	State of South Carolina Request for Proposal Re-Bid	Solicitation: Date Issued: Procurement Officer: Phone: E-Mail Address: Mailing Address:	RFP-08042026-DES 08/04/2026 Ashley Kennedy-Shell, CPPO, NIGP-CPP, CPPB 803-737-3045 ashley.kennedy-shell@sclot.com SC Education Lottery 1333 Main Street, Suite 400 Columbia, SC 29201

DESCRIPTION: **DIGITAL ENGAGEMENT SOLUTION (DES) AND RELATED SERVICES**

USING GOVERNMENTAL UNIT: **South Carolina Education Lottery**

SUBMIT YOUR SEALED OFFER TO THE FOLLOWING ADDRESS:	SC Education Lottery ATTN: Ashley Kennedy-Shell CPPO, NIGP-CPP, CPPB 1333 Main Street, Suite 400 Columbia, SC 29201

SUBMIT OFFER BY (Opening Date/Time): **09/18/2026 11:00 AM ET** (See "Deadline For Submission Of Offer" provision)

QUESTIONS MUST BE RECEIVED BY: **08/18/2026 5:00 PM ET** (See "Questions From Offerors" provision)

NUMBER OF COPIES TO BE SUBMITTED: **One (1) Technical, One (1) Business Proposal, One (1) Redacted Technical & Business Proposal** (See "Submitting Redacted Offers" provision Section IV and "Submitting Confidential Information" Section II.A.)

Initial here if NO redacted copy is necessary___________

CONFERENCE TYPE: N/A (As appropriate, see "Conferences - Pre-Bid/Proposal" & "Site Visit" provisions)	LOCATION: N/A

AWARD & AMENDMENTS	Award will be posted on **11/20/2026**. The award, this solicitation, any amendments, and any related notices will be posted at the following web address: https://www.sceducationlottery.com/Lottery/Procurement

You must submit a signed copy of this form with Your Offer. By signing, You agree to be bound by the terms of the Solicitation. You agree to hold Your Offer open for a minimum of **one hundred and eighty (180)** calendar days after the Opening Date. (See "Signing Your Offer" provision.)

NAME OF OFFEROR (full legal name of business submitting the offer)	Any award issued will be issued to, and the contract will be formed with, the entity identified as the Offeror. The entity named as the offeror must be a single and distinct legal entity. Do not use the name of a branch office or a division of a larger entity if the branch or division is not a separate legal entity, i.e., a separate corporation, partnership, sole proprietorship, etc.
AUTHORIZED SIGNATURE (Person must be authorized to submit binding offer to contract on behalf of Offeror.)	DATE SIGNED
TITLE (business title of person signing above)	STATE OF INCORPORATION (If you are a corporation, identify the state of incorporation.)
PRINTED NAME (printed name of person signing above)	

OFFEROR'S TYPE OF ENTITY: (Check one) (See "Signing Your Offer" provision.)

___ Sole Proprietorship ___ Partnership ___ Other_____________________________

___ Corporate entity (not tax-exempt) ___ Corporation (tax-exempt) ___ Government entity (federal, state, or local)

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(Return Page Two with Your Offer)

HOME OFFICE ADDRESS (Address for offeror's home office / principal place of business)	NOTICE ADDRESS (Address to which all procurement and contract related notices should be sent.) (See "Notice" clause) ______________________________________ Area Code - Number - Extension ______________________________________ E-mail Address

PAYMENT ADDRESS (Address to which payments will be sent.) (See "Payment" clause) ____Payment Address same as Home Office Address ____Payment Address same as Notice Address **(check only one)**	ORDER ADDRESS (Address to which purchase orders will be sent) (See "Purchase Orders and "Contract Documents" clauses) ____Order Address same as Home Office Address ____Order Address same as Notice Address **(check only one)**

ACKNOWLEDGMENT OF AMENDMENTS

Offerors acknowledge receipt of amendments by indicating amendment number and its date of issue. (See "Amendments to Solicitation" Provision)

Amendment No.	Amendment Issue Date	Amendment No.	Amendment Issue Date	Amendment No.	Amendment Issue Date	Amendment No.	Amendment Issue Date

PREFERENCES - A NOTICE TO VENDORS (SEP. 2009): On June 16, 2009, the South Carolina General Assembly rewrote the law governing preferences available to in-state vendors, vendors using in-state subcontractors, and vendors selling in-state or US end products. This law appears in Section 11-35-1524 of the South Carolina Code of Laws. A summary of the new preferences is available at www.procurement.sc.gov/preferences . ***ALL THE PREFERENCES MUST BE CLAIMED AND ARE APPLIED BY LINE ITEM, REGARDLESS OF WHETHER AWARD IS MADE BY ITEM OR LOT.*** **VENDORS ARE CAUTIONED TO CAREFULLY REVIEW THE STATUTE BEFORE CLAIMING ANY PREFERENCES. THE REQUIREMENTS TO QUALIFY HAVE CHANGED. IF YOU REQUEST A PREFERENCE, YOU ARE CERTIFYING THAT YOUR OFFER QUALIFIES FOR THE PREI ... US CON**

PREFERENCES DO NOT APPLY PER SOUTH CAROLINA PROCUREMENT CODE SECTION [§11-35-1524(E)(5)(b)]

PREFERENCES - ADDRESS AND PHONE OF IN-STATE OFFICE: Please provide the address and phone number for your in-state office in the space provided below. An in-state office is necessary to claim either the Resident Vendor Preference (11-35-1524(C)(1)(i)&(ii)) or the Resident Contractor Preference (11-35-1524(C)(1)(iii)). Accordingly, you must ... ou are cl ... ____I

PREFERENCES DO NOT APPLY PER SOUTH CAROLINA PROCUREMENT CODE SECTION [§11-35-1524(E)(5)(b)]

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I. SCOPE OF SOLICITATION

ACQUIRE SERVICES (MODIFIED)

South Carolina Education Lottery (SCEL) is seeking proposals from qualified offerors capable of successfully integrating the Lottery's current Player Rewards Program into a more comprehensive and fully integrated digital engagement solution ("Digital Engagement Solution").

The Digital Engagement Solution must ensure real-time processing and compliance with industry standards and regulatory requirements. The solution must offer advanced data analytics, reporting capabilities, and comprehensive security features to protect against fraud and ensure the integrity of the gaming process. The Digital Engagement Solution must seamlessly convert SCEL's existing mobile application and web-based platforms into a more modernized digital platform in accordance with the components and application features described herein.

MAXIMUM CONTRACT PERIOD - ESTIMATED (MODIFIED)

Start date: **08/07/2027** End date: **08/06/2032**. Dates provided are estimates only. Any resulting contract will begin on the date specified in the notice of award. See clause entitled "Term of Contract - Effective Date/Initial Contract Period".

It is anticipated that the initial term of the contract will be a five (5) year contract with no renewal options resulting in a maximum contract term of five (5) years.

This contract shall not exceed five (5) years.

The Contract awarded under this solicitation will be for a potential total five-year performance term, which shall begin on the Cutover Date when mobile app goes live under this Contract.

II. INSTRUCTIONS TO OFFERORS - A. GENERAL INSTRUCTIONS

DEFINITIONS, CAPITALIZATION, AND HEADINGS (MODIFIED)

CLAUSE HEADINGS USED IN THIS SOLICITATION ARE FOR CONVENIENCE ONLY AND WILL NOT BE USED TO CONSTRUE MEANING OR INTENT. EVEN IF NOT CAPITALIZED, THE FOLLOWING DEFINITIONS APPLY TO ALL PARTS OF THE SOLICITATION, UNLESS EXPRESSLY PROVIDED OTHERWISE.

AMENDMENT means a document issued to supplement the original solicitation document.

AUTHORITY means the State Fiscal Accountability Authority or its successor in interest.

BUSINESS means any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture, or any other legal entity. [11-35-310(3)]

CHANGE ORDER means any written alteration in specifications, delivery point, rate of delivery, period of performance, price, quantity, or other provisions of any contract accomplished by mutual agreement of the parties to the contract. [11-35-310(5)]

CONTRACT See clause entitled Contract Documents & Order of Precedence.

CONTRACT MODIFICATION means a written order signed by the procurement officer, directing the contractor to make changes which the clause of the contract titled "Changes," if included herein, authorizes the Procurement Officer to order without the consent of the contractor. [11-35-310(9)]

CONTRACTOR means the Offeror receiving an award as a result of this solicitation.

COVER PAGE means the top page of the original solicitation on which the solicitation is identified by number. Offerors are cautioned that Amendments may modify information provided on the Cover Page.

LOTTERY VENDOR means a person who provides or proposes to provide goods or services to the South Carolina Lottery Commission pursuant to a procurement contract, but does not include an employee of the commission, a lottery retailer, or a state agency or instrumentality of the State. The term includes a corporation whose shares are traded publicly and which is the parent company of the contracting party in a procurement contract.

OFFER means the bid or proposal submitted in response to this solicitation. The terms Bid and Proposal are used interchangeably with the term Offer.

OFFEROR means the single legal entity submitting the offer. The term Bidder is used interchangeably with the term Offeror. See bidding provisions entitled Signing Your Offer and Bid/Proposal As Offer To Contract.

PAGE TWO means the second page of the original solicitation, which is labeled Page Two.

PROCUREMENT OFFICER means the person, or his successor, identified as such on either the Cover Page, an amendment, or an award notice.

YOU and **YOUR** means Offeror.

SOLICITATION means this document, including all its parts, attachments, and any Amendments.

STATE means the Using Governmental Unit(s) identified on the Cover Page.

SUBCONTRACTOR means any person you contract with to perform or provide any part of the work.

US or WE means the using governmental unit.

USING GOVERNMENTAL UNIT means the unit(s) of government identified as such on the Cover Page. If the Cover Page identifies the Using Governmental Unit as "Statewide Contract," either optional or mandatory, the phrase "Using Governmental Unit" means any South Carolina Public Procurement Unit [11-35-4610(5)] that has submitted a Purchase Order to you pursuant to the contract resulting from this solicitation. Reference the clauses titled "Purchase Orders" and "Statewide Contract."

WORK means all labor, materials, equipment, services, or property of any type, provided or to be provided by the Contractor to fulfill the Contractor's obligations under the Contract.

AMENDMENTS TO SOLICITATION (MODIFIED)

(a) The Solicitation may be amended at any time prior to opening. All actual and prospective Offerors should monitor the following web site for the issuance of Amendments: https://www.sceducationlottery.com/Lottery/Procurement . (b) Offerors shall acknowledge receipt of any amendment to this solicitation (1) by signing and returning the amendment, (2) by identifying the amendment number and date in the space provided for this purpose on Page Two, (3) by letter, or (4) by submitting a bid that indicates in some way that the bidder received the amendment. (c) If this solicitation is amended, then all terms and conditions which are not modified remain unchanged.

AUTHORIZED AGENT (FEB 2015)

All authority regarding this procurement is vested solely with the responsible Procurement Officer. Unless specifically delegated in writing, the Procurement Officer is the only government official authorized to bind the government with regard to this procurement or the resulting contract. [02-2A007-1]

AWARD NOTIFICATION (MAR 2024)

Notice regarding any award, cancellation of award, or extension of award will be posted at the location and on the date specified on the Cover Page or, if applicable, the most recent notice of extension of award. Should the contract resulting from this Solicitation have a total or potential value more than one hundred thousand dollars, such notice will be sent electronically to all Offerors responding to the Solicitation. Unless a written notice of intent to protest is timely filed pursuant to Section 11-35-4210(1)(b) or the award is otherwise suspended or canceled, the award will be effective on the calendar day (including weekends and holidays) immediately following the seventh business day after such notice is given. [02-2A010-3]

BID / PROPOSAL AS OFFER TO CONTRACT (JAN 2004)

By submitting Your Bid or Proposal, You are offering to enter into a contract with the Using Governmental Unit(s). Without further action by either party, a binding contract shall result upon final award. Any award issued will be issued to, and the contract will be formed with, the entity identified as the Offeror on the Cover Page. An Offer may be submitted by only one legal entity; “joint bids” are not allowed. [02-2A015-1]

BID ACCEPTANCE PERIOD (JAN 2004)

In order to withdraw Your Offer after the minimum period specified on the Cover Page, You must notify the Procurement Officer in writing. [02-2A020-1]

BID IN ENGLISH & DOLLARS (JAN 2004)

Offers submitted in response to this solicitation shall be in the English language and in US dollars, unless otherwise permitted by the Solicitation. [02-2A025-1]

CERTIFICATE OF INDEPENDENT PRICE DETERMINATION (MAR 2024)

GIVING FALSE, MISLEADING, OR INCOMPLETE INFORMATION ON THIS CERTIFICATION MAY RENDER YOU SUBJECT TO PROSECUTION UNDER SECTION 16-9-10 OF THE SOUTH CAROLINA CODE OF LAWS AND OTHER APPLICABLE LAWS. (a) By submitting an offer, the offeror 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 offeror 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 offeror, directly or indirectly, to any other offeror 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 offeror 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 offeror’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 paragraphs (a)(1) through (a)(3) of this certification; or

(2)(i) Has been authorized, in writing, to act as agent for the offeror’s principals in certifying that those principals have not participated, and will not participate in any action contrary to paragraphs (a)(1) through (a)(3) of this certification [As used in this subdivision (b)(2)(i), the term “principals” means the person(s) in the offeror’s organization responsible for determining the prices offered in this bid or proposal];

(ii) As an authorized agent, does certify that the principals referenced in subdivision (b)(2)(i) of this certification have not participated, and will not participate, in any action contrary to paragraphs (a)(1) through (a)(3) of this certification; and

(iii) As an agent, has not personally participated, and will not participate, in any action contrary to paragraphs (a)(1) through (a)(3) of this certification.

