit to the District a Fidelity Bond in the amount of one million dollars (\$1,000,000). The Fidelity Bond shall cover any loss to the state due to any fraudulent or dishonest act on the part of the officers and/or employees of the Contractor.

The Contractor shall provide evidence of all required coverage(s) under the Fidelity Bond within fourteen (14) days of contract award at the following address:

Dorothy Whisler - Fortune
Contracting Officer
Office of Contracts
Office of Management and Administration
Office of the Chief Financial Officer
1100 4th Street SW Suite 610 East
Washington, DC 20024
Phone: 202-442-8078
Email: dorothy.whisler@dc.gov

With a copy to the COTR at the following address:

Melody Booker
Chief of Draw
D.C. Lottery and Charitable Games Control Board
2101 Martin Luther King Jr. Avenue SE 4th Floor
Washington, DC 20020
Phone: 202-645-8055
Fax: 202-645-7987
Email: melody.booker@dc.gov

H.15.2 The Contractor will ultimately be responsible for payment of any losses of the subcontractors, agents and/or assigns of the Contractor and shall be the collector of any amounts due the state from the bonding company.

H.16 General Liability Insurance

The Contractor shall maintain general liability insurance coverage with limits of not less than one million dollars (\$1,000,000) combined single limit for bodily injury and property damage. The Contractor shall provide the District with proof of such coverage no later than October 1st of each year the Contract is in effect.

H.17 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 District and its 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 District with proof of such coverage no later than October 1st of each year the Contract is in effect.

H.18 Errors and Omissions Insurance

The Contractor shall maintain professional liability errors and omissions insurance of not less than one million dollars (\$1,000,000), to be in force and effect during the term of the Contract including any extension thereof and one year thereafter. Coverage shall indemnify the District 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 regardless of whether negligence is determined to exist. The Contractor shall provide the District with proof of such coverage no later than October 1st of each year the Contract is in effect.

H.19 Crime Insurance

The Contractor shall maintain crime insurance with a limit of not less than one million dollars (\$1,000,000) protecting the District against losses, including lost income, lost profits, extra expenses and other consequential losses suffered by the District, resulting from loss of property (including money, securities, etc.) by robbery, burglary, or theft, or the loss of money, securities or District tickets because of destruction or disappearance. The Contractor shall provide the District with proof of such coverage no later than October 1st of each year the Contract is in effect.

H.20 Non-Disclosure Agreement

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.

H.21 Equipment

The Contractor hereby represents and warrants that all equipment provided shall be new, 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 in the Contract. Any equipment, or component thereof, used

by the Contractor pursuant hereto which does not conform to the foregoing shall be repaired or replaced by the Contractor without cost to the District in addition to other amounts the District may be entitled to in law or in equity, or as specified in the Contract.

H.22 Programs

H.22.1 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.23 Equipment and Software Corrections and Upgrades

H.23.1 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 District's prior approval.

H.24 Liquidated Damages Provisions

H.24.1 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 District'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.24.2 In no case shall liquidated damages be measured in terms of potential lost revenue or potential lost net profit to the District, 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.24.3 Assessment of liquidated damages shall be in addition to, and not in lieu of, such other remedies as may be available to the District. Except and to the extent expressly provided herein, the District shall be entitled to recover liquidated damages under each section applicable to any given incident.

H.24.4 Notification of Liquidated Damages:

Upon determination that liquidated damages are to or may be assessed, the District 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 District.

H.24.5 Conditions for Termination of Liquidated Damages:

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

- i. Except as waived in writing by the District, 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 District.
- ii. As appropriate, the Contractor shall conduct system testing of any correction, as the District deems necessary. Such testing shall be developed jointly by the District and the Contractor, and shall be approved by the District including the test script, test environment, and test results.

H.24.6 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.24.7 Waivers of Liquidated Damages:

The waiver of any liquidated damages due the District 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 District.

H.24.8 Payment of Liquidated Damages:

All assessed liquidated damages will be deducted from any moneys owed the Contractor by the District 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 District 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 District's, sole option, the District may obtain payment of assessed liquidated damages through one (1) or more claims upon the Performance Bond. Notwithstanding the forgoing, the District 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 the dispute resolution process outlined in Section I.7.

H.24.9 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 District. 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.24.10 Unauthorized Software and/or Hardware Modifications:

- iii. Condition. The Contractor shall not modify any software or hardware without the prior written approval of the District.
- iv. Damages. If the Contractor modifies any software or hardware without the prior written approval of the District, the District 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 District may impose liquidated damages per violation in addition to any other damages that may occur as a result of such unauthorized modification.

H.24.11 Failure to Remedy Audit Recommendations:

- v. Condition. If the Contractor fails to address recommendations made as a result of a System or operational audit, liquidated damages may be assessed.
- vi. 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 COTR, the Bidder 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.

SECTION I

CONTRACT CLAUSES

I.1 LAWS AND REGULATIONS INCORPORATED BY REFERENCE

The provisions of the following Acts, and representations and stipulations required by any of the said Acts together with the provisions of applicable regulations made pursuant to said Acts are hereby incorporated by reference and, to the extent applicable, incorporated by reference in this contract; together with the Laws 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." All required forms are available on the Office of Contracting and Procurement website (solicitation attachments) at www.dc.ocp.dc.gov.
- 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.

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

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.

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

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. (DC Procurement Practices Act of 1985, D.C. Law 6-85, D.C. Official Code, section 2-310.01, and Chapter 18 of the DC Personnel Regulations)

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

- (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 \$50,000 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 \$50,000, 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 to the Contract Appeals Board.
- (f) 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 to the Contract Appeals Board as authorized by D.C. Official Code § 2-309.04.
- (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 administrative appeal or action for judicial review is timely commenced by the Contractor as authorized by D. C. Official Code § 2-309.04.
- (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 to the Contract Appeals Board.
- (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.
 - (c) The decision of the Contracting Officer shall be final and not subject to review unless an administrative appeal or action for judicial review is timely commenced by the Contractor as authorized by D.C. Official Code §2-309.04.
 - (d) 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

The Contracting Officer 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 changes cause an increase or decrease in the cost of performance of this contract, or in the time required for performance, an equitable adjustment shall be made. Any claim for adjustment under this paragraph must be asserted within ten (10) days from the date the change is offered, provided, however, that the Contracting Officer, if he 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 failure to agree shall be considered a dispute. Nothing in this clause shall excuse the Contractor from proceeding with the contract as changed.

