

Commonwealth of Virginia



Request for Sealed Proposals

Title: Production and Distribution of Live Virginia Lottery
Draw Shows

Due Date: June 1, 2021

Contact Information:

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Request for Proposals (RFP) #: 06048MS

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Proposal Due Date and Time:June 1, 2021;01:00PM EST

The Virginia Lottery does not discriminate against faith-based organizations or against an Offeror because of race, religion, color, sex, national origin, age, disability or any other basis prohibited by state law relating to discrimination in employment. The Virginia Lottery encourages firms to provide for the participation of small businesses and businesses owned by minorities and women through partnerships, joint ventures and subcontracting opportunities.

Complete Legal Name of Offeror's Firm: _____

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I. **PURPOSE:**

The Virginia Lottery (“Lottery”), an independent agency of the Commonwealth of Virginia, is seeking proposals from qualified firms to establish a contract through competitive negotiations for production, streaming, and archiving services of live Lottery draw shows.

II. **BACKGROUND:**

The Lottery has daily live drawings choosing winning combinations of numbers for various Lottery games. Live drawings are packaged into a draw show and drawings take place twice a day, 365 days a year, including holidays.

Pick 3, and Pick 4 are drawn live twice daily, at 1:59 PM and 10:59 PM. Cash 5 is drawn live daily, at 10:59PM. Bank a Million is drawn live twice a week on Wednesday and Saturday evenings at approximately 11:00 PM immediately following the Cash 5 drawing. Pick 3/Pick4/Cash 5 and Bank a Million draw shows are produced, streamed, and archived by the Contractor*.

Cash4Life is drawn daily at approximately 9PM. Production of this shows is conducted at another location and is not part of this solicitation. However, capture, live streaming, and archiving of *Cash4Life* draw shows are provided by the Contractor of the Draw Show Production and Distribution.

Mega Millions is drawn twice a week on Tuesday, and Friday evenings. Powerball is drawn twice a week on Wednesday and Saturday evenings. Production of these shows is conducted at other locations and is not part of this solicitation. However, capture, live streaming, and archiving of Powerball and Mega Millions draw shows are provided by the Contractor.

All games are streamed live on valottery.com and a unique, separate file is stored for archival purposes on valottery.com.

*Notes:

The New Jersey Lottery performs live production and live streaming of the *Cash4Life* draw show on seven days a week at 9:00 PM ET.

Please continue to next page.

Virginia Lottery Current Drawings and Draw Shows

Time & Frequency of Draw	Product	Length
365 days a year draw at 1:59 PM	Mid-day Draw Show Pick 3, Pick 4,	:60
365 days a year draw at 10:59 PM	Evening Draw Pick 3, Pick 4, Cash 5	:60
<i>Cash4Life</i> 365 days a year 9:00PM (from a NJ feed)	<i>Cash4Life</i>	~:60
Mega Millions Tuesday and Friday 11:00PM (from a WSB Atlanta feed)	Mega Millions	:45
Bank a Million Every Wednesday and Saturday approximately 11:00 PM	Bank a Million	:30
Powerball Wednesday and Saturday 11:00PM (from a Universal Orlando feed)	Powerball	:55

Current Staffing:

The Lottery provides audit, security and hosts to support the live draw show. All activities from the Offeror will be monitored closely to ensure the integrity of the games.

Presently, the vendor supplies the following staff for Lottery draw shows:

- Professional director with experience in live broadcast with multi-camera direction
- One (1) audio operator
- One (1) broadcast technician
- One (1) character generator operator
- Management liaison

III. **STATEMENT OF NEEDS:**

Offeror shall have the ability to:

1. Provide live production of the following Draw Shows:
 - a. Pick 3/Pick 4/Cash 5
 - b. Bank a Million
 - c. Any future Lottery games
2. Provide a live stream of all draw shows the Offeror produces for streaming on valottery.com. Live stream begins :90 before drawing and concludes :60 after drawing. A pre-produced promotional package plays before and after the draw shows.

3. Archive and send all draw shows produced for upload on valottery.com. Video standards are set by the Lottery and may change over time.
4. Provide a live stream of all Mega Millions and Powerball drawings for streaming on valottery.com.
5. Archive and send all Mega Millions and Powerball drawings for upload on valottery.com. Video standards are set by the Lottery and may change over time.

Offeror shall have the ability to furnish all labor, resources, and equipment to produce Lottery draw shows. Offeror shall have the ability to provide a studio, production lighting, television equipment, crew, production video and audio for Pick 3, Pick 4, Cash 5 and Bank a Million draw shows. Draw shows may be seen at www.valottery.com.

Offeror shall have the ability to provide a secure room for Lottery draw equipment, and any necessary security upgrades to the studio. **All permanent production of the draw show must take place in the Richmond, VA metropolitan area.** The Richmond metropolitan area shall be defined as being within a twenty-mile radius of Lottery Headquarters (600 East Main Street, Richmond, VA). Specific requirements are listed below:

A. Live Stream Production

Offeror shall have the ability to produce draw show in format similar to the present show – see www.valottery.com for specific examples.

1. Offeror shall begin live stream at 1:57:30 PM for the afternoon draw and 10:58:30 PM for the evening draws, per the game rules.
2. The Offeror shall have the ability to provide all resources required for producing a live draw show. Resources shall include, but are limited to: full HD video cameras, broadcast quality audio and video equipment, and professional crew/staff necessary to produce Pick 3, Pick 4, Cash 5, and Bank a Million draw shows.
3. The Lottery will provide all draw show talent, graphics, slates, voice-overs and music.
4. The Lottery will supply the set and will be responsible for set movement and installation to the production facility's studio.
5. Offeror shall have the ability to participate in full crew rehearsals outside of the normal production window due to creative/product changes. The Lottery and Offeror will mutually agree to a rehearsal schedule.

6. The Lottery will provide a predetermined script and procedure in the event the Lottery Security Officer notifies the Director that a “foul” has been detected. The Offeror shall have the ability to provide an instant start pre-produced picture with sound Foul Slate.
7. Offeror shall have the ability to immediately call, with email and text backups to the Lottery Contract Administrator when a production or distribution fault occurs. Communication should include the nature of the problem, duration, and any corrective action taken. Additional notification to the Lottery Contract Administrator (call with voice mail message and email backup) is necessary when unresolved production or distribution problems occur.

B. Production Equipment

The Offeror shall have the ability to provide full HD, broadcast quality equipment of current technology including, but not limited to, the following:

1. Ability to import program beds, or other media via a Virginia Lottery managed CDN (Content Delivery Network) in mutually agreed file formats.
2. Three (3) matching make/model full HD cameras with fluid head studio pedestals, or a robotic/remote solution capable of smooth on air adjustments.
3. Full HD production switcher with appropriate inputs.
4. Dual output character generator with line selectable font type, point size and color, in addition to a diverse selection of point size and font styles. Minimum display of four (4) individual character lines with each line controlled separately as to font, size, color and leading.
5. Engineering equipment to include, but not be limited to, a waveform monitor, vector scope, or any combination of equipment to ensure any/all National Television System Committee (“NTSC”) broadcast standard adherence.
6. Professional, multi-track audio mixer and dual redundancy wireless condenser microphones for Lottery talent.
7. Crew headset loop with fold back for use by in-studio staff.
8. All monitors necessary for production.
9. Lighting grid with sufficient power receptacles to allow the hanging and powering of professional lighting equipment per the Lottery’s creative requirements.