(c) If the offeror deletes or modifies paragraph (a)(2) of this certification, the offeror must furnish with its offer a signed statement setting forth in detail the circumstances of the disclosure. [02-2A032-1]

CERTIFICATION REGARDING DEBARMENT AND OTHER RESPONSIBILITY MATTERS (JAN 2004)

(a) (1) By submitting an Offer, Offeror certifies, to the best of its knowledge and belief, that-
(i) Offeror and/or any of its Principals-
(A) Are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any state or federal agency;
(B) Have not, within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state, or local) contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property; and
(C) Are not presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in paragraph (a)(1)(i)(B) of this provision.
(ii) Offeror has not, within a three-year period preceding this offer, had one or more contracts terminated for default by any public (Federal, state, or local) entity.
(2) "Principals," for the purposes of this certification, means officers; directors; owners; partners; and, persons having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a subsidiary, division, or business segment, and similar positions).
(b) Offeror shall provide immediate written notice to the Procurement Officer if, at any time prior to contract award, Offeror learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
(c) If Offeror is unable to certify the representations stated in paragraphs (a)(1), Offeror must submit a written explanation regarding its inability to make the certification. The certification will be considered in connection with a review of the Offeror's responsibility. Failure of the Offeror to furnish additional information as requested by the Procurement Officer may render the Offeror nonresponsible.
(d) Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by paragraph (a) of this provision. The knowledge and information of an Offeror is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
(e) The certification in paragraph (a) of this provision is a material representation of fact upon which reliance was placed when making award. If it is later determined that the Offeror knowingly or in bad faith rendered an erroneous certification, in addition to other remedies available to the State, the Procurement Officer may terminate the contract resulting from this solicitation for default. [02-2A035-1]

CODE OF LAWS AVAILABLE (MODIFIED)

The South Carolina Code of Laws, including the Consolidated Procurement Code, is available at: http://www.scstatehouse.gov/code/statmast.php The South Carolina Regulations are available at: http://www.scstatehouse.gov/coderegs/statmast.php. The South Carolina Education Lottery Act is available at: https://www.scstatehouse.gov/code/t59c150.php

DISCLOSURE OF CONFLICTS OF INTEREST OR UNFAIR COMPETITIVE ADVANTAGE (JUL 2023)

("OCI FAQ for Contractors" is available at www.procurement.sc.gov)
(a) You certify that, after reasonable inquiry, to the best of your knowledge and belief: (1) your offer identifies any services that relate to either this solicitation or the work and that have already been performed by you, a proposed subcontractor, or an affiliated business or consultant of either; and (2) there are no relevant facts or circumstances that may give rise to an actual or potential organizational conflict of interest, as defined in S.C. Code Ann. Reg. 19-445.2127, or that your offer identifies and explains any unfair competitive advantage you may have in competing for the proposed contract and any actual or potential conflicts of interest that may arise from your participation in this competition or your receipt of an award.

(b) If you, a proposed subcontractor, or an affiliated business or consultant of either, have an unfair competitive advantage or an actual or potential conflict of interest, the State may withhold award. Before withholding award on these grounds, the State will notify you of the concerns and provide a reasonable opportunity for you to respond. The State may consider efforts to avoid or mitigate such concerns, including restrictions on future activities.
(c) The certification in paragraph (a) of this provision is a material representation of fact upon which the State will rely when considering your offer for award. [02-2A047-3]

DEADLINE FOR SUBMISSION OF OFFER (JAN 2004)

Any offer received after the Procurement Officer of the governmental body or his designee has declared that the time set for opening has arrived, shall be rejected unless the offer has been delivered to the designated purchasing office or the governmental body's mail room which services that purchasing office prior to the opening. [R.19-445.2070(G)] [02-2A050-1]

DRUG FREE WORK PLACE CERTIFICATION (JAN 2004)

By submitting an Offer, Contractor certifies that, if awarded a contract, Contractor will comply with all applicable provisions of The Drug-free Workplace Act, Title 44, Chapter 107 of the South Carolina Code of Laws, as amended. [02-2A065-1]

DUTY TO INQUIRE (FEB 2015)

Offeror, by submitting an Offer, represents that it has read and understands the Solicitation and that its Offer is made in compliance with the Solicitation. Offerors are expected to examine the Solicitation thoroughly and should request an explanation of any ambiguities, discrepancies, errors, omissions, or conflicting statements in the Solicitation. Failure to do so will be at the Offeror's risk. All ambiguities, discrepancies, errors, omissions, or conflicting statements in the Solicitation shall be interpreted to require the better quality or greater quantity of work and/or materials, unless otherwise directed by amendment. Offeror assumes responsibility for any patent ambiguity in the Solicitation that Offeror does not bring to the State's attention. See clause entitled "Questions from Offerors." [02-2A070-2]

ETHICS CERTIFICATE (MAY 2008)

By submitting an offer, the offeror certifies that the offeror has and will comply with, and has not, and will not, induce a person to violate Title 8, Chapter 13 of the South Carolina Code of Laws, as amended (ethics act). The following statutes require special attention: Section 8-13-700, regarding use of official position for financial gain; Section 8-13-705, regarding gifts to influence action of public official; Section 8-13-720, regarding offering money for advice or assistance of public official; Sections 8-13-755 and 8-13-760, regarding restrictions on employment by former public official; Section 8-13-775, prohibiting public official with economic interests from acting on contracts; Section 8-13-790, regarding recovery of kickbacks; Section 8-13-1150, regarding statements to be filed by consultants; and Section 8-13-1342, regarding restrictions on contributions by contractor to candidate who participated in awarding of contract. The state may rescind any contract and recover all amounts expended as a result of any action taken in violation of this provision. If contractor participates, directly or indirectly, in the evaluation or award of public contracts, including without limitation, change orders or task orders regarding a public contract, contractor shall, if required by law to file such a statement, provide the statement required by Section 8-13-1150 to the procurement officer at the same time the law requires the statement to be filed. [02-2A075-2]

MULTIPLE OFFERS (MAR 2024)

Offerors may submit more than one Offer, provided that each Offer has significant differences other than price. Each separate Offer must satisfy all Solicitation requirements. If this solicitation is an Invitation for Bids, each separate offer must be submitted or uploaded as a separate document and must clearly indicate that it is a separate offer. If this solicitation is a Request for Proposals, multiple offers may be submitted or uploaded as one document, provided that you clearly differentiate between each offer and you submit a separate cost proposal for each offer, if applicable. [02-2A079-1]

OMIT TAXES FROM PRICE (JAN 2004)

Do not include any sales or use taxes in Your price that the State may be required to pay. [02-2A080-1]

PRICING (MAR 2024)

(a) Fixed Price. If a fixed price is required, award will not be made on an Offer if the total possible price to the State cannot be determined. (b) Price Reasonableness: Any offer may be rejected if the Procurement Officer determines in writing that it is unreasonable as to price. (c) Unbalanced Pricing. The State will analyze all offers with separately priced line items or subline items to determine if the prices are unbalanced. Unbalanced pricing exists when, despite an acceptable total evaluated price, the price of one or more line items is significantly over or understated. The responsible procurement officer may reject an offer as unreasonably priced if she determines that unbalanced pricing increases performance risk (e.g., it is so unbalanced as to be tantamount to allowing an advance payment) or could result in payment of unreasonably high prices. S.C. Code Ann. Reg. 19-445.2122C. [02-2A082-2]

OPEN TRADE REPRESENTATION (JUN 2015)

By submitting an Offer, Offeror represents that Offeror is not currently engaged in the boycott of a person or an entity based in or doing business with a jurisdiction with whom South Carolina can enjoy open trade, as defined in SC Code Section 11-35-5300. [02-2A083-1]

PROTESTS (MAY 2024)

(a) If you are aggrieved in connection with the solicitation or award of the contract, you may be entitled to protest, but only as provided in Section 11-35-4210. To protest the solicitation or an amendment, your written protest must be received within fifteen Days of the date the applicable solicitation document is issued. To protest an award, (i) written notice of your intent to protest must be received within seven Business Days of the date the award notice is posted, and (ii) your actual written protest must be received within fifteen Days of the date the award notice is posted. Time periods are computed in accordance with Section 11-35-310(13) and the definitions for Day and Business Day. Both protests and notices of intent to protest must be received by the appropriate Chief Procurement Officer (CPO). See clause entitled "Protest-CPO." (b) Pursuant to Section 11-35-410, documents directly connected to a procurement activity may be available within five days after request. All document requests should be directed to carl.stent@sclot.com. If a protest is pending, the protestant's lawyer may access otherwise unavailable information by applying to the CPO for the issuance of a protective order. Additional information is available at www.procurement.sc.gov/legal [02-2A085-3]

PROHIBITED COMMUNICATIONS AND DONATIONS (FEB 2015)

Violation of these restrictions may result in disqualification of your offer, suspension or debarment, and may constitute a violation of law.

(a) During the period between publication of the solicitation and final award, ***you must not communicate, directly or indirectly, with the Using Governmental Unit or its employees, agents or officials regarding any aspect of this procurement activity,*** unless otherwise approved in writing by the Procurement Officer. All communications must be solely with the Procurement Officer. [R. 19-445.2010]

(b) You are advised to familiarize yourself with Regulation 19-445.2165, which restricts donations to a governmental entity with whom you have or seek to have a contract. ***You represent that your offer discloses any gifts made, directly or through an intermediary, by you or your named subcontractors to or for the benefit of the Using Governmental Unit during the period beginning eighteen months prior to the Opening Date.*** [R. 19-445.2165] [02-2A087-1]

PUBLIC OPENING (JAN 2004)

Offers will be publicly opened at the date/time and at the location identified on the Cover Page, or last Amendment, whichever is applicable. [02-2A090-1]

QUESTIONS FROM OFFERORS (MODIFIED)

All questions must be submitted in writing and received by the Procurement Officer for this solicitation no later than **date and time listed on Cover Page One.**

Email is the preferred method for submitting questions to the Procurement Officer, Title the "Subject Line" of your email, "**Questions RFP-08042026-DES**". Questions must be submitted in an easily copied format such as MS Word. Please do not place your questions in tables. **Email: ashley.kennedy-shell@sclot.com**

(a) Any prospective offeror desiring an explanation or interpretation of the solicitation, drawings, specifications, etc., must request it in writing. Questions regarding the original solicitation or any amendment must be received by the Procurement Officer no later than five (5) days prior to opening unless an earlier date is stated on the Cover Page. Label any communication regarding your questions with the name of the procurement officer, and the solicitation's title and number. Oral explanations or instructions will not be binding. [See R. 19-445.2042(B)] Any information given a prospective offeror concerning a solicitation will be furnished promptly to all other prospective offerors as an Amendment to the solicitation, if that information is necessary for submitting offers or if the lack of it would be prejudicial to other prospective offerors. See clause entitled "Duty to Inquire." We will not identify you in our answer to your question. (b) The State seeks to permit maximum practicable competition. Offerors are urged to advise the Procurement Officer -- as soon as possible -- regarding any aspect of this procurement, including any aspect of the Solicitation that unnecessarily or inappropriately limits full and open competition. [See R. 19-445.2140]

REJECTION/CANCELLATION (JAN 2004)

The State may cancel this solicitation in whole or in part. The State may reject any or all proposals in whole or in part. [SC Code Section 11-35-1710 & R.19-445.2065] [02-2A100-1]

RESPONSIVENESS (MAR 2024)

(a) Award will not be made on a nonresponsive offer. An offer is nonresponsive (i) if it does not constitute an unambiguous offer to enter into a contract with the State, or (ii) if it imposes conditions inconsistent with, or does not unambiguously agree to, the solicitation's material requirements. (b) Bid as Specified. Offers for supplies or services other than those specified will not be considered unless authorized by the Solicitation. [02-2A105-3]

SIGNING YOUR OFFER (JAN 2004)

Every Offer must be signed by an individual with actual authority to bind the Offeror. (a) If the Offeror is an individual, the Offer must be signed by that individual. If the Offeror is an individual doing business as a firm, the Offer must be submitted in the firm name, signed by the individual, and state that the individual is doing business as a firm. (b) If the Offeror is a partnership, the Offer must be submitted in the partnership name, followed by the words by its Partner, and signed by a general partner. (c) If the Offeror is a corporation, the Offer must be submitted in the corporate name, followed by the signature and title of the person authorized to sign. (d) An Offer may be submitted by a joint venturer involving any combination of individuals, partnerships, or corporations. If the Offeror is a joint venture, the Offer must be submitted in the name of the Joint Venture and signed by every participant in the joint venture in the manner prescribed in paragraphs (a) through (c) above for each type of participant. (e) If an Offer is signed by an agent, other than as stated in subparagraphs (a) through (d) above, the Offer must state that is has been signed by an Agent. Upon request, Offeror must provide proof of the agent's authorization to bind the principal. [02-2A115-1]

STATE OFFICE CLOSINGS (JAN 2004)

If an emergency or unanticipated event interrupts normal government processes so that offers cannot be received at the government office designated for receipt of bids by the exact time specified in the solicitation, the time specified for receipt of offers will be deemed to be extended to the same time of day specified in the solicitation on the first work day on which normal government processes resume. In lieu of an automatic extension, an Amendment may be issued to reschedule bid opening. If state offices are closed at the time a pre-bid or pre-proposal conference is scheduled, an Amendment will be issued to reschedule the conference. Useful information may be available at: https://scemd.org/closings/ [02-2A120-3]

DISCLOSURE OF YOUR BID / PROPOSAL and SUBMITTING CONFIDENTIAL DATA (FEB 2021)

(a) According to Section 11-35-410, any person submitting a document in response or with regard to any solicitation or other request must "comply with instructions provided in the solicitation for marking information exempt from public disclosure. Information not marked as required by the applicable instructions may be disclosed to the public." **IF YOU IDENTIFY YOUR ENTIRE RESPONSE AS EXEMPT FROM PUBLIC DISCLOSURE, OR IF YOU DO NOT SUBMIT A REDACTED COPY AS REQUIRED, THE STATE MAY, IN ITS SOLE DISCRETION, DETERMINE YOUR BID OR PROPOSAL NONRESPONSIVE AND INELIGIBLE FOR AWARD.** (b) By submitting a response to this solicitation or request, Offeror (1) agrees to the public disclosure of every page, or portion thereof, of every document regarding this solicitation or request that was submitted at any time prior to entering into a contract (including, but not limited to, documents contained in a response, documents submitted to clarify a response, and documents submitted during negotiations), unless the page, or portion thereof, was redacted and conspicuously marked "Trade Secret" or "Confidential" or "Protected", (2) agrees that any information not redacted and marked, as required by these bidding instructions, as a "Trade Secret" is not a trade secret as defined by the Trade Secrets Act, and (3) agrees that, notwithstanding any claims or markings otherwise, any prices, commissions, discounts, or other financial figures used to determine the award, as well as the final contract amount, are subject to public disclosure. (c) If your offer includes any information that you claim is exempt from public disclosure, you must submit one complete copy of your offer from which you have removed or concealed such information (the redacted copy). Except for the information removed or concealed, the redacted copy must be identical to your original offer. (d) Do not mark your entire response (bid, proposal, quote, etc.) as confidential, trade secret, or protected. If only portions of a page are subject to some protection, do not redact the entire page. The redacted copy must reflect the same pagination as the original and show the empty space from which information was redacted. The Procurement Officer must be able to view, search, copy and print the redacted copy without a password. If your response, or any part thereof, is improperly marked as confidential or trade secret or protected, the State may, in its sole discretion, determine it nonresponsive. (e) On the redacted copy, you must identify the basis of your claim by marking each redaction as follows: You must separately mark with the word "CONFIDENTIAL" every page, or portion thereof, that you redacted and claim as exempt from public disclosure because it is either (1) a trade secret as defined in Section 30-4-40(a)(1) of the Freedom of Information Act, or (2) privileged and confidential, as that phrase is used in Section 11-35-410. You must separately mark with the words "TRADE SECRET" every page, or portion thereof, that you redacted and claim as exempt from public disclosure as a trade secret pursuant to Section 39-8-20 of the Trade Secrets Act. You must separately mark with the word "PROTECTED" every page, or portion thereof, that you redacted and claim as exempt from public disclosure pursuant to Section 11-35- 1810. All markings must be conspicuous; use color, bold, underlining, or some other method in order to conspicuously distinguish the mark from the other text. (f) In determining whether to release documents, the State will detrimentally rely on your redaction and marking of documents, as required by these bidding instructions, as being either "Confidential" or "Trade Secret" or "Protected". By submitting a response, you agree to defend, indemnify and hold harmless the State of South Carolina, its agencies, officers and employees, from every claim, demand, loss, expense, cost, damage or injury, including attorney's fees, arising out of or resulting from withholding information by the State of South Carolina or any of its agencies, that you have redacted or marked as "Confidential" or "Trade Secret" or "Protected". (All references to S.C. Code of Laws.) [02-2A125-3]

SUBMITTING A PAPER OFFER OR MODIFICATION (MODIFIED)

If you must submit a paper offer or modification the following instructions apply. (a) All prices and notations should be printed in ink or typewritten. Errors should be crossed out, corrections entered and initialed by the person signing the bid. Do not modify the solicitation document itself (including bid schedule). (b) (1) All copies of the offer or modification, and any other documents required to be submitted with the offer shall be enclosed in a sealed, opaque envelope or package. (2) Submit your offer or modification to the address on the Cover Page. (3) The envelope or package must show the time and date specified for opening, the solicitation number, and the name and address of the bidder. If the offer or modification is sent by mail or special delivery service (UPS, Federal Express, etc.), the outermost envelope or wrapper must be labeled "OFFER ENCLOSED" on the face thereof. (c) If you are responding to more than one solicitation, submit each offer in a separate envelope or package. (d) Submit the number of copies indicated on the Cover Page.