I.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. See Paragraph 14, below “Termination for Convenience of the District.”
- 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, at any time, terminate performance of work under this contract in whole or 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. 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: (i) Stop work as specified in the notice; (ii) 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; (iii) Terminate all contracts to the extent they relate to the work terminated; (iv) 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 shall have the right to settle or pay any termination settlement proposal arising out of those terminations; (v) 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; (vi) As directed by the Contracting Officer, transfer title and deliver to the District: (a) the fabricated and unfabricated parts, work in process, completed work, supplies, and other material produced or acquired for the work terminated; and (b) 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; (vii) Complete performance of the work not terminated; (viii) 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 have acquired an interest; (ix) Use its best efforts to sell, as directed or authorized by the Contracting Officer, any property of the types referred to in the subparagraph (vi) above; provided, however, that the Contractor is not required to extend credit to any purchase, and 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.

- B. 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.
- C. After termination, the Contractor shall submit a final 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 not later than six (6) months from the effective date of termination, unless extended in writing by the Contracting Officer upon written request of the Contractor within this 6-month period. However, if the Contracting Officer determines that the facts justify it, a termination settlement proposal may be received and acted on after six (6) months or any extension.
- D. 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 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, or paragraph F., below, exclusive of costs shown in subparagraph F (iii) below, may not exceed the total contract price as reduced by: (a) the amount of payments previously made, and (b) 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 of 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: (i) The contract price for completed supplies or services accepted by the District (or sold or

acquired under subparagraph A(ix), above, not previously paid for, adjusted for any saving of freight and other charges. (ii) The total of—

- (a) 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(i), above;
 - (b) 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(i) above; and
 - (c) A sum, as profit on subparagraph F. (i) 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 (c) and shall reduce the settlement to reflect the indicated rate of loss. (iii) The reasonable cost of settlement of the work terminated, including (a) Accounting, legal, clerical, and other expenses reasonably necessary for the preparation of termination settlement proposals and supporting data; (b) The termination and settlement of subcontracts (excluding the amounts of such settlement); and (c) 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 E., 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 paragraph C., E. or I., of this clause except that if the Contractor failed to submit the termination settlement proposal within the time provided in paragraph C. or I., 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 C., E. or I., the District shall pay the Contractor:
- (a) the amount determined by the Contracting Officer if there is no right of appeal or if no timely appeal has been taken, or
 - (b) the amount finally determined on an appeal. In arriving at the amount due the Contractor under this clause, there shall be deducted: (i) All unliquidated advance or other payments to the Contractor under the terminated portion of this contract; (ii) Any claim which the District has against the Contractor under this contract; and (iii) 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.

- I. 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 90 days from the effective date of termination unless extended in writing by the Contracting Officer.
- J. The District may, under the terms and conditions it prescribes, make any 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. 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 ten 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 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.
- K. 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 three (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 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.12 EXAMINATION OF THE BOOKS

The Contractor shall establish and maintain books, records, and documents (including electronic storage media) in accordance with generally accepted accounting principles and practices which sufficiently and properly reflect all revenues and expenditures of funds provided by the District under the contract that results from this solicitation. 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 Contractor shall assure that these records shall be subject at all reasonable times to inspection, review, or audit by Federal, District, or other personnel duly authorized by the Contracting Officer.

The Contracting Officer, the DC Inspector General, OCFO, and the District of Columbia Auditor, and/or any of their duly authorized representatives shall, until three years after final payment, have the right to examine any directly pertinent books, documents, papers, and records of the Contractor involving transactions related to the contract.

I.13 NONDISCRIMINATION 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 9251, 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 interested parties or by ESA under the terms of paragraph K. 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 CONFLICT OF INTEREST

No official or employee of the District of Columbia or the Federal government who exercises any functions or responsibilities in the review of approval of the undertaking or carrying out of the contract shall, prior to the completion of the project, voluntarily acquire any personal interest, direct or indirect, in the contract or proposed contract Pursuant to the District of Columbia Procurement Practices Act of 1985, DC Law 6-85, D.C. Official Code § 2-310.01 and Chapter 18 of the DC Personnel Regulations.

The Contractor must represent and covenant 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 under the contract. The Contractor must further covenant that, in the performance of the contract, no person having any such known interests shall be employed.

I.16 DISCLOSURE OF THE INFORMATION

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.

I.17 RIGHTS IN DATA

- A. All data first produced in the performance of this contract shall be the sole property of the District. Contractor hereby acknowledges that all data including, without limitation, computer program codes produced by the Contractor for the District under this contract are works made for hire and are the sole property of the District; but, to the extent any such data may not, by operation of law, be works made for hire, Contractor hereby transfers and assigns to the District the ownership of copyright in such works, whether published or unpublished. The Contractor agrees to give the District all assistance reasonably necessary to

perfect such rights including; but not limited to, the works and supporting documentation and the execution of any instrument required to register copyrights. The Contractor agrees not to assert any rights at common law or in equity in such data. The Contractor shall not publish or reproduce such data in whole or in part or in any manner or form, or authorize others to do so, without written consent of the District until such time as the District may have released such data to the public. The District shall not unreasonably withhold consent to the Contractor's request to publish or reproduce data in professional publications.

- B. The District shall have restricted rights in data, including computer software and all accompanying documentation, and manuals and instructional materials, listed or described in a license or agreement made a part of the contract, which the parties have agreed will be furnished with restricted rights, provided however, notwithstanding any contrary provision in any such license or agreement, such restricted rights shall include, as a minimum, the right to: (i) Use the data at any District installation. If the data is software, use the software and all accompanying documentation and manuals or instructional materials with the computer for which or with which it was acquired, including use at any District installation to which the computer may have been transferred by the District; (ii) Use the computer software and all accompanying documentation and manuals or instructional materials with a backup computer if the computer for which or with which it was acquired is inoperative; (iii) Copy computer programs for safekeeping (archives) or backup purposes; and (iv) modify all the data, including computer software and all accompanying documentation and manuals or instructional materials, or combine it with other software, subject to the provision that the modified portions shall remain subject to these restrictions.

The restricted rights set forth in Paragraph B are of no effect unless (i) the data is marked by the Contractor with the following legend:

RESTRICTED RIGHTS

The related computer software documentation includes a prominent statement of the restrictions applicable to the computer software. The Contractor may not place any legend on computer software indicating restrictions on the District's rights in such software unless the restrictions are set forth in a license or agreement made a part of the contract prior to the delivery date for the software. Failure of the Contractor to apply a restricted rights legend to such computer software shall relieve the District of liability with respect to such unmarked software.