10. All equipment racks, cabling, wire, connectors and other miscellaneous items.
11. Offeror shall recommend hardware and software upgrades annually to ensure that the Lottery has the most consistent and reliable technology available implemented into the production of the show.

C. Production Studio

Offeror shall have the ability to provide a sound-treated production studio with a minimum size to display all of the Lottery’s drawing equipment on air simultaneously. Three (3) sets of draw equipment, one (1) each for Pick 3, Pick 4 and Cash 5, are used for each mid-day and night draw show.

1. Minimum Required Dimensions:

The studio shall be 20’ x 30’ with the ability to fit a 17’ x 5’ x 9’ set. Additional information below for your reference and information. Set shall be provided by Lottery.

Set: 17’ x 5’ x 9’

Set components: Three (3) connected backdrops, neon lighting throughout, constructed in 4’ x 8’ sections.

Rear set facing to camera lens front: 14’

Focal plane front of ball machine to rear set facing: 5’

Back of ball machine to rear set facing: 3’ 6”

2. Noise attenuated air conditioning to ensure a studio floor temperature of no more than 75°F during rehearsals and broadcasts.
3. Visitors shall have access to the set only with prior Lottery approval. Lottery staff will be responsible for escorting visitors while on Contractor’s property.
4. Talent shall have access to makeup facilities and all Lottery staff shall have access to restroom facilities.
5. The Offeror must obtain prior approval of the Lottery for use of the production studio for other than Lottery draw shows.

6. Offeror shall have pandemic response plan to ensure workplace safety from COVID spread.
7. Offeror shall have safety and security measures in place to protect the draw show and its staff from outside harm.

D. Staffing

Offeror shall have the ability to provide a staff qualified by training and practice and proven to perform in a desired production position prior to assignment of a production job. The Director(s) shall be a qualified professional(s) who has a minimum of five years experience in direction and production of live television / video production. All Contractor employees working the Lottery draw show must pass a background check conducted by the Lottery.

Any employee without a background search will not be permitted to serve as a draw staff member. Offeror shall replace the employee with one that has been approved by the Lottery. The Lottery will have final approval of all staff provided by the Offeror.

E. Rehearsals

Contractor shall have the ability to participate in rehearsals for afternoon and evening draw shows. Afternoon rehearsals shall begin at 1:20 PM and evening rehearsals shall begin at 10:20 PM. The Lottery anticipates a rehearsal consisting of at least three (3) drawings. Either the Lottery or an independent auditor present may request additional rehearsals. Offeror's production crew shall have the ability to be present for all draw show rehearsals.

F. Capture, Archiving, and Distribution

1. Offeror shall have the ability to capture and store shows on a dedicated computer with dedicated software. Computer to be supplied by the Lottery. Each draw show shall be saved with a unique name that includes the date and show name.
2. After saving, the Offeror shall have the ability to send file(s) to the Lottery for archival purposes.

The following are sources of Mega Millions and Powerball draw shows:

Mega Millions Production and Feed WSB TV2 Atlanta
Tuesday and Friday
Feed Time
Window 22:50:00 - 23:05:00
Live Draw 23:00:00 - 23:00:45

:60 countdown then :5 black before show

Mega Millions with Megaplier
Galaxy 19-C Band, Transponder 23C
Downlink frequency of 4160 MHz (V)
Analog signal: audio 6.2/6.8

Powerball Draw Show Production and Feed from Universal Studios
Orlando
Wednesday and Saturday
Sat window begin/end: 10:40 – 11:15 PM (all EST)

Galaxy 19-C Band, Transponder 23C
Uplink frequency of 6245 MHz (V)
Downlink frequency of 4160 MHz (V)
Analog signal: Audio 6.2/6.8

10:45:00	Slate, color bars, tone on the bird
10:59:00	LIVE DRAW (followed by :04 of black)
11:00:00	First re-feed of draw (followed by :04 of black)
11:01:00	Second re-feed of draw (followed by :04 of black)
11:02:00	Goodbye slate and info about contacting studio for re-feed

H. Distribution

1. Live Draw Show Streaming Services

- a. The Lottery will provide a dedicated encoding computer connected to a streaming server(s) for the Offeror to have the ability to stream the draws live to valottery.com. The dedicated encoding computer shall be accessible by the Lottery through an administrative interface. The streaming server may be hosted off site. Distribution format of valottery.com files shall be MP4.
- b. The Offeror shall have the ability to provide any analytics to the Lottery to include, at a minimum, number of views geographical location of views, and average view time.

2. Draw Show Archive Services

- a. All Draw Shows produced by the Offeror shall be uploaded to a Virginia Lottery managed Content Delivery Network (CDN) publicly available through the domain videocdn.valottery.com for archival purposes.
- b. Offeror shall have the ability to capture and send Pick 3, Pick 4, Cash 5, Mega Millions and Powerball draw shows to the Lottery managed CDN server by 2:10 PM and 11:10 PM on the

day of the show. *Cash4Life* draw show shall be captured and sent to ftp server by 9:10 PM. \$1,000,000 Bank a Million draw show shall be captured and sent to the Lottery managed CDN by 11:10 PM. Offeror shall have the ability to provide staff and internet connectivity required to transfer the files to the Lottery. Offeror shall have the ability to send captured shows to the Lottery with a unique file name and production date.

- c. After file is sent, Offeror shall have the ability to confirm play of file on valottery.com. If any problem exists, the Offeror shall have the ability to contact the Lottery Contract Administrator after all troubleshooting protocols are performed.

I. Secure Room

The Offeror shall have the ability to supply a secure room to store draw show equipment when not in use for the drawings. The secure room shall also serve as a place to conduct pre-draw procedures and receive new equipment and supplies and communicate with Lottery staff via phone and email. Offeror shall have the ability to provide a secure room that meet the minimum specifications below:

1. Minimum of 300 square feet with an eight (8) foot ceiling.
2. Floor to ceiling finished walls.
3. Six (6) foot double door to allow easy removal of drawing equipment. The double door shall only open from the inside of the secured room.
4. Standard door for entry and exit from the secured room.
5. Climate controlled with adequate heating, air conditioning, and humidity control. Room shall be free of moisture.
6. Smoke alarms and sprinklers as required by code.
7. Shall meet all local government building, fire, safety and health codes.
8. Two (2) telephone lines terminating with wall jacks. Offeror shall be responsible for the installation and monthly charges of the telephone lines.
9. Internet connectivity for a dedicated computer supplied by the Lottery.
10. Six (6) 2-receptacle A/C 120 volt power outlets on 20 amp service, equitably distributed along room walls.
11. Security equipment which may include ID card access, lock and key

sets and inside vault time-lapse camera recording equipment. Purchase, installation and removal of such secure room equipment at the end of the Contract will be the responsibility of the Lottery.

12. Accessible 24 hours a day, seven (7) days a week. Access to the secure room is limited to authorized Lottery staff.
13. An uninterrupted power supply, 4 KW UPS minimum, for the purpose of providing power to the drawing console and mixing machines to assure that a drawing can be completed in the event of a power failure.

J. Studio Security

Offeror shall have the ability to supply a standard breakout box on the studio wall with the location to be mutually determined by the Offeror and the Lottery. The box shall contain the following:

1. Two (2) telephone jacks terminating into phone jacks
2. One (1) 4-receptacle A/C 120 volt on UPS
3. One (1) Hubbell twist lock power receptacle with A/C 120 volt/20 amp circuit on UPS
4. Available space for mil-spec twist receptacle for connection of the security studio recording system
5. Any code-required conduit for power and cable runs, including cable runs in the lighting grid for the security recording equipment.
6. The Offeror shall have the ability to provide an uninterrupted power supply, 4 KW UPS minimum, for the purpose of providing power to the drawing console and mixing machines to assure that a drawing can be completed in the event of a power failure.
7. The Offeror shall have the ability to provide adequate storage space for a Lottery-supplied generator to function as backup to the uninterrupted power supply.