WITHDRAWAL OR CORRECTION OF OFFER (JAN 2004)

Offers may be withdrawn by written notice received at any time before the exact time set for opening. If the Solicitation authorizes facsimile offers, offers may be withdrawn via facsimile received at any time before the exact time set for opening. A bid may be withdrawn in person by a bidder or its authorized representative if, before the exact time set for opening, the identity of the person requesting withdrawal is established and the person signs a receipt for the bid. The withdrawal and correction of Offers is governed by S.C. Code Section 11-35-1520 and Regulation 19-445.2085. [02-2A150-1]

II. INSTRUCTIONS TO OFFERORS -- B. SPECIAL INSTRUCTIONS

CONTENTS OF OFFER (RFP) (MODIFIED)

(a) Offers should be complete and carefully worded and should convey all of the information requested.
(b) Offers should be prepared simply and economically, providing a straightforward, concise description of offeror's capabilities to satisfy the requirements of the RFP. Emphasis should be on completeness and clarity of content.
(c) The contents of your offer must be divided into two parts, the technical proposal and the business proposal. Each part shall be separate and submitted on a USB drive via mail.
If your offer includes any comment over and above the specific information requested in the solicitation, you must include this information as a separate appendix to your offer and clearly state that the following information is something you would like to negotiate if you are the highest ranked offeror. Offers not in the format stated which include either modifications to any of the solicitation's contractual requirements or an Offeror's standard terms and conditions may be deemed non-responsive and not considered for award. This is not an offer to negotiate and the Offer may be accepted without opportunity to negotiate.

ELECTRONIC COPIES - REQUIRED MEDIA AND FORMAT (MODIFIED)

You must submit an electronic copy or copies (if specified) on a USB drive by the proposals due date and time. Your business and technical proposals must be on separate USB drives. Every USB drive must be labeled with the solicitation number and the offeror's name and specify whether its contents address technical proposal or business proposal. The electronic copy must be identical to the original offer. File format shall be compatible with Microsoft Office (version 2003 or later), or Adobe Acrobat or equivalent Portable Document Format (pdf) viewer. The Procurement Officer must be able to view, search, copy and print electronic documents without a password.

OPENING PROPOSALS -- INFORMATION NOT DIVULGED (FEB 2015)

In competitive sealed proposals, neither the number or identity of offerors nor prices will be divulged at opening. [Section 11-35-1530 & R. 19-445.2095(C)(1)] [02-2B110-2]

PROTEST - CPO - ITMO ADDRESS (MODIFIED)

Any protest must be addressed to the Chief Procurement Officer, Information Technology Management Office, and submitted in writing
(a) by email to protest-itmo@itmo.sc.gov, or
(b) by post or delivery to 1333 Main Street, Suite 700, Columbia, SC 29201.

III. SCOPE OF WORK/SPECIFICATIONS

OVERVIEW

The South Carolina Education Lottery (SCEL) was established by the State of South Carolina in 2001 as a Public Commission and instrumentality of the State with the enactment of Act 59 of 2001 (the "Lottery Act"). Operating as an Enterprise Entity, the Lottery receives no appropriated funds from the State. It operates the State's lottery business in a socially responsible manner and transfers profits to the State to support education. Total game revenues in FY25 were $2,299,816,885 with $707,363,193 generated through draw games and $1,592,453,692 through scratch-off tickets. Legislation was also passed in FY25 to allow players to use debit cards in addition to the cash payment option.

The Lottery currently offers a traditional product mix of Scratch-off games ("scratch-offs") and terminal generated draw games ("numbers") and sells them through an extensive statewide retailer network at more than 4,000 locations. Current product offerings include six (6) draw games, two (2) of which are national jackpot games (Powerball® and Mega Millions®); and four (4) of which are daily state draw games (Cash Pop, Pick 3, Pick 4, and Palmetto Cash 5) with a new NFL Powerball game to be added in August 2026; *and* numerous scratch-offs (with $1, $2, $3, $5, $10, and $20 price points).

CURRENT DIGITAL PLATFORM

Player Rewards Program

In 2023, SCEL contracted with its Primary Scratch-off Contractor, Scientific Games (SG), to establish a digital loyalty platform ("Player Rewards Program") that rewards new and existing Lottery players by giving them an enhanced experience in a digital setting. The Player Rewards Program allows players to receive base points (or "SCEL Coins") for entering winning and non-winning tickets. Players also earn additional points through rotating achievements and enter to win cash and merchandise prizes based on rewards achieved in promotional drawings. The Player Rewards Program currently has 475,000 registered players and approximately 53 annual digitally interactive drawings with animated reveals.

Mobile App and Web-Based Platform Functionality

The Player Rewards Program is an integrated, secure, responsive and comprehensive web-based Customer Relationship Management (CRM) platform and deemed a Software-as-a-Service (SaaS). Features include but are not limited to promotional and transactional emails, in-app messages, and push notifications on a campaign and ad hoc basis. The current mobile app features include Player Account Management (PAM), Ticket Scanning, Game Lists, Draw Numbers, Digital Playslips, Message Center, Loyalty Rewards, and other related program components provided herein. The app allows players to scan barcodes on tickets to check to see if tickets are winners. The app and website allow for entry of ticket numbers for the Player Rewards Program and second-chance promotion entries. To remain relevant with emerging technologies and an ever-changing digital landscape, SCEL seeks to continuously improve and enhance the player experience.

SCOPE OF SERVICES - DIGITAL ENGAGEMENT SOLUTION

SCEL seeks a qualified Contractor capable of successfully integrating the Lottery's current Player Rewards Program into a more comprehensive and fully integrated digital engagement solution ("Digital Engagement Solution"). The Digital Engagement Solution must ensure real-time processing and compliance with industry standards and regulatory requirements. It must offer advanced data analytics, reporting capabilities, and comprehensive security features to protect against fraud and ensure the integrity of the gaming process. The Digital Engagement Solution must seamlessly convert SCEL's existing mobile application and web-based platforms into a more modernized digital platform in accordance with the components and application features described herein.

The Digital Engagement Solution shall perform a wide range of digital functionalities, including but not limited to Digital Engagement Solution components associated with SCEL's current digital platform: drawing services (for current and future portfolios), prize validations and payments, customer relationship management (CRM), and other related services described herein. The Digital Engagement Solution should be designed to support future growth and innovation with the flexibility to adapt to new and emerging digital distribution channels. Additional digital features and related services may be added throughout the course of the contract, such as a digital wallet app or similar mobile app payment features if future legislation is passed to permit the online sale of lottery tickets.

The Contractor must ensure the Digital Engagement Solution adheres to the following minimum requirements (deliverables) and as defined in any future business requirements.

3.1 MOBILE APPLICATION AND WEB PLATFORM

The Contractor's mobile app and web solution must be fully integrated with SCEL, its computer gaming system (CGS) vendor and any other third party it deems necessary. The mobile app and web platform must include, at a minimum, the following performance functionalities:

A. PLAYER ACCOUNTS AND COMMUNICATION PREFERENCES

1. Existing player accounts must be migrated to the new platform with no loss of activity, history, or SCEL Coin balance.

2. The Digital Engagement Solution must uniquely identify existing and new player accounts with no loss of detail.

3. Provide players with the ability to customize their view based on personal preferences, including but not limited to sort and filter by game and/or drawing characteristics.

4. Provide controls related to responsible gaming, including but not limited to options for limits set by players, self-exclusion, and a configurable limit on SCEL Coin accumulation as determined by SCEL.

5. Provide players with the ability to choose biometric login as available by their device.

6. Provide players with an itemized list of opt-out communication preferences and the option to opt-out of all communications.

B. TICKET CHECKING AND GAME RELATED INVENTORY

1. Include ticket checking functionality, mapping all responses for ticket messages.

2. Include a tool for players to find retailers with inventory of specific games.

3. Allow third-party integrations for ticket checking, games, promotions, drawings, and prize fulfillment.

C. PROMOTIONS AND DRAWINGS

1. The Digital Engagement Solution must include a detailed listing of all available promotions and drawings, including but not limited to the entry period, entry parameters, applicable rules, and configurable artwork.

2. Future promotions and drawings must include the required elements above and be made available to players for immediate access upon completion of testing as determined by SCEL. This includes, but is not limited to, scratch-off promotions, draw-based game promotions, coin-based drawings, and any other lottery-style promotions. (See Section 3.1.8 – "Testing and Customer Acceptance Testing Environment (CAT)")

3. Past promotions and drawings should be made accessible to players for a specified time to be determined by SCEL and include the above listed elements and winner related details, including but not limited to prize amount and hometown.

D. DRAW GAME SPECIFIC FEATURES

1. The Digital Engagement Solution must include all draw game related information, including but not limited to how to play, prize tables with odds, and historical draw results searchable by results and configurable date range.

2. Promotions and drawings must include the required elements above and be made available to players for immediate access upon completion of testing as determined by SCEL. (See Section 3.7 – "Testing and Customer Acceptance Testing Environment (CAT)")

3. The Digital Engagement Solution should be equipped with a draw game simulation training tool based on real odds and/or parameters editable by the player that adheres to the game rules associated with SCEL's Cash Pop, Pick 3, Pick 4, Palmetto Cash 5, Mega Millions, and Powerball including NFL Xs & Os games. Players should be able to edit all game parameters including but not limited to numbers and play type to simulate a real game outcome.
    a. The tool should have the look and feel of the real game with simulated wagers, payouts, and numbers randomly generated or selected by player.
    b. The tool should be flexible to evolve with changes to current games, including but not limited to promotions and permanent game updates.
    c. The tool should be capable of adding new SCEL games upon request.

4. The Digital Engagement Solution must be capable of creating digital play slips that offer all play options for all draw games offered by SCEL. Digital play slips must have a unique code readable by the CGS to initiate a ticket purchase.
    a. The Digital Engagement Solution must allow manual number selection for some or all numbers.
    b. The Digital Engagement Solution must allow a Quick Pick option with random numbers for some or all numbers on an digital play slip using a certified Random Number Generator.
    c. The Digital Engagement Solution must provide the capability for users to save, edit, and delete digital play slips.

E. SCRATCH-OFF GAME SPECIFIC FEATURES

The Digital Engagement Solution must include scratch-off game related information, including but not limited to the images, game numbers, how to play, available prizes remaining, and End of Game dates. SCEL will determine which features, if any, shall be implemented in a mobile application.

F. UI COMPONENTS AND API SERVICES

1. User Interface (UI) Components must be provided for each player-facing feature of the Digital Engagement Solution, including but not limited to games available, Player Account Management (PAM) features, transaction history, and loyalty features. UI Component must be integrated into the Lottery's sites in a manner that is responsive to device type and screen size. Transaction history should include, but not be limited to, SCEL Coin, drawing entries, ticket entries, and achievements completed.

2. All UI components must utilize Application Programming Interface (API) services that provide the required data and business logic as directed by SCEL and its designated third parties; no business logic shall be implemented directly within the UI.

3. APIs shall be integrated with the UI to create a fully customized UI including but not limited to meeting brand & identity guidelines required by SCEL and complying with American Disability Act (ADA) standards.

4. API services must be highly scalable with constant availability and redundancy to support the capacity needs of the site. Documentation and integration support, including testing services, related to the API's must be provided when directed by SCEL.

G. DELIVERY SCHEDULE REQUIREMENTS

1. Conversion and Business Continuity Plan. The Contractor is responsible for creating and implementing a conversion and business continuity plan ("Conversion Plan") that minimizes downtime and player inconvenience during, and following, the cutover to the Contractor's Digital Engagement Solution. SCEL expects that the cutover will encompass taking the previous Digital Engagement Solution down and bringing up the entire new Digital Engagement Solution on a mutually agreed upon time frame but no later than cutover date. The Conversion Plan must fully describe the schedule and the components necessary for timely and successful completion of each critical milestone as defined by the Contractor. The Conversion Plan should be an extensive and comprehensive presentation of the steps and a summary of the tasks required to implement the conversion by the Cutover Date

2. The Conversion Plan should include but not be limited to:
   a. Planning Stage, Design Stage, Development Stage, Testing Stage, Migration Stage, Pre-Launch, Go Live and Post Launch. The Conversion Plan must include post contract obligations. (See Section VII. TERMS AND CONDITION – B.SPECIAL – Transition Plan)
   b. The Contractor must successfully demonstrate, in a manner acceptable to SCEL, that it is ready, on a test basis, to "go live" no later than **August 9, 2027.**
   c. SCEL will make a "go/no-go" decision to proceed with the planned Cut Over to the Contractor on the go-live date or another date if SCEL deems necessary.
   d. SCEL's go/no-go review and decision will be based upon SCEL's assessment of the Contractor's ability to deliver the Digital Engagement Solution and services at cutover that, at a minimum, ensures the operational integrity of essential Lottery functions.
   e. Customer Acceptance Testing (CAT) as contained in Section 3.7.
   f. SCEL will make every reasonable effort to ensure that SCEL and the Incumbent Vendor and all other current third-party vendors meet the Contractor's timeline for migration and testing. However, the Contractor is solely responsible for meeting the critical milestones established in the Conversion Plan.