- C. In addition to the rights granted in Paragraph B above, the Contractor hereby grants to the District a nonexclusive, paid up license throughout the world, of the same scope as the restricted rights set forth in Paragraph B above, under any copyright owned by the Contractor, in any work of authorship prepared for or acquired by the District under the contract. Unless written approval of the Contracting Officer is obtained, the Contractor shall not include in technical data

or computer software prepared for or acquired by the District under the contract any works of authorship in which the copyright is not owned by the Contractor without acquiring for the District any rights necessary to perfect a copyright license of the scope specified in the first sentence of this paragraph.

- D. Whenever any data, including computer software, is to be obtained from a subcontractor under this contract, the Contractor shall use this same clause 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.
- E. For all computer software furnished to the District with the rights specified in Paragraph A., the Contractor shall furnish to the District a copy of the source code with such rights of the scope specified in Paragraph A. For all computer software furnished to the District with the restricted rights specified in Paragraph B the District, if the Contractor, either directly or through a successor or affiliate shall cease to provide the maintenance or warranty service provided the District under this contract or any paid-up maintenance agreement, or if Contractor should be declared bankrupt or 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 then current version of the source code supplied under this 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.
- F. 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 the 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 libelous or other unlawful matter contained in such data.
- G. Nothing contained in this clause shall imply a license to the District under any patent, or be construed as affecting the scope of any license or other right granted to the District under any patent. Paragraphs B, C, D, F, and G, above, are not applicable to material furnished to the Contractor by the District and incorporated in the work furnished under contract, provided that such incorporated material is identified by the Contractor at the time of delivery of such work.

I.18 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.19 RESERVED**I.20 RESPONSIBILITY FOR SUPPLIES TENDERED**

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 failure to do so within ten days after notification, the District may return the rejected materials or supplies to the Contractor at the Contractor's risk and expense.

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 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:

(A) Any provision of the Procurement Practices Act of 1985, as amended, or

(B) The contract provision against contingent fees.

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.23 RESERVED

I.24 GOVERNING LAW

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

I.25 EXPIRATION OR CANCELLATION

In the event this contract is cancelled because of non-availability of funds or non-appropriation of funds for any subsequent fiscal year, there shall be a cancellation ceiling of zero dollars representing reasonable pre-production and non-recurring cost, which would be applicable to the items of the life of the contract. If the contract is canceled due to unavailability of funds, the Contractor shall be reimbursed for the reasonable value of any nonrecurring costs incurred but not amortized in the price of the supplies delivered or services performed under the contract.

I.26 NON-DISCLOSURE OF CONTRACTOR'S METHOD

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.27 LIVING WAGE ACT OF 2006 REQUIREMENTS

Contractor shall comply with the provisions of 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 Living Wage Act of 2006 requires a contractor to:

1. Pay its employees and subcontractors who perform services under the contract no less than the current living wage published on the OCP website at www.ocp.dc.gov;
2. Include in any subcontract for \$15,000.00 or more a provision requiring the subcontractor to pay its employees who perform services under the contract no less than the current living wage rate;
3. Provide a copy of the Living Wage Act Fact Sheet to each employee and Subcontractor who performs services under the contract;
4. Post the Living Wage Act Notice in a conspicuous place in its place of business;
5. Include in any subcontract for \$15,000.00 or more a provision requiring the subcontractor to post the Living Wage Act Notice in a conspicuous place in its place of business;

6. Maintain its payroll records under the contract in the regular course of business for a period of at least three (3) years from the payroll date; and
7. Require its subcontractors with subcontracts for \$15,000.00 or more under the contract to maintain its payroll records under the contract in the regular course of business for a period of at least three (3) years from the payroll date.
8. The Current Living Wage Rate is \$12.10.

The Living Wage Act Fact Sheet may be found at <https://sites.google.com/a/dc.gov/ocfo-procurements/> under the title: Living Wage Act Fact Sheet and is provided in accordance with the provisions of the above referenced DC statutes.

I.28 MULTIYEAR CONTRACT

If funds are not 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, if any. 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.29 CONTRACTS THAT CROSS FISCAL YEARS

I.29.1 Continuation of the Contract beyond the fiscal year is contingent upon future fiscal appropriations.

I.29.2 Funds are not presently available for performance under the Contract beyond the current fiscal year. The District's obligation for performance of the Contract beyond the current fiscal year is contingent upon the availability of appropriated funds from which payment for contract purposes can be made. No legal liability on the part of the District for any payment may arise for performance under the Contract beyond the current fiscal year until funds are made available to the Contracting Officer for performance and until the Contractor receives notice of availability, to be confirmed in writing by the Contracting Officer.

I.30 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.31 GOVERNMENT PROPERTY

Contractor use of Government property shall be governed by Chapter 41 of Title 27 of the DCMR.

I.32 COST AND PRICING DATA

- (a) This paragraph and paragraphs b through e below shall apply to the Contractor in regards to: (1) any procurement in excess of \$100,000, or (2) any change order or contract modification. By entering submitting this offer, the Contractor certifies that, to the best of the Contractor's knowledge and belief, any cost and pricing data submitted was accurate, complete and current as of the date specified in the contract or offer.
- (b) The Contractor shall, before entering into any contract awarded through competitive sealed proposals or through sole source procurement or before negotiating any price adjustments pursuant to a change order or modification, submit cost or pricing data and certification that, to the best of the Contractor's knowledge and belief, the cost or pricing data submitted was accurate, complete, and current as of the date of award of this contract or as of the date of negotiation of the change order or modification.
- (c) If any price, including profit or fee, negotiated in connection with this contract, or any cost reimbursable under this contract, was increased by any significant amount because (1) the Contractor or a subcontractor furnished cost or pricing data that were not complete, accurate, and current as certified by the Contractor, (2) a subcontractor or prospective subcontractor furnished the Contractor cost or pricing data that were not complete, accurate, and current as certified by the Contractor, or (3) any of these parties furnished data of any description that were not accurate, the price or cost shall be reduced accordingly and the contract shall be modified to reflect the reduction.
- (d) Any reduction in the contract price under paragraph c above due to defective data from a prospective subcontractor that was not subsequently awarded, the subcontract shall be limited to the amount, plus applicable overhead and profit markup, by which (1) the actual subcontract or (2) the actual cost to the Contractor, if there was no subcontract, was less than the prospective subcontract cost estimate submitted by the Contractor; provided that the actual subcontract price was not itself affected by defective cost or pricing data.
- (e) Cost or pricing data includes all facts as of the time of price agreement that prudent buyers and sellers would reasonably expect to affect price negotiations significantly. Cost or pricing data are factual, not judgmental, and are therefore verifiable. While they do not indicate the accuracy of the prospective Contractor's judgment about estimated future costs or projections, cost or pricing data do include the data forming the basis for that judgment. Cost or pricing data are more than historical accounting data; they are all the facts that can be reasonably expected to contribute to the soundness of estimates of future costs and to the validity of determinations of costs already incurred.