K. Quality Control of Draw Shows, Production and Distribution Services

Offeror shall have the ability to ensure draw shows appear to the public in a professional and consistent manner, with the expectation that 99.5% of Draw Shows run with no issues or less than four (4) shows per calendar year.

The Lottery shall not be billed for any drawings where human or equipment error results in a viewable production error. Viewable production errors are defined as one of, but not limited to, any of the following:

- Camera framing or movement errors significant enough to be readily apparent to viewers
- Failure to live stream a contracted drawing
- Wrong character generator number input or missing numbers
- Missing audio, missing music bed, or audio mix errors significant enough to be readily apparent to viewers
- Missing production elements to include graphics, camera shots, or headphone mic
- Late posting of archived draw show files

Offeror shall have the ability to provide reporting as requested by the Lottery. Reporting functions shall consist of but not limited to Viewership numbers, technical issues and non-technical issues.

Offeror shall have an escalation plan in place in case of any issues during or as a result of the draw show. Escalation plan needs to provide specific information as to who the Lottery will contact for remediation.

IV. **PROPOSAL PREPARATION AND SUBMISSION REQUIREMENTS:**

A. **GENERAL REQUIREMENTS:**

1. RFP Response:
 - a. In order to be considered for selection, Offerors must submit a complete response to this RFP. Due to Covid we are requesting all responses be submitted on USB jump drives. Six (6) original USB jump drives and one (1) USB version of the complete proposal with any proprietary information removed. Proprietary information is detailed in section 2.d. below.:
 - b. No other distribution of the proposal shall be made by the Offeror.
 - c. Offeror is requested to respond to each section/subsection in the order in which it appears in the RFP.

2. Proposal Preparation:
 - a. Proposals shall be signed by an authorized representative of the Offeror.
 - b. Failure to submit all information requested may result in the Evaluation Team giving a lowered evaluation score of the proposal.
 - c. An explanation describing how you will accomplish each requirement must be included in your proposal. The phrase "fully comply" without an explanation is unacceptable. If a requirement is not being provided, state "Not Provided." Proposals, which are substantially incomplete or lack key information, may be rejected by the Lottery.
 - d. Ownership of all data, materials and documentation originated

and prepared for the Lottery pursuant to the RFP shall belong exclusively to the Lottery and be subject to public inspection in accordance with the Virginia Freedom of Information Act. Trade secrets or proprietary information submitted by an Offeror shall not be subject to public disclosure under the Virginia Freedom of Information Act; however, the Offeror must invoke the protections of §2.2-4342 of the *Code of Virginia*, in writing, either before or at the time the data or other material is submitted. The written notice must specifically identify the data or materials to be protected and state the reasons why protection is necessary. The proprietary or trade secret material submitted must be identified by some distinct method such as **highlighting or underlining** and must indicate only the specific words, figures, or paragraphs that constitute trade secret or proprietary information. The classification of an entire proposal document, line item prices and/or total proposal prices as proprietary or trade secrets is not acceptable and may result in rejection of the proposal.

3. Oral Presentation: Offerors who submit a proposal in response to this RFP may be required to give an oral presentation to the Evaluation Team. This provides an opportunity for the Offeror to clarify or elaborate on the proposal. This is a fact finding and explanation session only and does not include negotiation. The Lottery will schedule the time and location of these presentations. Oral presentations are an option of the Lottery and may or may not be conducted.
4. Facility Tour: Offerors who submit a proposal in response to this RFP may be required to give a tour of the facility to be used to the Evaluation Team. This provides an opportunity for the Offeror to clarify or elaborate on the proposal. This is a fact finding and explanation session only and does not include negotiation. The Lottery will schedule the date and time of the tour. Facility tours are an option of the Lottery and may or may not be conducted.

B. SPECIFIC PROPOSAL REQUIREMENTS:

Proposals shall be as thorough and detailed as possible so that the Lottery may properly evaluate Offeror's capabilities to provide the required services. In addition to any other requirements imposed by Section III of this Request for Proposals, Offerors are required to submit the following items as a complete proposal:

1. Offeror shall include a cover sheet that indicates the page number(s) containing proprietary information.
2. Offeror shall provide a tentative timeline starting from date of award and ending with having the facility ready to provide draw show quality production services.

3. Offeror shall describe location of and facilities for production of the draw show. The draw show studio must be located in the Richmond, VA metropolitan area as defined the Statement of Needs.
4. Offeror shall provide a description, to include a floor plan, of the proposed production studio. Description should include, but not be limited to, the following:
 - a. Dimensions
 - b. Air conditioning treatment
 - c. Sound treatment
 - d. Lighting grid
 - e. Lighting board, including power supply
 - f. Lighting instruments
 - g. Location of TV studio relative to secure room
5. Offeror shall provide a description, to include a floor plan, of the proposed secure room. Discussion should include, but need not be limited to, the following:
 - a. Dimensions
 - b. Location of double and single doors
 - c. Location of electrical outlets
 - d. Location of telephone outlets
 - e. 24 hour/7 day access by Lottery personnel
 - f. Description of construction necessary to create the room with necessary HVAC and A/C power as described under Statement of Needs.
 - g. Location of secure room relative to TV studio
6. Offeror shall provide a detailed description of the uninterrupted power supply proposed. Include the mean time before the facility is re-powered following a power failure. Include in the discussion the steps to be taken in the event of a power failure.
7. Offeror shall provide a description of the proposed production equipment. Description should include, but not be limited to, the following:
 - a. Camera types, camera support equipment, production switchers and character generator specifications
 - b. Audio mixer & microphone equipment
 - c. Monitors to include technical monitoring
 - d. Satellite downlink capabilities
 - e. Media playback equipment & capabilities (e.g. tape machines, file servers, DVD, etc.)

8. Offeror shall name the principle producer and director and provide a short resume for each production staff member proposed for the Lottery draw show production. Any changes to staffing during the course of the Contract must be approved by the Lottery in writing prior to change.
9. Offeror shall provide a detailed description of the daytime and night production schedule for the draw shows. Include specific actions and when they shall take place. The Lottery encourages proposals of formats that may add value to the show or economy to production.
10. Offeror shall describe internet facilities to include management of servers and speed of internet service in Mb/s
11. Offeror shall describe your satellite downlink facilities. Description should include, but need not be limited to the following:
 - a. Path from control room to satellite downlink
 - b. Physical location of satellite downlink relative to studio control room
 - c. Address redundancy in case of equipment failure
12. Offeror shall describe distribution options and include any necessary back-up facilities to meet Lottery objectives.
 - a. Streaming facilities to include any sub-contracting necessary to provide streaming service
 - b. Capture all draw shows and send select groups to the Lottery managed CDN (Content Delivery Network).
13. Offeror shall describe Quality Control procedures to include, at a minimum, the following:
 - a. Steps to be utilized to minimize on-air problems.
 - b. Definition of what constitutes repetitive non-performance by staff associated with draw shows.
 - c. Penalties are proposed for staff non-performance.
 - d. What constitutes repetitive equipment failure in relation to the draw shows.
 - e. Penalties shall be proposed for repetitive equipment failure.
 - f. A sample Proof of Performance report.
14. Offeror shall describe methods to minimize capital expenditures for either equipment or secure room build-out when upgrades are required.