3.2 PLAYER ACCOUNT MANAGEMENT DIGITAL ENGAGEMENT SOLUTION (PAM)

The Contractor's Player Account Management Digital Engagement Solution ("PAM") must be designed to support SCEL's digital technology, including, but not limited to the mobile app and website, and at a minimum, perform with the functionalities and capabilities described below.

A. AGE AND IDENTITY VERIFICATION

1. Perform digital verification services that confirm a person's age and identity during the online registration process associated with SCEL's Loyalty Platform.

2. Implement methods and controls that authenticate the player's identification and adheres to the Lottery's strict age and identity verification requirements. Identification requirements must also include but not be limited to verification of a player's address and/or place of residence.

3. Players attempting to register who do not meet SCEL's legal eligibility and other related requirements must not be able to register for the Platform.

B. PLAYER ACCOUNT REGISTRATION AND SUPPORT RELATED SERVICES

1. Fully support the player registration process and ensure players are only allowed to create one (1) account per person. The Digital Engagement Solution must not allow any individual person to create multiple accounts.

2. Provide players with the ability to access their Players' Rewards accounts through all available platforms (i.e. web-based and mobile app).

3. Provide players with the ability to login to the site one time and remain logged in throughout the entire experience, including any SCEL maintained or third-party portions of the site.

4. Maintain player data and a player's transaction history associated with each account and ensure it is made available to the player associated with the account.

5. SCEL and back-office users must also be provided with access to player data and history via UI components.

6. SCEL shall be the exclusive owner of all Digital Engagement Solution-related recorded data. The Contractor shall have a limited use license to the data during the term of the Contract.

7. The Digital Engagement Solution must include a time-out feature after a certain period of inactivity as mutually agreed upon.

8. Geolocation **-** The Digital Engagement Solution must be capable of verifying a player's geolocation status across multiple communication networks including but not limited to those associated with land-based, Wi-Fi, and cellular connections. The Digital Engagement Solution must also be capable of restricting or allowing player activity based on geolocation. Players should be able to create accounts anywhere within the United States.

C. MULTI-FACTOR AUTHENTICATION (MFA)

1. The Contractor must provide an industry accepted multi-factor authentication (MFA) solution to protect player accounts and data.

2. The MFA solution must provide the best possible player interaction while providing risk-appropriate protections based on the sensitivity of the data contained with each account, including but not limited to personally identifiable information, Social Security Numbers, or banking information.

3. When appropriate, the MFA solution shall be adapted to changes in regulatory, compliance, and industry requirements.

4. The MFA solution will be reviewed and approved by SCEL and be implemented by the provided "go live" date.

5. The MFA solution and account administration must be managed including user support by the Contractor.

D. PLAYER COMMUNICATION PREFERENCES AND PUSH NOTIFICATIONS

1. The Contractor must provide a comprehensive CRM to communicate with players on a promotional and transactional basis.

2. The Contractor must allow for ad hoc communications upon request.

3. Communication methods must include, but do not have to be limited to, email, in-app messaging, and push notifications. SCEL will approve all player communication before distribution.

4. Contractor must provide players with the ability to opt-in and opt-out of promotional email messaging, text messaging, and push notifications with fully configurable custom options based on criteria provided by SCEL. Preferences will include but not be limited to loyalty, jackpot alerts, and all other facets of player communication.

3.3 PLAYERS' REWARDS PROGRAM

The Contractor's Digital Engagement Solution for SCEL's Players' Rewards Program must offer rewards and second-chance drawings to players in accordance with the following minimum requirements.

A. LOYALTY POINTS (OR "SCEL COINS")

1. The proposed solution must award loyalty points based on ticket scan activity at a rate that is configurable by game, game type, time frame, location, and/or account details.

2. The proposed solution must provide opportunities to award players bonus loyalty points based on activity. Bonus parameters must be configurable by game, game type, ticket price, total value, and time range. Solution must award players with bonus loyalty points based on a configurable prize matrix. Bonus loyalty points should be revealed through a creative reveal mechanism.

3. The proposed solution must be capable of awarding players loyalty points at a regular cadence triggered by account details, and/or manually with the approval of SCEL.

4. Loyalty points must have a configurable expiration period as determined by SCEL.

5. Players must be able to redeem loyalty points for entries into drawings. Players must be able to redeem loyalty points for multiple entries at once. Solution must calculate the total amount of loyalty points and entries redeemed. A "shopping cart" experience where players can redeem loyalty points into multiple drawings at the same time is preferred.

6. Drawings must have configurable informational pages and entry parameters.

7. Players must have access to their own account history, including but not limited to, scan activity, loyalty points balance, Second-Chance entries, and drawing entries. Players must have the ability to export their activity history within a selected time range.

8. Solution should include at least five (5) interactive games by which loyalty points are awarded. Each game should have pre-determined outcomes set by a configurable matrix. The Contractor should be able to refresh front-end artwork for each game upon request and with the approval of SCEL.

B. DRAWING SERVICES

1. Digital Engagement Solution should include unlimited drawing services that include, but are not limited to, entry collection, winner selection, alternate selection, and winner notification, in strict compliance with SCEL Draw Procedures.

2. Contractor will provide a single point of contact to partner with SCEL in the execution and updating of SCEL draw procedures. Contractor shall provide backup and support to this person so there would be seamless transfer of duties in the event of that person's unavailability.

3. Contractor shall provide an independent auditor, at the sole expense of the Contractor, to be physically present at each drawing and to certify each drawing is conducted in accordance with SCEL Draw Procedures.

4. Contractor shall store all equipment and technology used to select winners and/or alternates in a secure manner, including but not limited to access controls, strict visitor guidelines, least privileges policies, separation of duties requirements, and redundant video and audio recording.

5. Contractor shall maintain an access log of all entries into the secure location where SCEL's drawings occur including but not limited to, each person's name, their affiliation with the Contractor, the purpose for entry, as well as the dates and times of each person's presence within the drawing rooms. Contractor's solution must facilitate the external auditor's participation in ensuring Contractor's compliance with agreed upon access controls upon the occurrence of each SCEL drawing.

6. Contractor must maintain video and audio recordings of all drawing room access and activities, including but not limited to all drawings, for a period not less than three (3) years. Contractor must provide these recordings to SCEL upon request.

7. Contractor must fully vet any changes to internal drawing processes prior to implementation. If Contractor's internal process changes affect the controls in place to protect SCEL drawings, as could reasonably be determined by an objective third party with knowledge of the relevant information, then Contractor must provide SCEL with sufficient notice to negotiate with Contractor to ensure that SCEL's drawing integrity does not suffer, as determined in SCEL's sole discretion. Notice must be provided in writing and sent to the attention of SCEL's drawing point of contact. Minimum notice is thirty (30) business days prior to implementation.

8. Contractor is solely responsible for the operability, reliability, and validity of all equipment and technology used to execute SCEL drawings.

9. All equipment and technology utilized in Contractor's solution must be subject to regular inspection, preventative maintenance, and certification, as may be appropriate for each component. Contractor must provide SCEL documentation of such upon request. Contractor is solely responsible for preventing any Digital Engagement Solutions downtime and timely identifying and rectifying any problems.

10. Contractor shall provide SCEL written documentation to support its drawing processes and controls and to evidence the proper execution thereof as required in SCEL's drawing procedures or within this contract, or upon SCEL request.

11. Contractor should provide the option for prize fulfillment as requested by SCEL for merchandise and cashless prizes, including but not limited to trips, electronics, tickets, and gift cards.

C. WINNER NOTIFICATION

1. Digital Engagement Solution should include a comprehensive, secure, and automated solution to support SCEL’s Rewards Program winner communications.
2. The solution shall notify individuals that they have been selected as a winner or alternate for a promotion. Notifications must be delivered through secure email or other SCEL-approved communication channels.
3. For all prize amounts greater than $500, the System shall generate and deliver a digital claim form in an SCEL-approved format via secure email. Allow the winner to complete electronically sign, and submit the claim form through any of the following methods: Secure web portal, Mobile application, Email, Printed form for manual submission.
4. The Solution shall generate an external winner file for each promotion and transmit it to the CGS vendor using either secure API connection, or flat file format approved by SCEL. The file must clearly identify the promotion type and associated prize amount and include but not limited to Full Name, Address, City, State, Zip Code, SSN, Tax Category, Winning Amount. Upon successful submission of each winner file to the CGS vendor, the System shall automatically generate and send a notification to designated SCEL staff.
5. All transactions, including, but not limited to, notifications, must be logged and available for audit review.

3.4 PLAYER SUPPORT AND CONTENT MANAGEMENT DIGITAL ENGAGEMENT SOLUTION (CMS)

SCEL requires the ability to offer a high level of customer service for all player questions and concerns, account support, prize fulfillment, and FAQs. Contractor must offer robust customer support capabilities and provide SCEL staff with access to support case logs and player account activity for SCEL staff and the Contractor to assist players.

A. Contractor must provide a detailed map of a player support journey from any entry point. The map should include the responsibilities of each party involved throughout the process.

B. Contractor must provide SCEL with detailed log support history for every incoming support case with available information and provide SCEL with the ability to associate support cases with a player account upon request.

C. SCEL must have real-time visibility into player account data and activity history for player support purposes.

D. Contractor must provide written responses to players via email or chat in accordance with SCEL policies and rules as directed by SCEL.

E. Contractor should provide 24/7 customer support with options for chat with live agents.

F. During SCEL working hours, Contractor should transfer support cases as necessary to SCEL via phone or email with the associated support log.

G. Provide a content management Digital Engagement Solution ("CMS") that can support the Lottery's need to update areas of the site or mobile app with operational ease and minimal technical skills. This should include, but not be limited to, advertising banners and static content pages.

H. Contractor will collaborate with SCEL and perform quarterly quality assurance tests on responses to ensure factual alignment with SCEL policies, procedures, game information, and account information.

3.5 REPORTING

The Contractor should provide a configurable and interactive dashboard to summarize Platform performance and user activity. The Contractor must provide SCEL staff with access to the Players' Club data to perform internal trend analysis and strategies. Separately, SCEL uses its Players' Club data for security investigations and proactive anomaly identification and assessment. The Contractor's Digital Engagement Solution must, at a minimum, perform with the functionalities and capabilities described below.

A. Contractor must retain the last three (3) years of data as of the date of "go live" under the new contract and must retain data for a period of not less than three (3) years or as determined by SCEL.

B. Contractor must provide quarterly and yearly reporting on Players' Rewards and CRM performance, strategy, and trends.

C. Contractor must provide a yearly report of support trends.

D. Contractor must provide configurable reports upon request.

E. Contractor must provide a detailed list of error messages, including but not limited to causes and responses, and responses must be configurable by SCEL.

F. Contractor must provide a configurable reporting platform that enables authorized SCEL users to efficiently search, filter, and retrieve information across the Digital Engagement Solution. The platform shall support configurable query parameters, including but not limited to player account details, device and IP address information, and transaction types. Users must be able to generate real-time results, view summary counts, create interactive dashboards, and export query outputs in standard formats (e.g., CSV, Excel, PDF) to support operational reporting, business intelligence, and audit needs.

G. The Contractor must provide ad hoc reports upon requests.

H. Contractor must provide SCEL with secure, documented, production-grade API access to Players' Club data, including but not limited to real-time or near real-time retrieval of player account details, transaction history, ticket and entry history, drawing activity, account status changes, device identifiers and usage, IP address and session metadata, error and exception logs, and audit/change history. API access must enable SCEL to extract raw data for integration with internal BI tools, analytics Digital Engagement Solutions, and security monitoring.

I. The API must provide SCEL direct access to query all Digital Engagement Solution activities, including but not limited to player accounts, transactions, device usage, and Digital Engagement Solution events, to efficiently search, filter, and retrieve information. The API must support bulk data retrieval and pagination and use standard authentication mechanisms such as OAuth 2.0 or token-based methods.

J. The Digital Engagement Solution must record all changes to Players' Club accounts, and SCEL must have direct access to query those records to efficiently audit, search, filter, and retrieve information on all changes.

K. Contractor must provide a full data dictionary and schema documentation for all API-accessible data fields and tables, including field names and descriptions, data types and formats, allowed/enumerated values, nullable versus required fields, and entity relationships. Documentation must be delivered prior to go-live and maintained current with any changes.

L. If the functions of the Digital Engagement Solution are not sufficient to resolve an inquiry with a player, retailer, or SCEL employee, the Contractor must cooperate and assist SCEL to the extent practicable in researching and resolving the issue.

M. Contractor must schedule routine virtual status meetings with SCEL staff and in-person meetings on an annual basis.

3.6 MOBILE CLAIMS/E-WALLET

SCEL does not currently offer any mobile wallet or mobile claims options for players. SCEL's enabling legislation does not permit mobile claims at this time; however, if this law changes, the Contractor must be capable of implementing and maintaining a turn-key solution to provide mobile claims/e-wallet to process claims for draws, scratch and Rewards claims. SCEL expects a solution that provides trust, simplicity and financial infrastructure.

A. Contractor must provide a robust Digital Engagement Solution for mobile claims/e-wallet capabilities that can be utilized to fund player accounts. This solution must have the capabilities to issue prize payments seamlessly.

B. The proposed solution must have thresholds in place to comply with SCELs claim process and thresholds for tax withholdings and debt-set off requirements. SCEL's current thresholds are less than or equal to $500 are paid without tax liability and currently can be claimed at retail. $501-$5000 has state tax withholdings. $5001 and above have state and federal withholding as well as debt set off requirements. Any prize over $100,000 must appear in person at claim center.

C. The Digital Engagement Solution must require a secure Know Your Customer (KYC) solution.

D. The Contractor must offer the ability to scan and save fronts and backs of tickets in a secure database for a mutually agreed upon period. SCEL must have access upon request of the images stored by the Contractor.

E. The Contractor must integrate with all third-party vendors that provide services as it relates to winners claiming a prize.

F. The Digital Engagement Solution must include SCEL's ability to access the back-office Digital Engagement Solution to search, track, process and close all steps required by SCEL's claims process. The Contractor must provide a solution for SCEL to view any processed claims and details including tax withholdings, offsets and amount paid.

G. Contractor must retain any documentation related to claims for each player in the manner that is compliant with SCEL policy, state, federal and payment card security (PCI) standards.

3.7 TESTING AND CUSTOMER ACCEPTANCE TESTING ENVIRONMENT (CAT)

A. ACCEPTANCE TESTING

SCEL requires Customer Acceptance Testing to ensure the application meets all requirements. This section describes conditions that shall be met for application development or application enhancements.

1. The Contractor is responsible for conducting its own thorough and complete QA process for all software delivered to the Lottery. All software delivered to the Lottery for acceptance testing must be of the highest quality and ready for immediate deployment. The Lottery reserves the right not to perform Customer Acceptance Testing at any time. The Offeror is fully responsible for the reliability and quality of the software.

2. The Contractor must ensure that all new software and any changes to existing software is provided as production ready to the Lottery for Customer Acceptance Testing before production installation.