- (f) The following specific information should be included as cost or pricing data, as applicable:
- (1) Vendor quotations;
 - (2) Nonrecurring costs;
 - (3) Information on changes in production methods or purchasing volume;
 - (4) Data supporting projections of business prospects and objectives and related operations costs;
 - (5) Unit – cost trends such as those associated with labor efficiency;
 - (6) Make or buy decisions;
 - (7) Estimated resources to attain business goals;
 - (8) Information on management decisions that could have a significant bearing on costs.
- (g) If the Contractor is required by law to submit cost or pricing data in connection with pricing this contract or any change order or modification of this contract, the Contracting Officer or representatives of the Contracting Officer shall have the right to examine all books, records, documents and other data of the Contractor (including computations and projections) related to negotiating, pricing, or performing the contract, change order or modification, in order to evaluate the accuracy, completeness, and currency of the cost or pricing data. The right of examination shall extend to all documents necessary to permit adequate evaluation of the cost or pricing data submitted, along with the computations and projections used. Contractor shall make available at its office at all reasonable times the materials described above for examination, audit, or reproduction until three years after the later of:
- (1) final payment under the contract;
 - (2) final termination settlement; or
 - (3) final termination settlement; or
 - (4) the final disposition of any appeals under the disputes clause or of litigation or the settlement of claims arising under or relating to the contract.

I.33 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.34 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.35 PROPRIETARY REQUIREMENTS

Trade secrets or similar proprietary data, which the Contractor or the District does not wish disclosed to other than personnel involved in the evaluation or contract administration will be kept confidential to the extent permitted. The District and the Contractor shall identify and mark all proprietary materials.

I.36 INSURANCE

The Contractor shall obtain the minimum insurance coverage set forth below prior to award of the contract and within ten (10) calendar days after being called upon by the District to do so and keep such insurance in force throughout the contract period.

I.36.1.1 Bodily Injury: The Contractor shall carry bodily injury insurance coverage written in the comprehensive form of policy of at least five hundred thousand dollars (\$500,000) per occurrence.

I.36.1.2 Property Damage: The Contractor shall carry property damage insurance of at least one hundred thousand dollars (\$100,000) per occurrence.

I.36.1.3 Workers' Compensation: The Contractor shall carry workers' compensation insurance covering all of its employees employed upon the premises and in connection with its other operations pertaining to the contract, and the Contractor agrees to comply at all times with the provisions of the workers' compensation laws of the District.

I.36.1.4 Employer's Liability: The Contractor shall carry employer's liability coverage of at least one hundred thousand dollars (\$100,000).

I.36.1.5 Automobile Liability: The contractor shall maintain automobile liability insurance written on the comprehensive form of policy. The policy shall provide for bodily injury and property damage liability covering the operation of all automobiles used in connection with performing the contract. Policies shall provide coverage of at least two hundred thousand dollars (\$200,000) per person and five hundred thousand dollars (\$500,000) per occurrence for bodily injury and twenty thousand dollars (\$20,000) per occurrence for property damage.

I.36.1.6 The Contractor shall maintain in full force and effect during the term of the contract professional liability insurance in an aggregate amount not less than five million dollars (\$5,000,000).

I.36.1.7 If the professional liability insurance policy that the Contractor has is a "Claims Made" policy, the Contractor must also obtain a tail coverage policy for a seven (7) year period.

I.36.1.8 All insurance provided by the Contractor as required by this section I.8, except comprehensive automobile liability insurance, shall set forth the District as an additional named insured. All insurance shall be written with responsible companies licensed by the District of Columbia's Department of Insurance and Securities Regulation with a certificate of insurance to be delivered to the CO with a copy to the COTR within fourteen (14) days of contract award. The policies of insurance shall provide for at least thirty (30) days written notice to the District prior to their termination or material alteration.

I.37 FIRST SOURCE EMPLOYMENT AGREEMENT AND 51% DISTRICT RESIDENTS NEW HIRES REQUIREMENTS

I.37.1 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"). Contractors shall submit the "First Source Employment Agreement". All required forms are available on the Office of Contracting and Procurement website (solicitation attachments) at www.ocp.dc.gov.

I.37.2 The Contractor shall enter into and maintain, during the term of the contract, a First Source Employment Agreement in which the Contractor shall agree that:

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

I.37.3 The Contractor shall submit to DOES, no later than the 10th day of each month following execution of the contract, a First Source Agreement Contract Compliance Report (“contract compliance report”) verifying its compliance with the First Source Agreement for the preceding month. The contract compliance report for the contract shall include the:

- a. Number of employees needed;
- b. Number of current employees transferred;
- c. Number of new job openings created;
- d. Number of job openings listed with DOES;
- e. Total number of all District residents hired for the reporting period and the cumulative total number of District residents hired; and
- f. Total number of all employees hired for the reporting period and the cumulative total number of employees hired, including:
 1. Name;
 2. Social Security number;
 3. Job title;
 4. Hire date;
 5. Residence; and
 6. Referral source for all new hires.

I.37.4 If the contract amount is equal to or greater than \$100,000, the Contractor agrees that 51% of the new employees hired for the contract shall be District residents.

I.37.5 With the submission of the Contractor’s final request for payment from the District, the Contractor shall:

- a. Document in a report to the Contracting Officer, its compliance with the section I.37.4 of this clause; or
- b. Submit a request to the Contracting Officer for a waiver of compliance with section I.37.4 and include the following documentation:
 1. Material supporting a good faith effort to comply;
 2. Referrals provided by DOES and other referral sources;
 3. Advertisement of job openings listed with DOES and other referral sources; and
 4. Any documentation supporting the waiver request pursuant to section I.37.6.