15. Offeror shall provide a minimum of two (2) case studies describing similar work executed.
16. Offeror shall describe the manner in which the intend to live stream the Draw Shows and how the analytical details will be shared with the Lottery.
17. Offeror shall provide a detailed description of participation of small, woman- or minority-owned businesses in the performance of this Contract through subcontracting programs. Information regarding actual dollars forecasted to be spent, percentage of total Contract to be dedicated to minority, women-owned and small businesses or specific firms to be employed shall be submitted as part of this plan. Also, include a list of minority-owned, women-owned, and small businesses with whom Offeror currently contracts.

Note: No vendor shall be considered a small, woman- or minority-owned business enterprise unless certified as such by the Commonwealth's Department of Small Business and Supplier Diversity.

18. Offeror shall provide a redline version of Lottery terms and conditions if necessary. ****NOTE:** The Lottery will not sign any Offeror's documents, MSAs, or any other type of agreement(s). The Lottery's General Terms and Conditions shall not be negotiated.

C. RFP QUESTIONS AND PROCUREMENT TIMELINE:

1. Offerors can submit questions via email to the Contract Officer whose name appears on the cover page of this solicitation. All contact, whether verbal or written, pertaining to this RFP, shall be with that designated Contract Officer for the duration of the procurement process.
2. The following procurement timeline is estimated and is subject to change as the procurement progresses. Please note the deadline within which to submit questions.

Procurement Process	Estimated Completion Dates
Questions on RFP due	April 28, 2021
Addendum issued (if necessary)	May 5, 2021
Second Questions on RFP due	May 14, 2021
Addendum #2 issued (if necessary)	May 24, 2021
RFP due date	June 1, 2021
Tentative award of Contract	August 13, 2021

V. **EVALUATION AND AWARD CRITERIA:**

A. **EVALUATION CRITERIA:**

The Virginia Lottery seeks to contract for production and distribution of live Lottery draw shows described herein with the responding Offeror who submits the best proposal as modified through negotiations. The written proposals, and any subsequent negotiated offers, will be evaluated and judged by the Virginia Lottery based on the following criteria:

1. Suitability of Equipment and Facility (30%)
2. Quality of Services Offered (50%)
3. Price (10%)
4. Minority-owned, women-owned and small business participation (10%)

NOTE: The percentages in parenthesis represent the weight for each category.

B. **AWARD OF CONTRACT:**

Two or more Offerors deemed to be fully qualified and best suited among those submitting proposals will be identified on the basis of the evaluation factors stated herein. Negotiations may be conducted with the Offerors so selected. After negotiations have been conducted with each Offeror so selected, the Virginia Lottery may select the Offeror(s) who, in its opinion, has made the best proposal, and award the Contract to that Offeror(s). The Virginia Lottery may cancel this RFP or reject proposals at any time prior to the award, and is not required to furnish a statement of the reasons why a particular proposal was not deemed to be the most advantageous. Should it be determined in writing that only one Offeror is fully qualified, or that one Offeror is clearly more highly qualified than the others under consideration, a Contract may be negotiated and awarded to that Offeror.

V. **SPECIAL TERMS AND CONDITIONS:**

A. **ADVERTISING:**

In the event a Contract is awarded for supplies, equipment, or services resulting from this solicitation, no indication of such sales or services to the Lottery shall be used in product literature or advertising without the Lottery Executive Director's prior written approval. The Contractor shall not state in any of its advertising or product literature that the Lottery has purchased or uses its products or services.

B. **AUDIT:**

The Contractor shall retain all books, records, and other documents relative to this Contract for five (5) years after final payment, or until audited by the Commonwealth of Virginia, whichever is sooner. The Lottery, its authorized agents, and/or state auditors shall have full access to and the right to examine

any of said materials during said period.

C. **PROPOSAL ACCEPTANCE PERIOD:**

Any proposal in response to this solicitation shall be valid for 180 days. At the end of the 180 days the proposal may be withdrawn at the written request of the Offeror. If the proposal is not withdrawn at that time it remains in effect until an award is made or the solicitation is canceled.

D. **CANCELLATION OF CONTRACT:**

The Lottery reserves the right to cancel and terminate any resulting Contract, in part or in whole, without penalty, upon 90 days written notice to the Contractor. In the event the initial Contract period is for more than 12 months, the resulting Contract may be terminated by either party, without penalty, after the initial 12 months of the Contract period 90 days written notice to the other party. Any Contract cancellation notice shall not relieve the Contractor of the obligation to deliver and/or perform on all outstanding orders issued prior to the effective date of cancellation.

E. **CONTINUITY OF SERVICES:**

The Contractor recognizes that the services under this Contract are vital to the Lottery and must be continued without interruption and that, upon Contract expiration, a successor, either the Lottery or another Contractor, may continue them. The Contractor agrees:

1. To exercise its best efforts and cooperation to effect an orderly and efficient transition to a successor;
2. To make all Lottery owned facilities, equipment, and data available to any successor at an appropriate time prior to the expiration of the Contract to facilitate transition to successor; and
3. That the Lottery Contracting Officer shall have final authority to resolve disputes related to the transition of the Contract from the Contractor to its successor.

The Contractor shall, upon written notice from the Contract Officer, furnish phase-in/phase-out services for up to ninety (90) days after this Contract expires and shall negotiate in good faith a plan with the successor to execute the phase-in/phase-out services. This plan shall be subject to the Contract Officer's approval.

The Contractor shall be reimbursed for all reasonable, pre-approved phase-in/phase-out costs (i.e., costs incurred within the agreed period after Contract expiration that result from phase-in, phase-out operations) and a fee (profit) not to exceed a pro rata portion of the fee (profit) under this Contract. All phase-in/phase-out work fees must be approved by the Contract Officer in writing prior to commencement of said work.

F. **DISCOUNTS, PROMPT PAYMENT:**

Discounts for prompt payment will not be calculated in determining net low proposal. Discounts for prompt payment will be shown on the purchase order/Contract and taken if invoices are processed and payment made within the stipulated time frame. If discounts are not offered, payment shall be made thirty (30) days after receipt of an accurate invoice by the Virginia Lottery's Accounts Payable Department. Offeror shall indicate discount (if applicable) with the "Pricing section" near the end of this solicitation.

G. **FINAL INSPECTION:**

At the conclusion of the work, the Contractor shall demonstrate to the Lottery's representative(s) that the work is fully operational and in compliance with Contract specifications and codes. Any deficiencies shall be promptly and permanently corrected by the Contractor at the Contractor's sole expense prior to final acceptance of the work.

H. **IDENTIFICATION AND DELIVERY OF PROPOSAL:**

The cover page of this solicitation will indicate whether proposals will be accepted as sealed or unsealed. If this solicitation indicates "sealed" proposals will be received for this procurement, all proposals received must be enclosed in an envelope or package and identified as follows

IF PROPOSAL IS MAILED: Offeror must mail proposal to the Virginia Lottery, Attention: 22nd Floor Purchasing Office, 600 East Main Street, Richmond, Virginia 23219. The proposal must be enclosed in an envelope or package and identified as follows:

Name of Offeror
Due Date and Time
Offeror's complete address
RFP No.
RFP Title

If a proposal is not identified as outlined above the Offeror takes the risk that the proposal may be inadvertently opened and the information compromised, which may cause the proposal to be disqualified. No other correspondence or other proposals should be placed in the envelope.