3. The Contractor may not, at any time, modify or alter any part of the software without the express written consent from SCEL.

4. The Contractor must provide the Lottery with written technical requirements for every scheduled release or enhancement. The requirements must be reviewed and approved by the Lottery before development begins.

5. New software and modifications shall be installed in CAT within specified test cycles after the Lottery's written acceptance of requirements.

6. During Customer Acceptance Testing, the Contractor shall provide personnel experienced and capable of fully testing the application software. The Offeror is required to maintain the CAT environment and must provide ongoing and timely support during Customer Acceptance Testing.

7. The Contractor shall provide detailed test scripts from their QA testing before CAT begins.

8. The Lottery will be the final decision for determining pass or fail decisions for each item within an acceptance test.

9. The CAT environment provided and supported by the Contractor must be fully segregated from the production (live) environment.
10. Contractor should adhere to the Lottery's test policies and procedures as they relate to the CAT environment, access to the environment, Customer Acceptance Testing (documentation, plans, schedules), and includes but not limited to access to the Production environment.

11. The Contractor is required to refresh/restore the CAT environment when requested by the Lottery.

12. The Contractor is required to provide, configure, and support a dedicated Customer Acceptance Testing (CAT) environment for the mobile application/web, which will integrate with the Lottery's CAT Gaming Digital Engagement Solution. The CAT environment must accurately represent the production environment to ensure reliable validation of functionality, data flow, and user experience before launch.

B. ENVIRONMENT SETUP & CONFIGURATION

1. Provision a stable, secure, and isolated CAT environment that mirrors the production architecture. The Customer Acceptance Test (CAT) environment provided and supported by the Offeror must be fully segregated from the production (live) environment.

2. Configure environment components, including, but not limited to, application servers, databases, APIs, integrations, authentication services, push notifications, and any required third-party services.

3. Ensure all mobile application/web builds (iOS and Android) deployed to CAT match the production configuration (features, settings, and data structures).

4. Provide installation packages, test builds, and/or deployment protocols for CAT releases.

C. CONNECTIVITY & INTEGRATION

The CAT environment must support continued full-to-end integration, including but not limited to:

1. Backend Digital Engagement Solutions, APIs, and middleware

2. Identity management solutions (SSO, OAuth, MFA, etc.)

3. Notifications (push, SMS, email)

4. Third-party data/service providers

6. Logging and monitoring tools

D. PERFORMANCE & STABILITY

1. Must ensure consistent and reliable connectivity 24/7 and especially whenever the CAT environment is in use and maintain environment uptime according to agreed SLAs (e.g., 99% during business hours).

2. Ensure environment performance and capacity is sufficient for functional testing, workflows, and simulated user behavior.

3. Monitor the environment's health and address stability issues promptly.

E. SUPPORT & MAINTENANCE

1. Provide technical support during Customer Acceptance Testing execution, especially when CAT is in use, including but not limited to troubleshooting, environment resets, and redeployment.

2. Deploy patches, configuration updates, and hotfixes as required or in accordance with SCEL policies.

3. Provide release notes and change logs for each CAT build.

4. Participate in CAT readiness meetings and defect resolution cycles when environment-related issues arise.

F. CAT ENVIRONMENT DELIVERABLES

1. CAT Environment Architecture Document Requirements - documents for all releases and enhancements, Release Notes, Environment Setup & Configuration Guides

2. Sample Test Scripts

3. Environment Support & Maintenance Plan

4. Deployment/Release Procedures

5. CAT Environment Change Log

6. Environment Readiness (prior to start of CAT)

G. SERVICE LEVEL REQUIREMENTS

The Contractor must meet the following minimum service levels:

1. Uptime & Availability: 24/7 with approved in writing maintenance downtime

2. CAT Issue Resolution (for defects in Testing)
   a. Critical issues: resolution or workaround within 4 hours
   b. High issues: within 8 hours
   c. Medium issues: within 24 hours

3. Ability to support multiple CAT builds/releases during testing cycles.

4. Communication: Rapid notification of outages, incidents, or configuration changes.

H. SECURITY & COMPLIANCE REQUIREMENTS

The CAT environment must adhere to all security and compliance standards required by the Lottery, including but not limited to:

1. Data masking/anonymization of any sensitive or production-derived data

2. Secure storage, encryption in transit and at rest

3. Compliance with applicable regulations (e.g., MUSL, WLA, GDPR, HIPAA, industry-specific standards)

4. Audit logs for access, deployments, and environmental changes

5. Document all security measures and comply with internal security assessments if required.

3.8 DATA FAILOVER AND REDUNDANCY

A. Contractor is required to provide the necessary redundancy and failover capabilities for its Digital Engagement Solutions. The objective is not only to achieve the necessary operational uptime capabilities, but to guarantee the preservation of SCEL's data.

B. Contractor must deliver a Digital Engagement Solution architecture that is fully redundant, eliminating or minimizing single points of failure, and must be failover capable. Any exceptions to this requirement must be explicitly disclosed in the Offeror's proposal.

C. Contractor is required to back up SCEL's data in accordance with industry standards and best practices. The clear intent of this requirement is to prevent any loss of data. Offeror must disclose its data management procedures including backup and restores, archiving, purging, etc.

3.9 AUDIT AND COMPLIANCE

The Contractor must adhere to the following minimum requirements.

A. Maintain audit trails to provide a detailed record of Digital Engagement Solution activities, user actions, and security events.

B. Retain audit logs for at least 6 months, or as required by regulatory or contractual obligation, whichever is longer.

C. Provide evidence of compliance with cybersecurity requirements upon request as outlined in this contract.
D. Maintain SCEL's right to audit any controls as outlined in this contract within a reasonable timeframe of request.

E. Remediate any identified deficiencies within the proposed timeline as mutually agreed upon by SCEL and the contractor.

3.10 DEVELOPMENT SERVICES

During the term of the Contract, SCEL may request the Contractor to perform development services relevant to the services in this Contract with respect to certain enhancements, customizations, or projects; and, where the Contractor agrees to provide such services, the Contractor shall agree to charge SCEL an hourly rate outlined in Attachment C.

3.11 ADDITIONAL OPTIONS

SCEL expects the Contractor to supply other digital engagement services and/or features that may not be expressly identified in Sections 3.1 through 3.4 and 3.6 but are currently available. SCEL reserves the right to purchase these services and/or features that are presented in response to the material requested in Section IV. INFORMATION FOR OFFERORS TO SUBMIT..

3.12 INNOVATIONS

The Contractor shall be capable of integrating any additional products or features that become added during the term of this Contract that are security enhancements or improvements to the basic concept of the scope of services in this solicitation. Throughout the term of the Contract, the Contractor must regularly notify SCEL of the development of products or features enhancing security and/or improving digital engagement concepts. As improvements to existing features or product lines, such items are deemed to be within the scope of services needed under this Contract and, as appropriate, may be mutually agreed upon via change order between both parties.

IV. INFORMATION FOR OFFERORS TO SUBMIT

INFORMATION FOR OFFERORS TO SUBMIT -- GENERAL (MAR 2015)

You shall submit a signed Cover Page and Page Two. If you submit your offer electronically, you must upload an image of a signed Cover Page and Page Two. Your offer should include all other information and documents requested in this part and in parts II.B. Special Instructions; III. Scope of Work; V. Qualifications; VIII. Bidding Schedule/Price Proposal; and any appropriate attachments addressed in Part IX. Attachments to Solicitations. You should submit a summary of all insurance policies you have or plan to acquire to comply with the insurance requirements stated herein, if any, including policy types; coverage types; limits, sub-limits, and deductibles for each policy and coverage type; the carrier's A.M. Best rating; and whether the policy is written on an occurrence or claims-made basis. [04-4010-2]

INFORMATION FOR OFFERORS TO SUBMIT -- EVALUATION (JAN 2006)

In addition to information requested elsewhere in this solicitation, offerors should submit the following information for purposes of evaluation:

You shall submit a Technical Proposal and a Price Proposal of your offer in separate and distinct documents. Both documents must be uploaded as part of your submission. In addition to your original offer, you are STRONGLY ENCOURAGED to submit a redacted copy of your Proposal. Otherwise, all information provided may be shared with others in subsequent Freedom of Information Act (FOIA) Requests. [Reference 04-4030-2]

Instructions for Technical Proposal

Pricing information shall NOT be provided in the Technical Proposal in any manner and under any circumstances. All proposals must include the following requested information. Each Offeror should restate each of the items listed below and provide its response to that item immediately thereafter.

The goal for the Offerors should be able to succinctly articulate their proposal within one hundred (100) pages including those pages with confidential and proprietary information, with the type font no less than 12 points, less technical appendices and other documents provided in response to Section IX. ATTACHMENTS TO SOLICITATION, and other exceptions as noted herein. The requested 12-point font size (or larger) is for the ease of reading by the evaluators. Any reduced font size should be used sparingly, but SCEL understands there will be times when a smaller font size is practical. Material to be submitted in Section IX. ATTACHMENTS TO SOLICITATION as noted herein does not count against the one hundred (100) page limitation. Please see other areas where responses will not count against the one hundred (100) page limitation. Any concerns or questions regarding this page should be addressed in the questions and answers period.

The Offeror shall provide a detailed, comprehensive description of the solution being offered. Offeror shall address all items identified in the Scope of Work; responding to each requirement in the same order that it is listed in the Scope of Work. The **Technical Proposal** shall be tabbed for easy access to each section; and arranged in the following order:

Section 1 Introductory Documents

A. Cover Page and Page Two of the solicitation

B. Table of Contents

C. Executive Summary- An executive summary to briefly describe the offeror's proposal. This summary should highlight the major features of the proposal. This should summarize project purpose, key project tasks, qualifications of key personnel, along with sub-contractor usage and their scope of work. Provide information that conveys your understanding of the required services and your methodology and approach to provide these services. The reader should be able to determine the essence of the proposal by reading the executive summary. This executive summary should also include a statement indicating that the key staff and management staff proposed for the project will be those assigned. The Contractor agrees to replace the key employees that leave the Contractor employment with persons of equal or better qualifications.

Section 2 Technical Approach

Your offer should include a summary of the proposed technical solution with enough detail to demonstrate an understanding of the current environment and scope of the project. The purpose of this section is to define the technical architecture and standards within which the selected system must function. It specifies the technical and operational standards to which the system must comply, as well as the systems with which it will exchange data.

A. Provide a statement describing the Scope of Work as you understand it and fully describe and clearly explain how the methodology and proposed approach to the solution will successfully accomplish fulfilling (meeting or exceeding) all the requirements provided in Section III SCOPE OF WORK/SPECIFICATIONS.

B. Provide details for the following Mobile Application and Web Platform Section 3.1:

1. Explain the approach to develop a Mobile App and Web Platform at a minimum, meeting all of the specifications and requirements in Section 3.1.A-F. Provide the information in a manner it believes best explains the solution. Explain how its methods and approach meet and/or exceed the required specifications and explain in detail any limitation it may have in fully meeting the specifications listed. Explain the process of player accounts and communication process to expand in detail specifications in 3.1.A.

2. Provide details on the process of ticket checking in the Mobile Application and Web Platform. Explain functionality, mapping and responses for ticket checking as well as a proposed solution for integration. Include a solution for a tool for retailer locator and scratch game inventory located at retail.

3. Provide examples and solution on how the Mobile Application and Web Platform will display all available and past promotions and drawings in all specifications in Section 3.1.C.

4. Provide draw game specific specifications as stated in Section 3.D.1 and 3-4. Provide mock images of draw game simulations and digital play slips. All games are not required but multiple options should offer full array of features.

5. Provide scratch-off game specific specifications as stated in Section 3.E. Provide mock images of scratch-off game related information. All games are not required but multiple options should offer full array of features.

6. Propose a solution and describe in detail the approach to providing player-facing features as described in Section 3.F.1. The Offeror must comply with existing APIs available that is integrated with UI. Explain functionality of the API integration.

7. As referenced in Section 3.1.G, describe in detail how the Offeror will execute the Conversion Plan of converting the current Digital Engagement Solution to the proposed Digital Engagement Platform. Build the Conversion Plan so that players can begin updating their Mobile Application and begin engaging with the Contractors Digital Engagement Platform no later than August 9, 2027. Include all specifications in Section 3.1.G.2 a-g. Expand in detail the Conversion Plan to provide a seamless transition.

C. Player Account Management (PAM) Section 3.2

1. As referenced in Section 3.2.A-D, provide a detailed implementation plan for PAM. The proposed plan should describe the process the player will take to register and authenticate their identity and registration as described in Section 3.2.A and B. The proposed plan should include a diagram of account registration.

2. Supply an explanation on Offeror’s solution to MFA.

3. Provide information in a manner it believes best explains the Offeror's expertise and capability of managing a CRM platform. Explain in detail a successful CRM program that has been implemented. The CRM program must include the goals, results and metrics that deemed the program successful. The Offeror should explain how its method meets or exceeds the specifications in Section 3.2.D.

D. Players' Rewards Program Section 3.3

1. Provide a detailed explanation of its approach to rewards program that provides players with value, connection and ongoing engagement at a minimum in compliance with the specifications and requirements of Section 3.3.A. The Offeror should consider a program and provide in detail a program that provides clear rewards, personalization, gamification, convenience and ease of use. Provide examples to include metrics of successful rewards programs that the Offeror currently manages.

2. In compliance with the specifications and requirements in Section 3.3.B, provide a detailed explanation of the method and approach to the entire process of conducting drawings services. Place particular emphasis in the description of the process and security handling of entries. Include all requirements but may include additional requirements offered by the Contractor.

3. Provide a detailed explanation of its approach to rewards program that provides players with value, connection and ongoing engagement at a minimum in compliance with the specifications and requirements of Section 3.3.A. The Offeror should consider a program and provide in detail a program that provides clear rewards, personalization, gamification, convenience and ease of use. Provide examples to include metrics of successful rewards programs that the Offeror currently manages.

4. In compliance with the specifications and requirements in Section 3.3.B, provide a detailed explanation of the method and approach to the entire process of conducting drawings services. Place particular emphasis in the description of the process and security handling of entries. Include all requirements but may include additional requirements offered by the Contractor.

5. Provide a solution to notify winners that they have won or are an alternate to a promotion and provide the winner a digital claim form through secure email for amounts greater than $500 with an SCEL approved format. The solution should allow the winner to submit the claim form to SCEL staff via secure web portal, mobile application, email or allow the winner to print the form. Additionally, the solution must provide an external winner file, via API or flat file as approved by SCEL, to the CGS vendor for each promotion and identify the promotion type and amount. Winner information to include, but not limited to, Promotion Type, Promotion Number, Full Name, Address, City, State, Zip Code, SSN, Tax Category, Winning Amount. When the winner file is submitted to the CGS vendor, notification must be sent to SCEL Staff.

6. Describe how they incorporate and manage electronic signatures for any/all forms.

7. Describe how the System will generate and maintain audit trail logs for transactions and functions related to the Rewards Program.