I.37.6 The Contracting Officer may determine whether to waive the provisions of section I.37.4 if the Contracting Officer finds that:

- a. A good faith effort to comply is demonstrated by the Contractor; the Contractor is located outside the Washington Standard Metropolitan Statistical Area and none of the contract work is performed inside the Washington Standard Metropolitan Statistical Area, which includes the District of Columbia, the Virginia Cities of Alexandria, Falls Church, Manassas, Manassas Park, Fairfax, and Fredericksburg, the Virginia Counties of Fairfax, Arlington, Prince William, Loudoun, Stafford, Clarke, Warren, Fauquier, Culpepper, Spotsylvania, and King George, the Maryland Counties of Montgomery, Prince Georges, Charles, Frederick, and Calvert, and the West Virginia Counties of Berkeley and Jefferson.
- b. The Contractor enters into a special workforce development training or placement arrangement with DOES; or
- c. DOES certifies that there are insufficient numbers of District residents in the labor market possessing the skills required by the positions created as a result of the contract.

I.37.7 Upon receipt of the contractor's final payment request and related documentation pursuant to sections I.37.5 and I.37.6, the Contracting Officer, shall determine whether the Contractor is in compliance with section I.37.4 or whether a waiver of compliance pursuant to section I.37.6 is justified. If the Contracting Officer determines that the Contractor is in compliance, or that a waiver of compliance is justified, the Contracting Officer shall, within two business days of making the determination forward a copy of the determination to the CFO.

I.37.8 Willful breach of the First Source Employment Agreement, or failure to submit the report pursuant to section I.37.5, or deliberate submission of falsified data, may be enforced by the District through imposition of penalties, including monetary fines of 5% of the total amount of the direct and indirect labor costs of the contract. The Contractor shall make payment to DOES. As set forth in the contract, the Contractor may appeal to the D.C. Contract Appeals Board any decision of the Contracting Officer pursuant to this section I.37.8.

I.37.9 The provisions of sections I.37.4 through I.37.8 do not apply to nonprofit organizations.

I. 38 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. 39 RESERVED

I.40 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 at time of proposal submission.

I.41 RESERVED

I.42 PUBLICITY

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.

I.43 AUDITS AND RECORDS

I.43.1 As used in this clause, “records” includes books, documents, accounting procedures and practices, and other data, regardless of type and regardless of whether such items are in written form, in the form of computer data, or in any other form.

I.43.2 **Examination of Costs.** If the award is a cost-reimbursement, incentive, time-and-materials, labor-hour, or price redeterminable contract, or any combination of these, the Contractor shall maintain and the Contracting Officer and the COTR, shall have the right to examine and audit all records and other evidence sufficient to reflect properly all costs claimed to have been incurred or anticipated to be incurred directly or indirectly in performance of this contract. This right of examination shall include inspection at all reasonable times of the Contractor’s plants or offices, or parts of them, engaged in performing the contract.

I.43.3 **Cost or pricing data.** If the Contractor has been required to submit cost or pricing data in connection with any pricing action relating to the contract or task orders issued there under, the Contracting Officer and the COTR, or an authorized representative of the Contracting Officer, in order to evaluate the accuracy, completeness, and currency of the cost or pricing data, shall have the right to examine and audit all of the Contractor’s records, including computations and projections, related to:

- a. The bid for the contract, subcontract, modification, or task order;
- b. The discussions conducted on the bid(s), including those related to negotiating;
- c. Pricing of the contract, subcontract, modification, or task order; or
- d. Performance of the contract, subcontracts, modification, or task order.

I.43.4 Office of the Inspector General

I.43.4.1 The Office of the Inspector General, or an authorized representative, shall have access to and the right to examine any of the Contractor's directly pertinent records involving transactions related to this contract or a subcontract there under.

I.43.4.2 This paragraph may not be construed to require the Contractor or any subcontractor to create or maintain any record that the Contractor or subcontractor does not maintain in the ordinary course of business or pursuant to a provision of law.

I.43.5 Reports. If the Contractor is required to furnish cost, funding, or performance reports, the Contracting Officer and the COTR shall have the right to examine and audit the supporting records and materials, for the purpose of evaluating:

- a. The effectiveness of the Contractor's policies and procedures to produce data compatible with the objectives of these reports; and
- b. The data reported.

I.43.6 Availability. The Contractor shall make available at its office at all reasonable times the records, materials, and other evidence described in clauses I.43.1 through I.43.5, for examination, audit, or reproduction, until three (3) years after final payment under the contract or for any shorter period specified in this Solicitation, or for any longer period required by statute or by other clauses of the contract. In addition:

- a. If this contract is completely or partially terminated, the Contractor shall make available the records relating to the work terminated until three (3) years after any resulting final termination settlement; and
- b. The Contractor shall make available records relating to appeals under the Disputes clause or to litigation or the settlement of claims arising under or relating to this contract until such appeals, litigation, or claims are finally resolved.

I.43.7 The Contractor shall insert a clause containing all the terms of this clause, including this section I.43.7, in all subcontracts under this contract that exceed the small purchase threshold of \$100,000, and:

- a. That are cost-reimbursement, incentive, time-and-materials, labor-hour, or price-redeterminable type or any combination of these;
- b. For which cost or pricing data are required; or
- c. That requires the subcontractor to furnish reports described in I.43.5 of this clause.

I.44 RESERVED**I.45 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.46 ORDER OF PRECEDENCE

If there is a conflict between the requirements of Section H and Section I herein, the requirements outlined in Section I shall prevail.

SECTION J
ATTACHMENTS

- J.1 Section K
- J.2 Confidentiality and Non-Disclosure Agreement
- J.3 Doing Business with Integrity

SECTION K**REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF BIDDERS**

This section must be completed and returned with applicable documentation called for throughout the text in order for a proposal to be considered responsive to the solicitation.

The Bidder Represents and Certifies as part of the offer (*check or complete all applicable items and submit all required documentation*):

K.1 Certification Regarding a Drug-Free Workplace

A. Definitions. As used in this provision:

"Controlled substance" means a controlled substance in schedules I through V of section 202 of the Controlled Substances Act (21 U.S.C. 812) and as further defined in regulation at 21 CFR 1308.11 - 1308.15.

"Conviction" means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes.

"Criminal drug statute" means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, possession or use of any controlled substance.

"Drug-free workplace" means the site(s) for the performance of work done by the Contractor in connection with a specific contract at which employees of the Contractor are prohibited from engaging in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance.

"Employee" means an employee of a Contractor directly engaged in the performance of work under a Government contract. "Directly engaged" is defined to include all direct cost employees and any other Contractor employee who has other than a minimal impact or involvement in contract performance.

"Individual" means a Bidder/contractor that has no more than one employee including the Bidder/contractor.