IF PROPOSAL IS HAND DELIVERED (INCLUDING COURIER): Proposal must be delivered to 600 East Main Street, Richmond, Virginia 23219. **However, the Security Guard is not responsible for identifying the date and time a proposal is received; only a Virginia Lottery employee can make that determination.** The Security Guard will contact an appropriate Lottery employee for proposal receipt; this process could take 30 minutes or more.

Late proposal will not be accepted.

Note: the Lottery does not conduct public openings.

I. **INDEMNIFICATION:**

Contractor agrees to indemnify and hold harmless the Commonwealth, the Lottery, their officers, directors, agents and employees (collectively, "Commonwealth's Indemnified Parties") from and against any and all losses, damages, claims, demands, proceedings, suits and actions, including any related liabilities, obligations, losses, damages, assessments, fines, penalties (whether criminal or civil), judgments, settlements, expenses (including attorneys' and accountants' fees and disbursements) and costs (each, a "Claim" and collectively, "Claims"), incurred by, borne by or asserted against any of Commonwealth's Indemnified Parties to the extent such Claims in any way relate to, arise out of or result from: (i) any intentional or willful conduct or negligence of any employee, agent, or subcontractor of the Contractor, (ii) any act or omission of any employee, agent, or subcontractor of the Contractor, (iii) breach of any representation, warranty or covenant of the Contractor contained herein, (iv) any defect in the Contractor-provided products or services, or (v) any actual or alleged infringement or misappropriation of any third party's intellectual property rights by any of the Contractor-provided products or services. Selection and approval of counsel and approval of any settlement shall be accomplished in accordance with all applicable laws, rules and regulations. For state agencies, the applicable laws include §§ 2.2-510 and 2.2-514 of the Code of Virginia. In all cases involving the Commonwealth or state agencies, the selection and approval of counsel and approval of any settlement shall be satisfactory to the Commonwealth.

In the event that a Claim is commenced against any of Commonwealth's Indemnified Parties alleging that use of the Contractor-provided products or services, including any components thereof, or that the Contractor's performance or delivery of any product or service under this Contract infringes any third party's intellectual property rights and the Contractor is of the opinion that the allegations in such Claim in whole or in part are not covered by this indemnification provision, Contractor shall immediately notify the Lottery in writing, via certified mail, specifying to what extent the Contractor believes it is obligated to defend and indemnify under the terms and conditions of this Contract. The Contractor shall in such event protect the interests of the Commonwealth's Indemnified Parties and secure a

continuance to permit the Lottery to appear and defend their interests in cooperation with the Contractor as is appropriate, including any jurisdictional defenses the Lottery may have.

In the event of a Claim pursuant to any actual or alleged infringement or misappropriation of any third party's intellectual property rights by any of the Contractor-provided Deliverables, Products, Software, Services, Solution, including Solution Components, Application and Licensed Services, as applicable, or Contractor's performance, and in addition to all other obligations of the Contractor in this Section, the Contractor shall at its expense, either (a) procure for all Authorized Users the right to continue use of such infringing Deliverables, Products, Software, Services, Solution, including Solution Components, Application and Licensed Services, as applicable, or any component thereof; or (b) replace or modify such infringing Deliverables,

Products, Software, Services, Solution, including Solution Components, Application and Licensed Services, as applicable, or any component thereof, with non-infringing Deliverables, Products, Software, Services, Solution or Solution Component(s), Application and Licensed Services, as applicable, satisfactory to the Lottery. And in addition, the Contractor shall provide any the Lottery with a comparable temporary replacement products and/or services or reimburse the Lottery for the reasonable costs incurred by the Lottery in obtaining an alternative product or service, in the event the Lottery cannot use the affected Deliverable, Product, Software, Services, Solution or Solution Component(s), Application and Licensed Services, as applicable, or any component thereof. If the Contractor cannot accomplish any of the foregoing within a reasonable time and at commercially reasonable rates, then the Contractor shall accept the return of the infringing Deliverables, Products, Software, Services, Solution, Solution Component, Application and Licensed Services, as applicable, or any component thereof, along with any other components rendered unusable by the Lottery as a result of the infringing component, and refund the price paid to the Contractor for such components.

J. **INSTALLATION:**

All items must be assembled and set in place, ready for use. All crating and other debris must be removed from the premises.

K. **PERFORMANCE, CONTRACTOR:**

Contractors providing goods and services to the Lottery are required to perform in accordance with the terms and conditions of their contract. When contractual requirements are not met the following actions may be taken (at the Lottery's option):

1. **Contractor Complaint Form:**

If a Contractor fails to perform in accordance with the terms and conditions of the contract, the Lottery will prepare a Contractor Complaint Form and forward to the Purchasing Office. This form will be sent to the Contractor for a corrective action plan.

2. **Default:**

If the Contractor is non-responsive to the complaint form or does not satisfy the corrective action plan submitted in the complaint form or provides an unsatisfactory corrective plan as determined by the Lottery, the Contractor may, at the Lottery's discretion, be placed in default and notified via Contractor Complaint Form.

3. **Ineligible for Award:**

Once placed in default, the Contractor will be ineligible to do business with the Lottery for purchases exceeding \$5,000 for a period of **three years**.

4. **Re-procurement of Goods and Services:**

In addition to a Contractor's ineligibility for award of programs over

\$5,000, the Lottery may procure the goods and/or services from other sources and hold the Contractor responsible for the price difference of the original contract amount and the amount of the new contract. The Lottery will follow competitive principles as outline herein for the re-procurement.

The vendor will remain in default until the re-procurement costs have been paid to the Lottery. The vendor is still subject to the three year ineligibility based on the default regardless as to when the re-procurement cost is paid.

5. Number of Complaints:

- a) For Term Contracts: if the Contractor has received three or more complaints within the initial contract period as documented by Contractor Complaint Forms, the Contractor may, at the Lottery's discretion, be ineligible to submit a bid/proposal if the goods/services are re-solicited at expiration of contract. Ineligibility shall apply even though a satisfactory resolution to all complaints occurred.
- b) For a Renewal Period: if the Contractor has received three or more complaints within a renewal period as documented by Contractor Complaint Forms, the Contractor may, at the Lottery's discretion, be ineligible to submit a bid/proposal if the goods/services are re-solicited at expiration of contract. Ineligibility shall apply even though a satisfactory resolution to all complaints occurred.
- c) For Spot Purchases: if the Contractor has received three or more complaints within a period of one year as documented by Contractor Complaint Forms, the Contractor may, at the Lottery's discretion, be ineligible to do business with the Lottery for purchases exceeding \$5,000 for a period of one year after the issuance of the third Contractor Complaint Form. Ineligibility shall apply even though a satisfactory resolution to all complaints occurred.

L. **PRIME CONTRACTOR RESPONSIBILITIES:**

The Contractor shall be responsible for completely supervising and directing the work under this Contract and all subcontractors that he may utilize, using his best skill and attention. Subcontractors who perform work under this Contract shall be responsible to the prime Contractor. The Contractor agrees that he is as fully responsible for the acts and omissions of his subcontractors and of persons employed by them as he is for the acts and omissions of his own employees.

M. **PRODUCT INFORMATION:**

The Offeror shall clearly and specifically identify the product being offered and enclose complete and detailed descriptive literature, catalog cuts and specifications with the proposal to enable the Lottery to determine if the product offered meets the requirements of the solicitation. Failure to do so

may cause the proposal to be considered nonresponsive.

N. **REFERENCES:**

Offerors shall provide a list of at least three (3) references where similar goods and/or services have been provided. Each reference shall include the name of the organization, complete mailing address, name of the contact person, telephone number and email address.