E. Player Support and Content Management System (CMS)
1. Provide a CMS platform with a strong technology, customer service and support. Include a detailed plan to include specifications and requirements in Section 3.4.A-F. Also, describe customer support and resolution with actionable results as specified in Section 3.4.G&H.

F. Reporting Section 3.5
1. State affirmatively that the Offeror will provide the reporting services requested by SCEL and/or state any limitation the Offeror may have in providing the services.

G. Mobile Claims/E-Wallet Section 3.6

1. In compliance with Section 3.6, describe in full detail a turn-key solution for cashing and/or payment platform for lottery tickets. Specify in detail the level and quality of service to not only SCEL but SCEL's players. In presenting the level of quality, service and infrastructure to be provided, the Offeror, at a minimum, should indicate the personnel who will be working with SCEL staff and the financial institution supporting the Offeror's solution.

H. Acceptance Testing Section 3.7
   1. State affirmatively that the Offeror will provide those services requested by SCEL and/or state any limitation the Offeror may have in providing the services.

   2. Disclose any hardware requirements, license restrictions, technical support, data archive and restore functions, failover capability, and security measures for any of its subcontractors.

Section 3 Experience and Qualifications

Offerors should describe, in detail, their experience and qualifications associated with developing, implementing, and managing a comprehensive digital mobile and web-based solution for a loyalty reward platform and Mobile Claims/E-Wallet Solution. Offerors, in describing their background and experience, should restate each of the items below and provide their response to that item immediately thereafter. Offerors must include all pertinent information to substantiate their qualifications and capabilities to perform the services described in the Scope of Work and Sections 3.1 through 3.6 and Sections 3.10 and 3.11 as outlined below:

A. Provide a detailed description of Your organization, including the number of years in the business, founding date, changes in business structure, primary business/main business activities, and the length of time you have been in the business of developing, designing, and implementing digital engagement platforms that include mobile applications and web-based solutions for loyalty reward programs and mobile claims/e-wallet solutions.

B. Explain in detail a successful CRM program including goals, results and metrics.

C. Provide no more than five (5) examples of work created for clients and placed within the past three (3) years which are within the services outlined in Part 3, Scope of Work. Digital engagement platforms that were developed more than three (3) years ago may also be included in response to this subsection if the platforms are currently in operation. The names of the individuals who worked on these prior projects should be provided, along with the role the individual played in each project identified. If any member of the team working on a prior project is no longer with the Offeror's firm, that information must be clearly disclosed. Include any subcontractors on the work submitted, if applicable.

D. Provide a current client list, with appropriate contact information, of all the United States clients.

E. List any United States mobile app/web and mobile claims contracts terminated for cause within the last five (5) years submit full details including the other party's name, address and phone number.

F. Explain the experience, qualifications, capability, and suitability of the Offeror's key personnel (as determined by the Offeror) in managing the Contract. Please provide an organizational chart or similar information to explain how the key personnel will be structured for this Contract. The overall experience of the other personnel who will be providing the services should be included but the individual names need not be disclosed.

Note: If the Offeror intends to use any other entity or entities (other than the Offeror) to provide any portion of the services described in the Scope of Work, the Offeror must provide the information requested above relating to the experience and background of the entity providing the required services. Providing this information is wholly independent and unrelated to any disclosure that may be required in Part 5 - "Qualifications".

Section 4 Attachments

A. Attachment C: SERVICE PROVIDER SECURITY ASSESSMENT QUESTIONNAIRE

B. Additional Options and Innovations Section 3.10
The Offeror may explain other digital engagement services and/or features that the Offeror would like to identify. (Not evaluated for purposes of award)

C. Innovations Section 3.11
Explain other digital engagement services and/or features that the Offeror would like to identify. (Not evaluated for purposes of award) The Offeror should state affirmatively that it will provide those services requested by SCEL and/or state any limitation the Offeror may have in providing the services.

Section 5 Submission Requirements – Excluded from Evaluation

Note: Information presented in response to this section will not be evaluated nor scored by the Evaluation Panel. It will be used to determine full compliance with Lottery Act requirements and is necessary to perform any background investigations. Additional information may be required to complete the investigation and, if necessary, will be requested at the appropriate time. By submitting a proposal, the Offeror agrees to provide the requested information in a timely manner as outlined below.

IDENTIFYING INFORMATION AND INFORMATION REQUIRED BY THE LOTTERY ACT
As required by S.C. Code § 59-150-130(A), Offerors must submit the following information (if the Offeror believes that a particular item is inapplicable, please state so). If a subcontractor performs work that results in at least 20% of the cost of this contract, then the Offeror shall disclose the information required below as if the subcontractor were the Offeror.

a. Offeror's name and address and, as applicable, names and addresses of the following, if the Offeror is:
   i. a corporation, the officers and directors and each stockholder in the corporation, except that in the case of owners of equity securities of a publicly traded corporation, the names and addresses of only those known to the corporation to own (at a minimum) beneficially five percent or more of the securities must be disclosed;
   ii. a trust, the trustee, and all persons entitled to receive income or benefits from the trust;
   iii. an association, the members, officers, and directors; and
   iv. a partnership or joint venture, all the general partners, limited partners, or joint ventures;

b. The states and jurisdictions in which the vendor does business and the nature of the business for each such state or jurisdiction;

c. The states and jurisdictions in which the lottery vendor has contracts to supply gaming goods or services including, but not limited to, lottery goods and services, and the nature of the goods or services involved for each state or jurisdiction;

d. The states and jurisdictions in which the lottery vendor has applied for, sought renewal of, received, been denied, or had revoked, or has issuance pending of, a lottery or gaming license of any kind or had fines or penalties assessed to his license, Contract, or operation and the disposition of each in each state or jurisdiction. If a lottery or gaming license or Contract has been revoked or has not been renewed or a lottery or gaming license or application has been denied or is pending and has remained pending for more than six months, all the facts and circumstances underlying the failure to receive a license must be disclosed;

e. Details of a finding or any plea, conviction, or adjudication of guilt in a state or federal court of the lottery vendor for a felony or other criminal offense other than a traffic violation;

f. Details of any bankruptcy, insolvency, reorganization, or corporate or individual purchase or takeover of another corporation, including bonded indebtedness, or pending litigation of the lottery vendor; A statement that the Offeror understands that a lottery vendor shall not contribute, for a period of twelve months before entering into the procurement process, except that during the first twelve months the period must be from the date of enactment, and during the term of the contract, to or make independent expenditures relative to the campaign of a candidate for the General Assembly or a statewide constitutional office; to any political party, as defined in Section 8-13-1300(26); or to a committee, as defined in Section 8-13-1300(6).

g. Each Offeror shall submit a bank check or a certified check made out to the South Carolina Law Enforcement Division (SLED) in the amount of five thousand dollars ($5,000) with the proposal. The final cost of the investigation will be determined by SLED, not SCEL. Following the final Award, the full amount will be returned to all Offerors excluding the Offeror to whom the award is made.

h. A statement that the Offeror understands that a lottery vendor must not enter into a contract for the purpose of influencing a political decision in connection with the operation of the lottery, and a lottery vendor must not employ, contract with, or otherwise authorize a lobbyist, as defined in Section 2-17-10(13), to engage in lobbying, as defined in Section 2-17-10(12), on behalf of the lottery vendor for the purpose of influencing a political decision in connection with the operation of the lottery.

V. QUALIFICATIONS

QUALIFICATIONS OF OFFEROR (MAR 2015)

(1) To be eligible for award, you must have the capability in all respects to perform fully the contract requirements and the integrity and reliability which will assure good faith performance. We may also consider a documented commitment from a satisfactory source that will provide you with a capability. We may consider information from any source at any time prior to award. We may elect to consider (i) key personnel, any predecessor business, and any key personnel of any predecessor business, including any facts arising prior to the date a business was established, and/or (ii) any subcontractor you identify. (2) You must promptly furnish satisfactory evidence of responsibility upon request. Unreasonable failure to supply requested information is grounds for rejection. (3) **Corporate subsidiaries are cautioned that the financial capability of an affiliated or parent company will not be considered in determining financial capability;** however, we may elect to consider any security, e.g., letter of credit, performance bond, parent-company corporate guaranty, that you offer to provide. Instructions and forms to help assure acceptability are posted on procurement.sc.gov, link to "Standard Clauses & Provisions." [05-5005-2]

QUALIFICATIONS – REQUIRED INFORMATION (MODIFIED)

Submit the following information or documentation for you and for any subcontractor (at any tier level) that you identify pursuant to the clause titled Subcontractor – Identification. Err on the side of inclusion. You represent that the information provided is complete.
(a) The general history and experience of the business in providing work of similar size and scope.
(b) Information reflecting the current financial position. Include the most current financial statement and financial statements for the last two fiscal years. If the financial statements have been audited in accordance with the following requirements, provide the audited version of those statements. [Reference Statement of Financial Accounting Concepts No. 5 (FASB, December, 1984), as amended.]
(c) A detailed, narrative statement listing the three most recent, comparable contracts (including contact information) which have been performed. For each contract, describe how the supplies or services provided are similar to those requested by this solicitation, and how they differ.
(d) A list of every business for which supplies or services substantially similar to those sought with this solicitation have been provided, at any time during the past three years.
(e) A list of every South Carolina public body for which supplies or services have been provided at any time during the past three years, if any.
(f) List of failed projects, suspensions, debarments, and significant litigation.
(g) The Dun and Brad Street number of the financial institution.

QUALIFICATIONS - SPECIAL STANDARDS OF RESPONSIBILITY (MAR 2015)

(a) This section establishes special standards of responsibility. UNLESS YOU POSSESS THE FOLLOWING MANDATORY MINIMUM QUALIFICATIONS, DO NOT SUBMIT AN OFFER:

> **Offeror must have a minimum of three years of experience in providing a mobile application and web solution for state lotteries.**

(b) Provide a detailed, narrative statement with adequate information to establish that you meet all the requirements stated in subparagraph (a) above. Include all appropriate documentation. If you intend for us to consider the qualifications of your key personnel, predecessor business(es), or subcontractor(s), explain the relationship between you and such person or entity. [R. z19-445.2125(F)] [05-5010-2]

SUBCONTRACTOR -- IDENTIFICATION (FEB 2015)

If you intend to subcontract, at any tier level, with another business for any portion of the work and that portion either (1) exceeds 10% of your cost, (2) involves access to any "government information," as defined in the clause entitled "Information Security - Definitions," if included, or (3) otherwise involves services critical to your performance of the work (err on the side of inclusion), your offer must identify that business and the work which they are to perform. Identify potential subcontractors by providing the business name, address, phone, taxpayer identification number, **and point of contact**. In determining your responsibility, the state may contact and evaluate your proposed subcontractors. [05-5030-2]

VI. AWARD CRITERIA

AWARD CRITERIA -- PROPOSALS (JAN 2006)

Award will be made to the highest ranked, responsive and responsible offeror whose offer is determined to be the most advantageous to the State. [06-6030-1]

AWARD TO ONE OFFEROR (JAN 2006)

Award will be made to one Offeror. [06-6040-1]

COMPETITION FROM PUBLIC ENTITIES (JAN 2006)

If a South Carolina governmental entity submits an offer, the Procurement Officer will, when determining the lowest offer, add to the price provided in any offers submitted by non-governmental entities a percentage equivalent to any applicable sales or use tax. S.C. Code Ann. Regs 117-304.1 (Supp. 2004). [06-6057-1]

DISCUSSIONS AND NEGOTIATIONS - OPTIONAL (FEB 2015)

Submit your best terms from both a price and a technical standpoint. Your proposal may be evaluated and your offer accepted without any discussions, negotiations, or prior notice. Ordinarily, nonresponsive proposals will be rejected outright without prior notice. Nevertheless, the State may elect to conduct discussions, including the possibility of limited proposal revisions, but only for those proposals reasonably susceptible of being selected for award. [11-35-1530(6); R.19-445.2095(I)] If improper revisions are submitted during discussions, the State may elect to consider only your unrevised initial proposal, provided your initial offer is responsive. The State may also elect to conduct negotiations, beginning with the highest ranked offeror, or seek best and final offers, as provided in Section 11-35-1530(8). Negotiations may involve both price and matters affecting the scope of the contract, so long as changes are within the general scope of the request for proposals. If negotiations are conducted, the State may elect to disregard the negotiations and accept your original proposal. [06-6058-1]

EVALUATION FACTORS -- PROPOSALS (JAN 2006)

Offers will be evaluated using only the factors stated below. Evaluation factors are stated in the relative order of importance, with the first factor being the most important. Once evaluation is complete, all responsive offerors will be ranked from most advantageous to least advantageous.

Evaluation Criteria	Maximum Points
Technical Proposal & Demonstration The evaluation panel will use the information submitted in response to Part IV. Information for Offerors to Submit to evaluate this criterion. The panel will also use the real-time, in person demonstrations to evaluate this criterion.	500
Qualifications and Experience The experience, technical knowledge, and capability of the Offeror to perform services that meet or exceed the requirements submitted in response to Part IV. Information for Offerors to Submit subsection 4.	300
Value The total value to the State, factoring in the price realism[1], reasonableness[2], affordability[3], overall merit and cost distribution of the total price proposed for the full potential contract period, the component pricing of which it is comprised and any additional costs to the State to implement and maintain the proposed solution for the duration of the contract, regardless of whether such costs are paid to the Contractor. The evaluation panel will use the response in Section VIII and Attachment B when scoring this criterion.	200
Total	1000

1. Price realism considers whether the price is realistic for the work proposed, the costs reflect a clear understanding of the requirements and the costs are consistent with the various other elements of the proposal.

2. Price reasonableness considers whether the price is generally recognized as ordinary and necessary for the conduct of the Offeror's business or the contract performance.
3. Affordability considers whether the price is within the anticipated budget of the organization.