B. By submission of its offer, the Bidder, if other than an individual, who is making an offer that equals or exceeds \$25,000, certifies and agrees, that with respect to all employees of the Bidder to be employed under a contract resulting from this solicitation, it will - no later than 30 calendar days after contract award for contracts of 30 calendar days or more performance duration: or as soon as possible for contracts of less than 30 calendar days performance duration, but in any case, by a date prior to when performance is expected to be completed -

- (1) Publish a statement notifying such employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition;

- (2) Establish an ongoing drug-free awareness program to inform such employees about -
 - (a) The dangers of drug abuse in the workplace;
 - (b) The Contractor's policy of maintaining a drug-free workplace;
 - (c) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.
 - (3) Provide all employees engaged in performance of the contract with a copy of the statement required by subparagraph B. (1) of this provision;
 - (4) Notify such employees in writing in the statement required by subparagraph B.(1) of this provision that, as a condition of continued employment on the contract resulting from this solicitation, the employee will -
 - (a) Abide by the terms of the statement; and
 - (b) Notify the employer in writing of the employee's conviction under a criminal drug statute for a violation occurring in the workplace no later than 5 calendar days after such conviction;
 - (5) Notify the Contracting Officer in writing within 10 calendar days after receiving notice under subdivision B.(4)(b) of this clause, from an employee or otherwise receiving actual notice of such conviction. The notice shall include the position title of the employee;
 - (6) Within 30 calendar days after receiving notice under subdivision B.(4)(b) of this provision of a conviction, take one of the following actions with respect to any employee who is convicted of a drug abuse violation occurring in the workplace:
 - (a) Take appropriate personnel action against such employee, up to and including termination; or
 - (b) Require such employee to satisfactorily participate in drug abuse assistance or rehabilitation program approved for such purposes by Federal, State, or local health, law enforcement, or other treatment program.
 - (7) Make a good faith effort to maintain a drug-free workplace through implementation of subparagraphs B. (1) through B. (6) of this provision.
- C. By submission of its offer, the Bidder, if an individual who is making an offer of any dollar value, certifies and agrees that the Bidder will not engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance in the performance of the contract resulting from this solicitation.
- D. Failure of the Bidder to provide the certification required by paragraphs B or C of this provision renders the Bidder unqualified and ineligible for award.

In addition to other remedies available to the Government, the making of a _____ false, fictitious, or fraudulent certification under paragraph B or C of this _____ provision may render the maker subject to criminal prosecution.

K.2 Type of Business Organization

The Contractor, by checking the applicable box represents that it operates as a corporation under the laws of the State of Delaware, _____ and individual, _____ a partnership, _____ a nonprofit organization, _____ a joint venture.

K.3 Authorized Officers

The Contractor shall list the names of persons authorized to negotiate on the Contractor's behalf in connection with this Invitation for Bids (list names, titles, and telephone numbers of the authorized negotiators):

- William Huntley
President, Lottery Systems
Office: 770-664-3753
- Philip J. Bauer
Vice-President, Corporate Counsel and Assistant Secretary
Office: 770-663-6783

K.4 Contractor Submissions For Preferences for Local Business Enterprises, Disadvantaged Business Enterprises, or Businesses Located in an Enterprise Zone

Any Contractor seeking to receive preferences on this solicitation as a local business enterprise ("LBE"), disadvantaged business enterprise ("DBE"), or business located in an enterprise zone, must submit at the time of, and as part of its proposal, evidence of the Contractor's, subcontractor's, or joint venture partner's certification as an LBE or DBE, to include a copy of all relevant letters of certification from the District of Columbia Minority Business Opportunity Commission, or a copy of any sworn notarized Forms prescribed by the Minority Business Opportunity Commission along with an acknowledgment letter issued by the Director of the Department of Human Rights and Minority Business Development, or evidence that the Contractor or any subcontractor is located in an enterprise zone.

By checking the applicable box, the Bidder represents that it is certified as a _____ local business, _____ a disadvantaged business, or a _____ business located in an enterprise zone, in accordance with D.C. Law 9-217, the "Equal Opportunity for Local, Small and Disadvantaged

Business Enterprises Act of 1992". Further, by checking any the following boxes, the Bidder represents that it is using or will use one or more subcontractors certified as _____ local businesses, _____ disadvantaged businesses, or _____ businesses located in enterprise zones. If any boxes are checked to gain the preferences available under the law, provide evidence of such certification as follows:

All Contractors are encouraged to contact the Certification and Business Development Division at (202) 724-1385 if additional information is required on certification procedures and requirements.

Any material misrepresentation on the sworn, notarized form could result in termination of the contract, Contractor's liability for civil and criminal action in accordance with the Equal Opportunity for Local, Small, and Disadvantage Business Enterprises Act of 1992, D.C. Law 9-217, and other District laws, and possible debarment.

K.5 Certificate of Independent Price Determination (Apr. 1985)

(a) The Bidder certifies that-- (1) The prices in this offer have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other Bidder or competitor relating to (i) those prices, (ii) the intention to submit an offer, or (iii) the methods or factors used to calculate the prices offered; (2) The prices in this offer have not been and will not be knowingly disclosed by the Bidder, directly or indirectly, to any other Bidder or competitor before bid opening (in the case of a sealed bid solicitation) or contract award (in the case of a negotiated solicitation) unless otherwise required by law; and (3) No attempt has been made or will be made by the Bidder to induce any other concern to submit or not to submit an offer for the purpose of restricting competition.

(b) Each signature on the offer is considered to be a certification by the signatory that the signatory-- (1) Is the person in the Bidder's organization responsible for determining the prices being offered in this bid or proposal, and that the signatory has not participated and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) of this provision; or (2)(i) Has been authorized, in writing, to act as agent for the following principals in certifying that those principals have not participated, and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) of this provision
Robert Plantholt, Director, Business Development [insert full name of person(s) in the Bidder's organization responsible for determining the prices offered in this bid or proposal, and the title of his or her position in the Bidder's organization]; (ii) As an authorized agent, does certify that the principals named in subdivision (b)(2)(i) of this provisions have not participated, and will not participate, in any action contrary to subparagraphs (a)(1) through (a)(3) of this provision; and (iii) As an agent, has not personally participated, and will not participate, in any action contrary to subparagraphs (a)(1) through (a)(3) of this provision. If the Bidder deletes or modifies subparagraph (a) (2) of this provision, the Bidder must furnish with its offer a signed statement setting forth in detail the circumstances of the disclosure.