Organization:	
Contact Person:	
Address:	
Telephone:	
Email:	

Organization:	
Contact Person:	
Address:	
Telephone:	
Email:	

Organization:	
Contact Person:	
Address:	
Telephone:	
Email:	

O. **Renegotiation of Contract**

The Lottery reserves the right, at any time during the Contract term or any renewals of the term, to renegotiate with the Contractor a reduction in the compensation paid to the Contractor that is less than the compensation initially agreed to by the Contractor and the Lottery at the time of Contract execution. The Lottery may initiate such negotiations whenever the Lottery determines that it is in the Lottery's best fiscal interests to do so. Notwithstanding any other provision of this Contract to the contrary, the Lottery may terminate this Contract immediately and without penalty if the Lottery is unable to renegotiate the compensation with the Contractor to an amount which the Lottery determines to be appropriate.

P. **RENEWAL OF CONTRACT:**

This Contract may be renewed by the Lottery for four (4) successive one- year periods under the terms and conditions of the original Contract except as stated in 1. and 2. below. Price increases/decreases may be negotiated only at the time of renewal. Written notice of the Lottery's intention to renew shall be given approximately 90 days prior to the expiration date of each Contract period.

1. If the Lottery elects to exercise the option to renew the Contract for an additional one-year period, the Contract price(s) for the additional one

year shall not exceed the Contract price(s) of the original Contract increased/decreased by more than the percentage increase/decrease of the “Other Services” category of the CPI-W section of the Consumer Price Index of the United States Bureau of Labor Statistics for the latest twelve months for which statistics are available.

2. If during any subsequent renewal periods, the Lottery elects to exercise the option to renew the Contract, the Contract price(s) for the subsequent renewal period shall not exceed the Contract price(s) of the previous renewal period increased/decreased by more than the percentage increase/decrease of the “Other Services” category of the CPI-W section of the Consumer Price Index of the United States Bureau of Labor Statistics for the latest twelve months for which statistics are available.

Q. **SMALL, women- and minority-owned (SWaM-owned) business SUBCONTRACTING AND EVIDENCE OF COMPLIANCE:**

It is the goal of the Lottery that 50% of purchases are made from SWaM-owned businesses. This includes discretionary spending in prime contracts and subcontracts. Unless the Offeror is registered as a SBSD-certified small business and where it is practicable for any portion of the awarded Contract to be subcontracted to other suppliers, the Contractor is encouraged to offer such subcontracting opportunities to SBSD-certified SWaM-owned businesses. No Offeror or subcontractor shall be considered a SWaM-owned Business unless certified as such by the Department of Small Business and Supplier Diversity (“SBSD”) by the due date for receipt of proposals. If SWaM-owned business subcontractors are used, the prime Contractor agrees to report the use of SWaM-owned business subcontractors by providing the purchasing office, at a minimum, the following information on a monthly basis or as directed by the Lottery: name of SWaM-owned business with the SBSD certification number, phone number, total dollar amount subcontracted, category type (small, women-owned, or minority-owned), and type of product/service provided.

Will there be any subcontracting to a SWaM Business for the performance of this contract?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If so, please provide the SWaM Business Name and SBSD certification Number:	

- R. **SUBCONTRACTS:**
 No portion of the work shall be subcontracted without prior written consent of the Lottery. In the event that the Contractor desires to subcontract some part of the work specified herein, the Contractor shall furnish the Lottery the names, qualifications and experience of their proposed subcontractors. The Contractor shall, however, remain fully liable and responsible for the work to be done by its subcontractor(s) and shall assure compliance with all requirements of the Contract.

S. **DEMONSTRATIONS:**

By submitting a proposal, the Offeror certifies that the specified equipment is in productive use and capable of demonstration in the proposed configuration. The Lottery reserves the right to require Offerors or to demonstrate the functionality of proposed equipment to its satisfaction prior to making an award decision. Such demonstration is intended to show that a vendor's products will perform in a completely satisfactory manner and that they will meet or exceed the performance specifications contained in the solicitation. Failure by a vendor to promptly comply with a request for demonstration could result in their proposal being rejected. Failure to reject shall not relieve the vendor of its obligation to fully comply with all requirements of the Contract.

T. **NOTICE OF MATERIAL LEGAL DISPUTE:**

Contractor shall notify the Lottery of its involvement in any legal dispute that is or may become material to this Contract. Contractor shall provide the Lottery with pertinent, non-privileged details upon request.

VI. **GENERAL TERMS AND CONDITIONS:**

A. **ANTI-DISCRIMINATION:**

By submitting their proposal, Offerors certify to the Commonwealth that they will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as amended, where applicable, the Virginians with Disabilities Act, the Americans with Disabilities Act. If the award is made to a faith-based organization, the organization shall not discriminate against any recipient of goods, services, or disbursements made pursuant to the Contract on the basis of the recipient's religion, religious belief, refusal to participate in a religious practice, or on the basis of race, age, color, gender or national origin and shall be subject to the same rules as other organizations that Contract with public bodies to account for the use of the funds provided; however, if the faith-based organization segregates public funds into separate accounts, only the accounts and programs funded with public funds shall be subject to audit by the Virginia Lottery.

In every Contract over \$10,000 the provisions in 1. and 2. below apply:

During the performance of this Contract, the Contractor agrees as follows:

1. The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the Contractor. The Contractor agrees to post in conspicuous places, available to employees and applicants for

employment, notices setting forth the provisions of this nondiscrimination clause.

2. The Contractor, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, will state that such Contractor is an equal opportunity employer.
3. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting these requirements.

The Contractor will include the provisions of 1. above in every subcontract or purchase order over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

B. **ADDENDA:**

Any changes or supplemental instructions to this Request for Proposals shall be in the form of written addenda. Each Offeror is responsible for determining that all addenda issued have been received and shall acknowledge receipt of all addenda in the space provided within the Pricing Schedule or by returning a copy of each signed addendum. Failure to do so may result in rejection of the proposal. All addenda so issued shall become part of the IFB and any resulting Contract documents.

C. **ANNOUNCEMENT OF AWARD:**

Upon the award or the announcement of the decision to award a Contract over \$50,000, as a result of this solicitation, Lottery will publicly post such notice on the DGS/DPS eVA web site (www.eva.virginia.gov).

D. **ANTITRUST:**

By entering into a Contract, the Contractor conveys, sells, assigns, and transfers to the Commonwealth of Virginia all rights, title and interest in and to all causes of action it may now have or hereafter acquire under the antitrust laws of the United States and the Commonwealth of Virginia, relating to the particular goods or services purchased or acquired by the Commonwealth of Virginia under said Contract.

E. **APPLICABLE LAWS AND COURTS:**

This solicitation and any resulting Contract shall be governed in all respects by the laws of the Commonwealth of Virginia, and any litigation with respect thereto shall be brought in the courts of the Commonwealth. The Contractor shall comply with all applicable federal, state and local laws, rules and regulations including Virginia Lottery Law § 58.1-4000 et seq. and the Virginia Lottery Purchasing Manual.

F. **ASSIGNMENT OF CONTRACT:**

A Contract shall not be assignable by the Contractor in whole or in part without the written consent of the Lottery.

G. **AVAILABILITY OF FUNDS:**

It is understood and agreed between the parties herein that the Lottery shall be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this agreement.

H. **PROPOSAL PRICE CURRENCY:**

Unless stated otherwise in the solicitation, Offerors shall state proposal prices in US dollars.