DEMONSTRATIONS

Offerors will be required to give a demonstration of their proposal to clarify or verify the contents and the representations made therein. The demonstrations will be performed in person. Demonstrations will be held at 1333 Main Street, Suite 400 Columbia, SC 29201. The time allotted per individual Offeror shall not exceed four (4) hours and shall include ample time to be allocated for panel questions and Offeror's answers. **SCEL will notify the responsive Offerors as quickly as possible to schedule a specific date and time.** Demonstrations given by an Offeror under this section are permitted and communication by the Offeror with SCEL or its employees during a demonstration will not violate the restrictions applicable to Offerors.

a. The activities of the Offeror should be limited to a demonstration of the system proposed and described in the Offeror's written proposal. Evaluators may ask questions pertaining to the Offeror's demonstration at the conclusion. The Offeror's answers are restricted to statements of fact. Offerors will not be allowed or permitted to introduce new information or show products/features not included in their proposal. Items that are "value added" and not part of the base proposal (including custom programming) must be included as such at every point that the product or feature is used, whether that use is directly in use or it supports the processes that the software is performing. Negotiation is not permitted at this stage in the procurement process, and an Offeror may not change its proposal.

b. The Offeror may be required to document an answer if such a written clarification is determined to be in the best interest of the State.

c. The demonstration should be conducted in a straightforward manner in order to secure a clear and meaningful understanding of the Offeror's proposal.

d. The demonstration is designed to satisfy the evaluation panel's need for clarification and understanding of the information that was provided in the Offeror's written proposal. Therefore, the Offeror may neither ask questions, divulge any cost information, nor receive preliminary assessments on its proposal from the members of the panel.

e. The demonstration script will be used to assist the State in reviewing your response and to gauge how well your solution may meet our organizational goals and objectives. Please prepare to present information, not static Power-Point, on the items listed in the demonstration script. The time allotted for the demonstration shall not exceed four (4) hours, which includes the presentation and further clarifications/questions and answers. Additionally, if time allows, at the end of the scripted portion of the demonstration, the vendor will have the opportunity to show any additional features or functionality offerings that were not previously covered by the demonstration script; but were a part of their response.

f. In an effort to ensure that we cover all key factors necessary to complete our selection process, we ask that you complete the entire demonstration script before demonstrating other optional features. If there is a portion of the demonstration which your software does not accommodate, please state this during your demonstration and move on to the next agenda item.

g. The demonstration session is designed to satisfy the evaluation panel's need for clarification and understanding of the information that was provided in the Offeror's written proposal. Therefore, the Offeror may neither ask questions nor receive preliminary assessments of its proposal from the members of the panel. Attendees at the virtual presentation session must include the key members of the Offeror's proposed management team (account management team, key technical personnel, and key subject matter experts) who will be directly involved in the delivery of the services requested to the State.

The State, in its own discretion, may modify any sub-paragraphs of this clause prior to presentations with Offerors.

DEMONSTRATION SCRIPT

The presentation script is outlined below. The overall demonstration is limited to 4 hours which includes questions from panel members. Potential Offeror(s} are expected to address all the functional requirements and needs stated in the project overview and timeline.

1. Introductions - Introduce Your Company and Key Account Team Members assigned to this Account.
2. Overview - Discuss and present your proposed solution submitted in response section IV. INFORMATION FOR OFFERORS TO SUMBIT . Explain how you propose to meet the minimum requirements, and if applicable, how your proposal exceeds those minimum requirements.
3. Questions - Panel members will ask questions. Answers shall be factual and limited to the Offeror's response to the proposed solution submitted in response to Section IV. INFORMATION FOR OFFERORS TO SUMBIT of your Technical Proposal (up to 60 minutes)

The State, in its own discretion, may modify any sub-paragraphs of this clause prior to presentations with Offerors.

UNIT PRICE GOVERNS (JAN 2006)

In determining award, unit prices will govern over extended prices unless otherwise stated. [06-6075-1]

VII. TERMS AND CONDITIONS -- A. GENERAL

ASSIGNMENT, NOVATION, AND CHANGE OF NAME, IDENTITY, OR STRUCTURE (FEB 2015)

(a) Contractor shall not assign this contract, or its rights, obligations, or any other interest arising from this contract, or delegate any of its performance obligations, without the express written consent of the responsible procurement officer. The foregoing restriction does not apply to a transfer that occurs by operation of law (e.g., bankruptcy; corporate reorganizations and consolidations, but not including partial asset sales). Notwithstanding the foregoing, contractor may assign monies receivable under the contract provided that the state shall have no obligation to make payment to an assignee until thirty days after contractor (not the assignee) has provided the responsible procurement officer with (i) proof of the assignment, (ii) the identity (by contract number) of the specific state contract to which the assignment applies, and (iii) the name of the assignee and the exact address or account information to which assigned payments should be made. (b) If contractor amends, modifies, or otherwise changes its name, its identity (including its trade name), or its corporate, partnership or other structure, or its FEIN, contractor shall provide the procurement officer prompt written notice of such change. (c) Any name change, transfer, assignment, or novation is subject to the conditions and approval required by Regulation 19-445.2180, which does not restrict transfers by operation of law. [07-7A004-2]

BANKRUPTCY - GENERAL (FEB 2015)

(a) Notice. In the event the Contractor enters into proceedings relating to bankruptcy, whether voluntary or involuntary, the Contractor agrees to furnish written notification of the bankruptcy to the Using Governmental Unit. This notification shall be furnished within two (2) days of the initiation of the proceedings relating to the bankruptcy filing. This notification shall include the date on which the bankruptcy petition was filed, the identity of the court in which the bankruptcy petition was filed, and a listing of all State contracts against which final payment has not been made. This obligation remains in effect until final payment under this Contract. (b) Termination. This contract is voidable and subject to immediate termination by the State upon the contractor's insolvency, including the filing of proceedings in bankruptcy. [07-7A005-2]

CHOICE-OF-LAW (JAN 2006)

The Agreement, any dispute, claim, or controversy relating to the Agreement, and all the rights and obligations of the parties shall, in all respects, be interpreted, construed, enforced and governed by and under the laws of the State of South Carolina, except its choice of law rules. As used in this paragraph, the term "Agreement" means any transaction or agreement arising out of, relating to, or contemplated by the solicitation. [07-7A010-1]

CONTRACT AWARDED PURSUANT TO CODE (MAR 2024)

Any contract resulting from this solicitation is formed pursuant to the South Carolina Consolidated Procurement Code and is deemed to incorporate all applicable provisions thereof and the ensuing regulations. See also clause titled "Code of Laws Available." [07-7A012-1]

CONTRACT DOCUMENTS & ORDER OF PRECEDENCE (MAY 2024)

(a) Any contract resulting from this solicitation shall consist of the following documents: (1) the solicitation, as amended, (2) your offer, as amended, (3) any statement reflecting the State's final acceptance (a/k/a "award"), and (4) purchase orders. These documents shall be read to be consistent and complementary. Any conflict among these documents shall be resolved by giving priority to these documents in the order listed above. (b) The terms and conditions of documents (1) through (4) above shall apply notwithstanding any additional or different terms and conditions in any other document, including without limitation, (i) any instrument submitted by the State other than a purchase order, (ii) any invoice or other document submitted by Contractor, or (iii) any privacy policy, terms of use, or end user agreement. Except as otherwise allowed by the solicitation, the terms and conditions of all such documents and any purchase orders shall be void and of no effect. (c) No contract, license, or other agreement containing contractual terms and conditions will be signed by any Using Governmental Unit. Any document signed or otherwise agreed to by persons other than the Procurement Officer shall be void and of no effect. [07-7A015-2]

DISCOUNT FOR PROMPT PAYMENT (JAN 2006)

(a) Discounts for prompt payment will not be considered in the evaluation of offers. However, any offered discount will form a part of the award, and will be taken if payment is made within the discount period indicated in the offer by the offeror. As an alternative to offering a discount for prompt payment in conjunction with the offer, offerors awarded contracts may include discounts for prompt payment on individual invoices.
(b) In connection with any discount offered for prompt payment, time shall be computed from the date of the invoice. If the Contractor has not placed a date on the invoice, the due date shall be calculated from the date the designated billing office receives a proper invoice, provided the state annotates such invoice with the date of receipt at the time of receipt. For the purpose of computing the discount earned, payment shall be considered to have been made on the date that appears on the payment check or, for an electronic funds transfer, the specified payment date. When the discount date falls on a Saturday, Sunday, or legal holiday when Federal Government offices are closed and Government business is not expected to be conducted, payment may be made on the following business day. [07-7A020-1]

DISPUTES (MAY 2024)

(1) Choice-of-Forum. All disputes, claims, or controversies relating to the Agreement shall be resolved exclusively by the appropriate Chief Procurement Officer in accordance with Title 11, Chapter 35, Article 17 of the South Carolina Code of Laws, or in the absence of jurisdiction, only in the Court of Common Pleas for, or a federal court located in, Richland County, State of South Carolina. Contractor agrees that any act by the government regarding the Agreement is not a waiver of either the government's sovereign immunity or the government's immunity under the Eleventh Amendment of the United States Constitution. As used in this paragraph, the term "Agreement" means any transaction or agreement arising out of, relating to, or contemplated by the solicitation. The government does not consent to the jurisdiction of any judicial or administrative tribunals in any other state or to any forum of alternative dispute resolution. (2) Service of Process. Contractor consents that any papers, notices, or process necessary or proper for the initiation or continuation of any disputes, claims, or controversies relating to the Agreement; for any court action in connection therewith; or for the entry of judgment on any award made, may be served on Contractor by certified mail (return receipt requested) addressed to Contractor at the address provided as the Notice Address on Page Two or by personal service or by any other manner that is permitted by law, in or outside South Carolina. Notice by certified mail is deemed duly given upon deposit in the United States mail. [07-7A025-2]

EFT INFORMATION (MODIFIED)

The Contractor may furnish to the South Carolina Education Lottery (SCEL) information necessary for making a payment by electronic funds transfer (EFT). The Contractor should provide this information to SCEL's Accounts Payable email at Accounts.Payable@sclot.com (.) The Contractor is responsible for the currency, accuracy, and completeness of the EFT information. Updating EFT information may not be used to accomplish an assignment of the right to payment, does not alter the terms and conditions of this contract, and is not a substitute for a properly executed contractual document.

FALSE CLAIMS (JAN 2006)

According to the S.C. Code of Laws Section 16-13-240, "a person who by false pretense or representation obtains the signature of a person to a written instrument or obtains from another person any chattel, money, valuable security, or other property, real or personal, with intent to cheat and defraud a person of that property is guilty" of a crime. [07-7A035-1]

FIXED PRICING REQUIRED (JAN 2006)

Any pricing provided by contractor shall include all costs for performing the work associated with that price. Except as otherwise provided in this solicitation, contractor's price shall be fixed for the duration of this contract, including option terms. This clause does not prohibit contractor from offering lower pricing after award. [07-7A040-1]

NO INDEMNITY OR DEFENSE (FEB 2015)

Any term or condition is void to the extent it requires the State to indemnify, defend, or pay attorney's fees to anyone for any reason. [07-7A045-2]

NOTICE (MODIFIED)

(A) After award, any notices shall be in writing and shall be deemed duly given (1) upon actual delivery, if delivery is by hand, (2) upon receipt by the transmitting party of automated confirmation or answer back from the recipient's device if delivery is by telex, telegram, facsimile, or electronic mail, or (3) ten days after deposit into the United States mail, if postage is prepaid, a return receipt is requested, and either registered or certified mail is used. (B) Notice to contractor shall be to the address identified as the Notice Address on Page Two. Notice to the state shall be to the Procurement Officer's address on the Cover Page. Either party may designate a different address for notice by giving notice in accordance with this paragraph.

SCEL Executive Director
South Carolina Education Lottery
Post Office Box 11949
Columbia, SC 29211-1949

Ship to address:
1333 Main Street, Suite 400
Columbia, SC 29201

A copy should also be sent via email to:
SCEL Legal Department
Carl.Stent@sclot.com

OPEN TRADE (JUN 2015)

During the contract term, including any renewals or extensions, Contractor will not engage in the boycott of a person or an entity based in or doing business with a jurisdiction with whom South Carolina can enjoy open trade, as defined in SC Code Section 11-35-5300. [07-7A053-1]

ORGANIZATIONAL CONFLICT OF INTEREST (JUL 2023)

(a) The Contractor agrees to immediately advise the Procurement Officer if an actual or potential organizational conflict of interest is discovered after award, and to make a full written disclosure promptly thereafter to the Procurement Officer. This disclosure shall include a description of actions which the Contractor has taken or proposes to take, after consultation with the Procurement Officer, to avoid, mitigate, or neutralize the actual or potential conflict.
(b) The State may terminate this contract for convenience, in whole or in part, if it deems such termination necessary to avoid an organizational conflict of interest. Contractor's failure to include an appropriate termination for convenience clause in any subcontract shall not increase the obligation of the State beyond what it would have been if the subcontract had contained such a clause. (c) The disclosure required by paragraph (a) of this provision is a material obligation of the contract. If the Contractor knew or should have known of an organizational conflict of interest prior to award, or discovers an actual or potential conflict after award, and does not disclose, or misrepresents, relevant information to the Procurement Officer, the State may terminate the contract for default. [07-7A054-1]

PAYMENT and INTEREST (FEB 2021)

(a) The State shall pay the Contractor, after the submission of proper invoices or vouchers, the prices stipulated in this contract for supplies delivered and accepted or services rendered and accepted, less any deductions provided in this contract. Unless otherwise specified herein, including the purchase order, payment shall not be made on partial deliveries accepted by the Government.
(b) Unless otherwise provided herein, including the purchase order, payment will be made by electronic funds transfer (EFT). See clause titled " EFT Information."
(c) Notwithstanding any other provision, payment shall be made in accordance with S.C. Code Section 11-35-45, or Chapter 6 of Title 29 (real property improvements) when applicable, which provides the Contractor's exclusive means of recovering any type of interest from the Owner. Contractor waives imposition of an interest penalty unless the invoice submitted specifies that the late penalty is applicable. Except as set forth in this paragraph, the State shall not be liable for the payment of interest on any debt or claim arising out of or related to this contract for any reason. (d) Amounts due to the State shall bear interest at the rate of interest established by the South Carolina Comptroller General pursuant to Section 11-35-45 ("an amount not to exceed fifteen percent each year"), as

amended, unless otherwise required by Section 29-6-30. (e) Any other basis for interest, including but not limited to general (pre- and post-judgment) or specific interest statutes, including S.C. Code Ann. Section 34-31-20, are expressly waived by both parties. If a court, despite this agreement and waiver, requires that interest be paid on any debt by either party other than as provided by items (c) and (d) above, the parties further agree that the applicable interest rate for any given calendar year shall be the lowest prime rate as listed in the first edition of the Wall Street Journal published for each year, applied as simple interest without compounding. (f) The State shall have all of its common law, equitable and statutory rights of set-off.[07-7A055-4]

PUBLICITY (MODIFIED)

Except as required by applicable law or regulation (including, without limitation regulations of the Securities and Exchange Commission), the Contractor shall not have the right to include SCEL's name in its published list of customers without prior written approval of SCEL. With regard to news releases, only the name of SCEL, type and duration of Contract may be used and then only with prior written approval of SCEL. The Contractor agrees not to publish or cite in any form any comments or quotes from SCEL staff without prior written approval. Contractor further agrees not to refer to award of this Contract in commercial advertising in such a manner as to state or imply that the products or services provided are endorsed or preferred by SCEL. The Contractor shall not perform any mass mailings to retailers without the written approval of SCEL.