K.6 Contingent Fee Representation and Agreement

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 of violation of this warranty, the District shall have the right to terminate the contract without liability or in its discretion to deduct from the contract or price or consideration or otherwise recover the full amount of the commission, percentage, brokerage, or contingent fee.

K.7 Prospective Contractor's Responsibility

In order to receive an award under this RFP, the Contracting Officer must determine that the prospective Contractor has the capability in all respects to perform fully the contract requirements. To be deemed responsible, a prospective Contractor must establish that it has:

- (1) Financial resources adequate to perform the contract, or the ability to obtain them;
- (2) Ability to comply with the required or proposed delivery or performance schedule, taking into consideration all existing commercial and governmental business commitments;
- (3) A satisfactory record of performance;
- (4) A satisfactory record of integrity and business ethics;
- (5) The necessary organization, experience, accounting and operational control, and technical skills, or the ability to obtain them;
- (6) Compliance with the applicable District licensing, tax laws, and regulations;
- (7) The necessary production, construction, and technical equipment and facilities, or the ability to obtain them; and
- (8) Other qualifications and eligibility criteria necessary to receive an award under applicable laws and regulations.

The District reserves the right to request from prospective Contractor information necessary to determine the prospective Contractor's responsibility. Information is to be submitted upon the request of the District within the time specified in the request. Failure of an Bidder to comply with a request for information may subject the Bidder's proposal to rejection on responsibility grounds. If a prospective Contractor fails to supply the requested information, the District's Contracting Officer shall make the determination of responsibility or nonresponsibility based on available information. If the available information is insufficient to make a determination of responsibility, the District's Contracting Officer shall determine the Bidder to be nonresponsible.

By signing below the Contractor certifies that it is in compliance with all of the requirements of a responsible contractor described in #1-8 above.


Signature

1/20/12
Date

K.8 RESERVED**K.9 Conflict of Interest**

Please disclose the following:

- (1) Any material arrangements, relationships or other employment that your firm or any firm employee has with any firms or other persons or entities that may create a conflict of interest or the appearance of a conflict of interest in providing services to the District;
- (2) Any family relationship that any employee of the firm has with any District public servant that may create a conflict of interest or the appearance of a conflict of interest in providing services to the District;
- (3) Any other matter that the firm believes may create a conflict of interest or the appearance of a conflict of interest in providing services to the District; and
- (4) Any procedures the firm has, or would adopt, to (i) prevent a conflict of interest or the appearance of a conflict of interest from occurring in the future, and (ii) disclose any conflict of interest or potential conflict of interest which occurred during the course of the firm's employment by the District.

Scientific Games has read Section K.9, items #1 through #4 and has no conflicts of interest to disclose.

K.10 First Source Employment Agreement/Certification

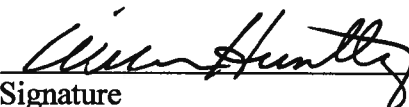
For all proposals over \$100,000.00, except for those in which the Contractor is located outside the Washington D.C. metropolitan area and will perform no work in the Washington D.C. metropolitan area, the following certification is required:

The Bidder recognizes that one of the primary goals of the District government is the creation of job opportunities for bona fide District residents. Accordingly, the Bidder agrees to pursue the District's following goals for utilization of bona fide residents of the District of Columbia with respect to this Contract and in compliance with the Mayor's Order 83-265; whereby (1) at least 51% of all jobs created as a result of this Contract are to be performed by employees who are residents of the District of Columbia; and at least 51% of apprentices and trainees employed shall be residents of the District of Columbia registered in programs approved by the D.C. Apprenticeship Council. The Bidder also agrees to notify all prospective subcontractors, prior to execution of any contractual Agreements, that the subcontractors are expected to implement Mayor's Order 83-265 in their own employment practices. The Bidder understands and will comply with the

requirements of The Volunteer Apprenticeship Act of 1978, D.C. Code sec 36-401 et sec., and the First Source Employment Agreement Act of 1984, D.C. Code sec 1-1161 et sec.

The Bidder certifies that it intends to enter into a First Source Employment Agreement with the District of Columbia Department of Employment Services (DOES). Under this First Source Employment Agreement, the Bidder will use DOES as the first source for recruitment and referral of any new employees. The Bidder shall negotiate the First Source Employment Agreement directly with

DOES. Nothing in this certification or the First Source Employment Agreement shall be construed as requiring the Bidder to hire or train persons it does not consider qualified based on standards the Bidder applies to all job applicants.

	1/20/12
_____ Signature	_____ Date
William Huntley	President, Lottery Systems
_____ Printed Name	_____ Title

The penalty for making false statements in offers is prescribed in 18 USC 1001.

K.11 CONTRACTOR REGISTRATION/PAYMENT IDENTIFICATION NUMBER

The District of Columbia has an automated Contractor database used to process payments. Firms are indexed in the database by DUNS numbers issued by the Dun and Bradstreet Corporation. Individuals doing business with the District are indexed by their social security numbers. DUNS numbers may be obtained free of charge by telephoning Dun and Bradstreet, toll-free, at 1-800-333-0505.

*Application forms are available on the Internet at
<http://www.dnb.com/dbis/aboutdb/dunsform.htm>.*

No payments can be processed under any contract resulting from this RFP without the following information:

DUNS 12-760-3269
DUNS or Social Security Number

Scientific Games International, Inc.
Legal Name of Entity (or name of individual) under which above number was obtained

1500 Bluegrass Lakes Parkway, Alpharetta, GA 30004-7712
Street or Mailing Address associated with above given number

Lottery Products, Systems and Services
Type of Business

K.12 TAX COMPLIANCE CERTIFICATION

The Bidder must complete and have the Tax Certification Affidavit found at attachment J.1 notarized and submit it with the proposal. Bidders must be licensed to do business in the District of Columbia in order to be eligible for contract award. Registration forms, regulations and related information are available from the:

D.C. Office of Consumer and Regulatory Affairs

Corporation & Business Registration Office

1100 - 4th Street, S.W., Suite E460

Washington, D.C. 20024

Telephone: (202) 442-4450

All forms are also available on the Internet's World Wide Web at HYPERLINK

<http://www.dkra.dc.gov> D.

The completed Tax Certification Affidavit from Scientific Games can be found on the next page.

K.13 PENDING LEGAL CLAIMS AGAINST THE DISTRICT

The Bidder must disclose any pending legal claims against the District. Pending legal claims includes, but is not limited to, Federal and District court litigation, administrative actions such as contract appeals or protests, claims for money damages from the District, and any other type of action (court or administrative) against the District. Bidders with pending legal claims against the District are not automatically precluded from contract award. If Bidder does not have any pending legal claims against the District, please indicate this below.