I. **CHANGES TO THE CONTRACT:**

Changes can be made to the Contract in any of the following ways:

1. The parties may agree in writing to modify the scope of the Contract. An increase or decrease in the price of the Contract resulting from such modification shall be agreed to by the parties as a part of their written agreement to modify the scope of the Contract.
2. The Lottery may order changes within the general scope of the Contract at any time by written notice to the Contractor. Changes within the scope of the Contract include, but are not limited to, things such as services to be performed, the method of packing or shipment, and the place of delivery or installation. The Contractor shall comply with the notice upon receipt. The Contractor shall be compensated for any additional costs incurred as the result of such order and shall give the Lottery a credit for any savings. Said compensation shall be determined by one of the following methods:

By mutual agreement between the parties in writing; or

By agreeing upon a unit price or using a unit price set forth in the Contract, if the work to be done can be expressed in units, and the Contractor accounts for the number of units of work performed, subject to the Lottery's right to audit the Contractor's records and/or to determine the correct number of units independently; or

By ordering the Contractor to proceed with the work and keep a record of all costs incurred and savings realized. A markup for overhead and profit may be allowed if provided by the Contract. The same markup shall be used for determining a decrease in price as the result of savings realized. The Contractor shall present the Lottery with all vouchers and records of expenses incurred and savings realized. The Lottery shall have the right to audit the records of the Contractor as it deems necessary to determine costs or savings. Any claim for an adjustment in price under this provision must be asserted by written notice to the Lottery within thirty (30) days from the date of receipt of the written order from the Lottery. If the parties fail to agree on an amount of adjustment, the question of an increase or decrease in the Contract price or time for performance shall be resolved in accordance with the procedures for resolving disputes provided by the Disputes Clause of this Contract or, if there is none, in accordance with the disputes provisions of the Lottery's Purchasing

Manual. Neither the existence of a claim nor a dispute resolution process, litigation or any other provision of this Contract shall excuse the Contractor from promptly complying with the changes ordered by the Lottery or with the performance of the Contract generally.

J. **CLARIFICATION OF TERMS:**

If any prospective Offeror has questions about the specifications or other solicitation documents, the prospective Offeror should contact the buyer whose name appears on the face of the solicitation no later than five working days before the due date. Any revisions to the solicitation will be made only by addendum issued by the buyer.

K. **DEBARMENT STATUS:**

By submitting their proposal, Offerors certify that they are not currently debarred by the Commonwealth of Virginia from submitting proposals on contracts for the type of goods and/or services covered by this solicitation, nor are they an agent of any person or entity that is currently so debarred.

L. **DEFAULT:**

In case of failure to deliver goods or services in accordance with the Contract terms and conditions, the Lottery, after due oral or written notice, may procure them from other sources and hold the Contractor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies which the Lottery may have.

M. **DRUG-FREE WORKPLACE:**

During the performance of this Contract, the Contractor agrees to (i) provide a drug-free workplace for the Contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the Contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the Contractor that the Contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, "*drug-free workplace*" means a site for the performance of work done in connection with a specific Contract awarded to a Contractor, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the Contract.

N. **ETHICS IN PUBLIC CONTRACTING:**

By submitting their proposal, Offerors certify that their proposal are made without collusion or fraud and that they have not offered or received any

kickbacks or inducements from any other Offeror, supplier, manufacturer or subcontractor in connection with their proposal, and that they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.

O. **IMMIGRATION REFORM AND CONTROL ACT OF 1986:**

By entering into a written Contract with the Lottery, the Contractor certifies that they do not, and shall not during the performance of the Contract for goods and services in the Commonwealth, knowingly employ an unauthorized alien as defined in the federal Immigration Reform and Control Act of 1986.

P. **INSURANCE:**

By signing and submitting a proposal under this solicitation, the Offeror certifies that if awarded the Contract, it will have the following insurance coverage at the time the Contract is awarded. For construction contracts, if any subcontractors are involved, the subcontractor will have workers' compensation insurance in accordance with §§ 2.2-4332 and 65.2-800 et seq. of the *Code of Virginia*. The Offeror further certifies that the Contractor and any subcontractors will maintain this insurance coverage during the entire term of the Contract and that all insurance coverage will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission.

Minimum Insurance Coverages and Limits Required for Most Contracts:

1. Workers' Compensation - Statutory requirements and benefits. Coverage is compulsory for employers of three or more employees, to include the employer. Contractors who fail to notify the Commonwealth of increases in the number of employees that change their workers' compensation requirements under the *Code of Virginia* during the course of the Contract shall be in noncompliance with the Contract.
2. Employer's Liability - \$100,000.
3. Commercial General Liability - \$1,000,000 per occurrence. Commercial General Liability is to include bodily injury and property damage, personal injury and advertising injury, products and completed operations coverage. The Commonwealth of Virginia must be named as an additional insured and so endorsed on the policy.
4. Automobile Liability - \$1,000,000 per occurrence. (Only used if motor vehicle is to be used in the Contract.)

Q. **NONDISCRIMINATION OF CONTRACTOR:**

A Offeror or Contractor shall not be discriminated against in the solicitation or award of this Contract because of race, religion, color, sex, national origin, age,

disability, faith-based organizational status, any other basis prohibited by state law relating to discrimination in employment or because the Offeror employs ex-offenders unless the Lottery, department or institution has made a written determination that employing ex-offenders on the specific Contract is not in its best interest. If the award of this Contract is made to a faith-based organization and an individual, who applies for or receives goods, services, or disbursements provided pursuant to this Contract objects to the religious character of the faith-based organization from which the individual receives or would receive the goods, services, or disbursements, the public body shall offer the individual, within a reasonable period of time after the date of his objection, access to equivalent goods, services, or disbursements from an alternative provider.

R. **PAYMENT:**

1. To Prime Contractor:

- a) Invoices for items ordered, delivered and accepted shall be submitted by the Contractor directly to the payment address shown on the purchase order/Contract. All invoices shall show the Lottery Contract number and/or purchase order number; social security number (for individual contractors) or the federal employer identification number (for proprietorships, partnerships, and corporations).
- b) Any payment terms requiring payment in less than 30 days will be regarded as requiring payment 30 days after invoice or delivery, whichever occurs last. This shall not affect offers of discounts for payment in less than 30 days, however.
- c) All goods or services provided under this Contract or purchase order, that are to be paid for with public funds, shall be billed by the Contractor at the Contract price, regardless of which public agency is being billed.
- d) The following shall be deemed to be the date of payment: the date of postmark in all cases where payment is made by mail, or the date of offset when offset proceedings have been instituted as authorized under the Virginia Debt Collection Act.
- e) Unreasonable Charges. Under certain emergency procurements and for most time and material purchases, final job costs cannot be accurately determined at the time orders are placed. In such cases, contractors should be put on notice that final payment in full is contingent on a determination of reasonableness with respect to all invoiced charges. Charges which appear to be unreasonable will be researched and challenged, and that portion of the invoice held in abeyance until a settlement can be reached. Upon determining that invoiced charges are not reasonable, the Lottery shall promptly notify the Contractor, in writing, as to those charges which it considers unreasonable and the basis for the determination. A Contractor may not institute legal action unless a settlement cannot be reached

within 30 days of notification. The provisions of this section do not relieve the Lottery of its prompt payment obligations with respect to those charges which are not in dispute.