Scientific Games does not have any pending legal claims against the District.

The Contractor hereby certifies that the information provided above is true, correct and complete.

William Hentley
Signature

1/20/12
Date

K.14 TERMS AND CONDITIONS CERTIFICATION

The Contractor hereby certifies that it has read, understands, acknowledges and agrees to comply with the terms and conditions as set forth in this solicitation/contract/resultant contract, without exception.

William Hentley
Signature

1/20/12
Date

President, Lottery Systems
Title

J.2

Confidentiality and Non-Disclosure Agreement Exhibit "A"

This Confidentiality and Non-Disclosure Agreement ("Agreement") is entered into by and between Scientific Games International, Inc. ("Scientific Games") and the Office of Chief Financial Officer of the District of Columbia ("OCFO") (the "Parties").

1. The Parties have entered into a contract (CFOPD-11-R-042), as amended (the "Contract"), relating to the performance of services by Scientific Games to assist the OCFO in performing the Lottery Draw Services for the DCLB, as described in the Contract.

2. In performing these activities, Scientific Games understands that all information provided to it by the D.C. Lottery and Charitable Games Control Board ("DCLB") and/or the OCFO is confidential (1) which is identified as confidential at the time of disclosure or (2) which is such that a reasonable person would consider, from the nature of the information and circumstances of disclosure, is confidential, with the exception of information that is shown to have been:

- (a) rightfully in the possession of Scientific Games prior to the date of disclosure of such information to Scientific Games, as evidenced by written documents; or
- (b) in the public domain prior to the date of disclosure to Scientific Games; or
- (c) supplied to Scientific Games by a third party who is under no obligation to the OCFO to maintain such information in confidence; or
- (d) developed by or for Scientific Games independently of the disclosure made under this Agreement.

3. In order to safeguard such information from unauthorized disclosure by Scientific Games in performance of its tasks under the Contract, Scientific Games agrees to comply with and assume responsibility for compliance by its employees of the following requirements:

- (a) All work will be done under the supervision of Scientific Games or Scientific Games employees.
- (b) Any such confidential information made available in any format shall be used only for the purpose of carrying out the provisions of the Contract.
- (c) Such confidential information will be treated as confidential and will not be divulged or made known in any manner to any person except as may

be necessary in the performance of the Contract or as may be required by law, regulation or legal process. Thus, Scientific Games shall limit disclosure of such information within its own organization to only its partners, directors, officers, principals, or employees having a need to know, or partners, directors, officers, principals, or employees of affiliated entities or subcontractors having a need to know. Any personal or tax information protected by law from disclosure inadvertently given to Scientific Games by the OCFO or DCLB is protected tax information and is not to be disclosed under the confidentiality provisions of sections 820.01(d)(1) and (3), 821(d)(2), 1805.04, 2018, 2210, 3719, 4406 of the Title 47 of the D.C. Official Code, sections 508.1 and 608.1 of the District of Columbia Municipal Regulations, and I.R.C. § 6103.

- (d) Disclosure to anyone other than such directors, officers, or employees of Scientific Games, its affiliated entities or its subcontractors or other than an OCFO official involved in review and evaluation of the functions of DCLB, is prohibited.
- (e) All such confidential information will be accounted for upon receipt and properly stored before, during, and after processing.
- (f) In addition, all related output will be given the same level of protection as required for the source tax information material.
- (g) All computer systems processing, storing and transmitting confidential information must meet or exceed reasonable computer access protection controls. To meet these requirements, the operating security features of the system must have the following minimum requirements: a security policy, accountability procedures and documentation. Reasonable security features must be and activated to protect against unauthorized use of and access to confidential information.
- (h) Scientific Games agrees that, at the time the work is completed, at the request of the OCFO, any such confidential information processed during the performance of the Contract will be completely purged from all data storage components of Scientific Games' computer facilities, and no output will be retained by Scientific Games; provided, however, Scientific Games may retain a copy of such information to the extent required by professional standards, Scientific Games' policies or in connection with computer system backups. If immediate purging of all information storage components is not possible, agrees that any such information remaining in any storage component will be safeguarded to prevent unauthorized disclosures.

- (i) Scientific Games will be responsible for the destruction of spoilage or any known intermediate hard copy printouts related to the confidential information, and will provide the DCLB or representative designated by the OCFO with a statement containing the date of destruction, description of material destroyed, and the method used. Scientific Games may retain a copy of such information to the extent required by professional standards. Scientific Games policies.
- (j) Scientific Games will maintain a list of employees authorized access to such information. Scientific Games will provide this list to DCLB and the OCFO and provide DCLB and the OCFO with any changes to that list promptly after they occur.
- (k) This Agreement shall not be construed as creating, conveying, transferring, granting or conferring upon Scientific Games or any other person any rights, license or authority in or to the information exchanged, except the limited right to use such information for the purposes specified in the Contract.
- (l) No license or conveyance of any intellectual or property rights is granted or implied by this Contract.
- (m) Neither the OCFO nor its representative agencies has an obligation under this Contract to purchase any service, goods, or intangibles from Scientific Games or any other person.
- (n) Furthermore, Scientific Games hereby acknowledges and agrees that the exchange of information under the Contract shall not commit or bind the District or its representative agencies and/or employees to any present or future contractual relationship (except as specifically stated herein), nor shall the exchange of information be construed as an inducement to act or not to act in any given manner.
- (o) No specification in this Agreement of any particular remedy shall be construed as a waiver or prohibition of any other remedies in the event of a breach, or threatened breach of this Agreement.
- (p) This Agreement is made under and shall be construed according to the laws of the District. In the event that this Agreement, is breached, any and all disputes must be settled in a court of competent jurisdiction in the District of Columbia. The parties agree to waive any right to a trial by jury.
- (q) If any of the provisions of this Agreement are found to be unenforceable, the remainder shall be enforced as fully as possible and

the unenforceable provision(s) shall be deemed modified to the limited extent required to permit enforcement of the Contract as a whole.

WHEREFORE, the parties acknowledge that they have read and understand this Agreement and voluntarily accept the duties and obligations set forth herein.

By: William Huntley Date: 1/20/12

Name: William Huntley

Title: President, Lottery Systems

Office of the Chief Financial Officer

By: Dorothy Fortune Date: 1/26/12
Name: Dorothy Fortune
Title: Contracting Officer



**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.