2. To Subcontractors:

a) A Contractor awarded a Contract under this solicitation is hereby obligated:

- i. To pay the subcontractor(s) within seven (7) days of the Contractor's receipt of payment from the Lottery for the proportionate share of the payment received for work performed by the subcontractor(s) under the Contract;
or
- ii. To notify the Lottery and the subcontractor(s), in writing, of the Contractor's intention to withhold payment and the reason.

b) The Contractor is obligated to pay the subcontractor(s) interest at the rate of one percent per month (unless otherwise provided under the terms of the Contract) on all amounts owed by the Contractor that remain unpaid seven (7) days following receipt of payment from the Lottery, except for amounts withheld as stated in (2) above. The date of mailing of any payment by U. S. Mail is deemed to be payment to the addressee. These provisions apply to each sub-tier Contractor performing under the primary Contract. A Contractor's obligation to pay an interest charge to a subcontractor may not be construed to be an obligation of the Lottery.

3. The Lottery encourages contractors and subcontractors to accept electronic and credit card payments.

S. **PERSONNEL SECURITY CLEARANCES:**

Section 58.1-4008 of the *Code of Virginia* (Virginia Lottery Law) requires that all Board members, officers and employees of any vendor of lottery online or instant ticket goods or services working directly on a Contract with the Virginia Lottery for such goods or services shall be subject to a criminal background search to be conducted by the chief security officer of the Virginia Lottery. Additionally, Lottery Regulation 5-20-410 extends this to include any parent or Subsidiary Corporation of the vendor, and any shareholder of 5% or more of the vendor, its parent or Subsidiary Corporation.

No person who has been convicted of a felony, bookmaking or other form of illegal gambling, or of a crime involving moral turpitude, shall be employed on Contracts with vendors described in this section.

No Board member, officer, or employee of a vendor to the Virginia Lottery of online or instant ticket goods or services working directly on a Contract for such goods or services, or any person residing in the same household of such Board member, officer or employee, shall purchase a lottery ticket or share, or receive a prize paid on a ticket purchased by or transferred to such person.

T. **PRECEDENCE OF TERMS:**

The following General Terms and Conditions, APPLICABLE LAWS AND COURTS, ANTI-DISCRIMINATION, ETHICS IN PUBLIC CONTRACTING, IMMIGRATION REFORM AND CONTROL ACT OF 1986, DEBARMENT STATUS, ANTITRUST, MANDATORY USE OF STATE FORM AND TERMS AND CONDITIONS, CLARIFICATION OF TERMS, PAYMENT shall apply in all instances. In the event there is a conflict between any of the other General Terms and Conditions and any Special Terms and Conditions in this solicitation, the Special Terms and Conditions shall apply.

U. **QUALIFICATION OF OFFEROR:**

The Lottery may make such reasonable investigations as deemed proper and necessary to determine the ability of the Offeror to perform the services/furnish the goods and the Offeror shall furnish to the Lottery all such information and data for this purpose as may be requested. The Lottery reserves the right to inspect Offeror's physical facilities prior to award to satisfy questions regarding the Offeror's capabilities. The Lottery further reserves the right to reject any proposal if the evidence submitted by, or investigations of, such Offeror fails to satisfy the Lottery that such Offeror is properly qualified to carry out the obligations of the Contract and to provide the services and/or furnish the goods contemplated therein.

V. **TAXES:**

Sales to the Commonwealth of Virginia are normally exempt from State sales tax. State sales and use tax certificates of exemption, Form ST-12, will be issued upon request. Deliveries against this Contract shall usually be free of Federal excise and transportation taxes. The Commonwealth's excise tax exemption registration number is 54-73-0076K.

W. **TESTING AND INSPECTION:**

The Lottery reserves the right to conduct any test/inspection it may deem advisable to assure goods and services conform to the specifications.

VII. **METHOD OF PAYMENT AND INVOICING:**

Invoices for services ordered and accepted shall be submitted monthly by the Contractor directly to the payment address below.

Invoices shall be rendered directly to:

Virginia Lottery
Attention: Accounts Payable
600 East Main Street
Richmond, VA 23219

Invoice must contain the following information:

- Virginia Lottery’s contract number;
- description of the services;
- date services were provided;
- invoice total;
- Contractor’s Federal Identification Number or Federal Employer’s Number.

If this information is not contained in the invoice, the invoice may be returned to the Contractor. The Lottery will not be liable for any resulting delays in payment as a result.

VIII. **DISCOUNT FOR PROMPT PAYMENT:**

Discount for prompt payment at: _____%/Net ____ days (see Discount for Prompt Payment requirement herein). This Discount will not be calculated in determining low bid amount(s).

IX. **PRICING:**

The Offeror agrees to furnish services as specified herein, and in compliance with the terms and conditions of this Request for Proposal at the following price(s):

Draw show production to include capture of draw show, creating files and sending files to the Lottery managed CDN (Content Delivery Network):

\$ _____ per week x 52 weeks = \$ _____

Streaming draw shows to valottery.com:

\$ _____ per week x 52 weeks = \$ _____

Downlink to satellite full HD Mega Millions and Powerball draw shows to include capture of draw show, creating files and sending files to the Lottery managed CDN (Content Delivery Network):

\$ _____ per week x 52 weeks = \$ _____

GRAND TOTAL \$ _____

X. **ADDENDA:**

Offeror hereby acknowledges receipt of and incorporation of all requirements of any addenda issued for this Request for Proposals:

Addendum No. _____ Dated _____

Addendum No. _____ Dated _____

Addendum No. _____ Dated _____

XI. **SIGNATURE AND OFFEROR PROFILE SHEET:**

All proposals must be signed below in order to be considered.

All prices shall be F.O.B. to the delivery address(s) as specified herein. Freight, delivery costs, and incidental charges shall be included in the proposal price(s).

In compliance with this Request for Proposal #06048MS and subject to all conditions thereof, the undersigned offers and agrees to furnish any or all items and/or services proposal herein.

Complete Legal Name of Firm	
Address	
Remit To Address	
Authorized Signature	
Print Name	
Title	FIN #
Email	Telephone
Offeror Profile: Offeror shall indicate whether they are <i>certified</i> with the Virginia Department of Small Business and Supplier Diversity as a (check all that apply)	
<input type="checkbox"/> Small Business <input type="checkbox"/> Minority-Owned Business <input type="checkbox"/> Woman-Owned Business	
Certification Number:	Expiration Date:
<small>Definitions and information on how to become certified may be obtained at www.dmbe.virginia.gov</small>	
Contact person regarding this Proposal	
Check here to use above contact <input type="checkbox"/> or provide name below:	
Name:	
Email	Phone

XII. **OFFERORS CHECKLIST:**

The intent of the checklist is to assist the Offeror in providing a responsive proposal. It may not include all the requirements necessary to submit a responsive proposal. It is the responsibility of the Offeror to read the entire solicitation.

<input type="checkbox"/>	Offeror has clear understanding of goods/services requested
<input type="checkbox"/>	Offeror understands and agrees to all Special and General Terms & Conditions
<input type="checkbox"/>	Any tables/boxes within the Special Terms and Conditions must be completed by the Offeror (Offeror must write in these tables/boxes).
<input type="checkbox"/>	Offeror understands when proposal is due
<input type="checkbox"/>	Offeror understands where to mail or deliver proposal
<input type="checkbox"/>	Offeror understands that once a proposal is opened it is a binding document
<input type="checkbox"/>	Offeror signed and provided all information requested on RFP Signature Page
<input type="checkbox"/>	Offeror understands that contact with the Contract Specialist is encouraged if any questions arise prior to submitting a proposal
<input type="checkbox"/>	
<input type="checkbox"/>	
<input type="checkbox"/>	
<input type="checkbox"/>	
<input type="checkbox"/>	
<input type="checkbox"/>	