PURCHASE ORDERS (JAN 2006)

Contractor shall not perform any work prior to the receipt of a purchase order from the using governmental unit. The using governmental unit shall order any supplies or services to be furnished under this contract by issuing a purchase order. Purchase orders may be used to elect any options available under this contract, e.g., quantity, item, delivery date, payment method, but are subject to all terms and conditions of this contract. Purchase orders may be electronic. No particular form is required. An order placed pursuant to the purchasing card provision qualifies as a purchase order. [07-7A065-1]

SURVIVAL OF OBLIGATIONS (JAN 2006)

The Parties' rights and obligations which, by their nature, would continue beyond the termination, cancellation, rejection, or expiration of this contract shall survive such termination, cancellation, rejection, or expiration, including, but not limited to, the rights and obligations created by the following clauses: Indemnification - Third Party Claims, Intellectual Property Indemnification, and any provisions regarding warranty or audit. [07-7A075-1]

TAXES (JAN 2006)

Any tax the contractor may be required to collect or pay upon the sale, use or delivery of the products shall be paid by the State, and such sums shall be due and payable to the contractor upon acceptance. Any personal property taxes levied after delivery shall be paid by the State. It shall be solely the State's obligation, after payment to contractor, to challenge the applicability of any tax by negotiation with, or action against, the taxing authority. Contractor agrees to refund any tax collected, which is subsequently determined not to be proper and for which a refund has been paid to contractor by the taxing authority. In the event that the contractor fails to pay, or delays in paying, to any taxing authorities, sums paid by the State to contractor, contractor shall be liable to the State for any loss (such as the assessment of additional interest) caused by virtue of this failure or delay. Taxes based on Contractor's net income or assets shall be the sole responsibility of the contractor. [07-7A080-1]

TERMINATION DUE TO UNAVAILABILITY OF FUNDS (JAN 2006)

Payment and performance obligations for succeeding fiscal periods shall be subject to the availability and appropriation of funds therefor. When funds are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal period, the contract shall be canceled. In the event of a cancellation pursuant to this paragraph, contractor will be reimbursed the resulting unamortized, reasonably incurred, nonrecurring costs. Contractor will not be reimbursed any costs amortized beyond the initial contract term. [07- 7A085-1]

THIRD PARTY BENEFICIARY (JAN 2006)

This Contract is made solely and specifically among and for the benefit of the parties hereto, and their respective successors and assigns, and no other person will have any rights, interest, or claims hereunder or be entitled to any benefits under or on account of this Contract as a third party beneficiary or otherwise. [07-7A090-1]

WAIVER (JAN 2006)

The State does not waive any prior or subsequent breach of the terms of the Contract by making payments on the Contract, by failing to terminate the Contract for lack of performance, or by failing to strictly or promptly insist upon any term of the Contract. Only the Procurement Officer has actual authority to waive any of the State's rights under this Contract. Any waiver must be in writing. [07-7A095-1]

VII. TERMS AND CONDITIONS -- B. SPECIAL

BANKRUPTCY – GOVERNMENT INFORMATION (FEB 2015)

(a) All government information (as defined in the clause herein entitled “Information Security - Definitions”) shall belong exclusively to the State, and Contractor has no legal or equitable interest in, or claim to, such information. Contractor acknowledges and agrees that in the event Contractor enters into proceedings relating to bankruptcy, whether voluntary or involuntary, government information in its possession and/or under its control will not be considered property of its bankruptcy estate. (b) Contractor agrees to notify the State within forty-eight (48) hours of any determination that it makes to file for bankruptcy protection, and Contractor further agrees to turn over to the State, before such filing, all government information that is in Contractor’s possession in a format that can be readily utilized by the State. (c) In order to protect the integrity and availability of government information, Contractor shall take reasonable measures to evaluate and monitor the financial circumstances of any subcontractor that will process, store, transmit or access government information. [07-7B007-1]

CHANGES (JAN 2006)

(1) Contract Modification. By a written order, at any time, and without notice to any surety, the Procurement Officer may, subject to all appropriate adjustments, make changes within the general scope of this contract in any one or more of the following:
(a) drawings, designs, or specifications, if the supplies to be furnished are to be specially manufactured for the [State] in accordance therewith;
(b) method of shipment or packing;
(c) place of delivery;
(d) description of services to be performed;
(e) time of performance (i.e., hours of the day, days of the week, etc.); or,
(f) place of performance of the services. Subparagraphs (a) to (c) apply only if supplies are furnished under this contract. Subparagraphs (d) to (f) apply only if services are performed under this contract.
(2) Adjustments of Price or Time for Performance. If any such change increases or decreases the contractor's cost of, or the time required for, performance of any part of the work under this contract, whether or not changed by the order, an adjustment shall be made in the contract price, the delivery schedule, or both, and the contract modified in writing accordingly. Any adjustment in contract price made pursuant to this clause shall be determined in accordance with the Price Adjustment Clause of this contract. Failure of the parties to agree to an adjustment shall not excuse the contractor from proceeding with the contract as changed, provided that the State promptly and duly make such provisional adjustments in payment or time for performance as may be reasonable. By proceeding with the work, the contractor shall not be deemed to have prejudiced any claim for additional compensation, or an extension of time for completion.
(3) Time Period for Claim. Within 30 days after receipt of a written contract modification under Paragraph (1) of this clause, unless such period is extended by the Procurement Officer in writing, the contractor shall file notice of intent to assert a claim for an adjustment. Later notification shall not bar the contractor's claim unless the State is prejudiced by the delay in notification.
(4) Claim Barred After Final Payment. No claim by the contractor for an adjustment hereunder shall be allowed if notice is not given prior to final payment under this contract. [07-7B025-1]

COMPLIANCE WITH LAWS (JAN 2006)

During the term of the contract, contractor shall comply with all applicable provisions of laws, codes, ordinances, rules, regulations, and tariffs. [07-7B035-1]

CONFERENCE -- PRE-PERFORMANCE (MODIFIED)

Unless waived by the UGU, a pre-performance conference between the contractor, state and Procurement Officer shall be held at a location selected by the state within five (5) days after final award, and prior to commencement of work under the contract. The responsibilities of all parties involved will be discussed to ensure a meeting of the minds of all concerned. The successful contractor or his duly authorized representative shall be required to attend at contractor's expense.

CONTRACTOR'S LIABILITY INSURANCE - GENERAL (MODIFIED)

(a) Without limiting any of the obligations or liabilities of Contractor, Contractor shall procure from a company or companies lawfully authorized to do business in South Carolina and with a current A.M. Best rating of no less than A: VII, and maintain for the duration of the contract, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work and the results of that work by the contractor, his agents, representatives, employees or subcontractors. (b) Coverage shall be at least as broad as: (1) Commercial General Liability (CGL): Insurance Services Office (ISO) Form CG 00 01 12 07 covering CGL on an "occurrence" basis, including products-completed operations, personal and advertising injury, with limits no less than $1,000,000 per occurrence. If a general aggregate limit applies, the general aggregate limit shall be twice the required occurrence limit. This contract shall be considered to be an "insured contract" as defined in the policy. (c) Every applicable Using Governmental Unit, and the officers, officials, employees and volunteers of any of them, must be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10 and CG 20 37 if a later edition is used. (d) For any claims related to this contract, the Contractor's insurance coverage shall be primary insurance as respects the State, every applicable Using Governmental Unit, and the officers, officials, employees and volunteers of any of them. Any insurance or self insurance maintained by the State, every applicable Using Governmental Unit, or the officers, officials, employees and volunteers of any of them, shall be excess of the Contractor's insurance and shall not contribute with it. (e) Prior to commencement of the work, the Contractor shall furnish the State with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this section. All certificates are to be received and approved by the State before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them. The State reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by this section, at any time. (f) Should any of the above described policies be cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions. In addition, the Contractor shall notify the State immediately upon receiving any information that any of the coverages required by this section are or will be changed, cancelled, or replaced. (g) Contractor hereby grants to the State and every applicable Using Governmental Unit a waiver of any right to subrogation which any insurer of said Contractor may acquire against the State or applicable Using Governmental Unit by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation, but this provision applies regardless of whether or not the State or Using Governmental Unit has received a waiver of subrogation endorsement from the insurer. (h) Any deductibles or self-insured retentions must be declared to and approved by the State. The State may require the Contractor to purchase coverage with a lower deductible or retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. (i) The State reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances. [07-7B056-2]

CONTRACTOR'S LIABILITY INSURANCE – INFORMATION SECURITY AND PRIVACY (FEB 2015)

[ASK QUESTIONS NOW: For products providing the coverages required by this clause, the insurance market is evolving. Our research indicates that the requirements stated herein reflect commercially available insurance products. Any offeror having concerns with any specific requirements of this clause should communicate those concerns to the procurement officer well in advance of opening.]

(a) Without limiting any other obligations or liabilities of Contractor, Contractor shall procure from a company or companies lawfully authorized to do business in South Carolina and with a current A.M. Best rating of no less than A: VII, and maintain for the duration of the contract, a policy or policies of insurance against claims which may arise from or in connection with the performance of the work and the results of that work by the contractor, his agents, representatives, employees, subcontractors or any other entity for which the contractor is legally responsible. (b) Coverage must include claims for: (i) information security risks, including without limitation, failure to prevent unauthorized access to, tampering with or unauthorized use of a computer system; introduction of malicious codes, computer viruses, worms, logic bombs, etc., into data or systems; or theft, damage, unauthorized disclosure, destruction, or corruption of information in whatever form; (ii) privacy risks, including (A) failure to properly

handle, manage, store, dispose of, destroy, or otherwise control non-public personally identifiable information in any format; (B) loss of, unauthorized access to, or disclosure of confidential information; and (C) any form of invasion, infringement or interference with rights of privacy, including breach of security/privacy laws or regulations; (iii) contractual liability for the contractor's obligations described in the clauses titled "Indemnification - Third Party Claims – Disclosure Of Information" and "Information Use And Disclosure;" and (iv) errors, omissions, or negligent acts in the performance, by the contractor or by any entity for which the contractor is legally responsible, of professional services included in the work.
(c) If the work includes content for internet web sites or any publications or media advertisements, coverage must also include claims for actual or alleged infringement of intellectual property rights, invasion of privacy, as well as advertising, media and content offenses.
(d) If the work includes software, coverage must also include claims for intellectual property infringement arising out of software and/or content (with the exception of patent infringement and misappropriation of trade secrets) (e) Coverage shall have limits no less than five million ($5,000,000.00) dollars per occurrence and ten million ($10,000,000.00) dollars aggregate.
(f) If the insurance required by this clause is procured on a form affording "claims-made" coverage, then (i) all limits stated above as "per occurrence" shall be understood to mean "per claim" or "per occurrence," as is consistent with the terms of the "claims-made" policy; and (ii) such claims-made insurance shall provide for a retroactive date no later than the date the contract is awarded.
(g) All terms of this clause shall survive termination of the contract and shall continue until thirty (30) days past the final completion of the work, including the performance of any warranty work. In addition, contractor shall maintain in force and effect any "claims-made" coverage for a minimum of two (2) years after final completion of all work or services to be provided hereunder. Contractor shall purchase an extended reporting period, or "tail coverage," if necessary to comply with the latter requirement.
(h) Every applicable Using Governmental Unit, and the officers, officials, employees and volunteers of any of them, must be covered as additional insureds on the policy or policies of insurance required by this clause.
(i) For any claims related to this contract, the insurance coverage required by this clause shall be primary insurance as respects the State, every applicable Using Governmental Unit, and the officers, officials, employees and volunteers of any of them. Any insurance or self-insurance maintained by the State, every applicable Using Governmental Unit, or the officers, officials, employees and volunteers of any of them, shall be excess of the Contractor's insurance and shall not contribute with it.
(j) Prior to commencement of the work, the Contractor shall furnish the State with original certificates of insurance for every applicable policy effecting the coverage required by this clause. All certificates are to be received and approved by the Procurement Officer before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them. The State reserves the right to require complete, certified copies of all required insurance policies, including policy declarations and any endorsements required by this section, at any time.
(k) Should any of the above described policies be cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions. In addition, the Contractor shall notify the State immediately upon receiving any information that any of the coverages required by this clause are or will be changed, cancelled, or replaced.
(l) Contractor hereby grants to the State and every applicable Using Governmental Unit a waiver of any right to subrogation which any insurer of said Contractor may acquire against the State or applicable Using Governmental Unit by virtue of the payment of any loss under such insurance as is required by this clause. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation, but this provision applies regardless of whether or not the State or Using Governmental Unit has received a waiver of subrogation endorsement from the insurer.
(m) Any deductibles or self-insured retentions must be declared to and approved by the State. The State may require the Contractor to purchase coverage with a lower deductible or retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. [07-7B058-1]

CONTRACTOR PERSONNEL (JAN 2006)

The Contractor shall enforce strict discipline and good order among the Contractor's employees and other persons carrying out the Contract. The Contractor shall not permit employment of unfit persons or persons not skilled in tasks assigned to them. [07-7B060-1]

CONTRACTOR'S OBLIGATION -- GENERAL (JAN 2006)

The contractor shall provide and pay for all materials, tools, equipment, labor and professional and non-professional services, and shall perform all other acts and supply all other things necessary, to fully and properly perform and complete the work. The contractor must act as the prime contractor and assume full responsibility for any subcontractor's performance. The contractor will be considered the sole point of contact with regard to all situations, including payment of all charges and the meeting of all other requirements. [07-7B065-1]

CONTRACTOR'S USE OF STATE PROPERTY (JAN 2006)

Upon termination of the contract for any reason, the State shall have the right, upon demand, to obtain access to, and possession of, all State properties, including, but not limited to, current copies of all State application programs and necessary documentation, all data, files, intermediate materials and supplies held by the contractor. Contractor shall not use, reproduce, distribute, display, or sell any data, material, or documentation owned exclusively by the State without the State's written consent, except to the extent necessary to carry out the work. [07-7B067-1]

DEFAULT (MODIFIED)

(a) (1) The State may, subject to paragraphs (c) and (d) of this clause, by written notice of default to the Contractor, terminate this contract in whole or in part if the Contractor fails to:

(i) Deliver the supplies or to perform the services within the time specified in this contract or any extension;

(ii) Make progress, so as to endanger performance of this contract (but see paragraph (a)(2) of this clause); or

(iii) Perform any of the other material provisions of this contract (but see paragraph (a)(2) of this clause).

(2) The State's right to terminate this contract under subdivisions (a)(1)(ii) and (1)(iii) of this clause, may be exercised if the Contractor does not cure such failure within 10 days (or more if authorized in writing by the Procurement Officer) after receipt of the notice from the Procurement Officer specifying the failure.

(b) If the State terminates this contract in whole or in part, it may acquire, under the terms and in the manner the Procurement Officer considers appropriate, supplies or services similar to those terminated, and the Contractor will be liable to the State for any excess costs for those supplies or services. However, the Contractor shall continue the work not terminated.

(c) Except for defaults of subcontractors at any tier, the Contractor shall not be liable for any excess costs if the failure to perform the contract arises from causes beyond the control and without the fault or negligence of the Contractor. Examples of such causes include (1) acts of God or of the public enemy, (2) acts of the State in either its sovereign or contractual capacity, (3) fires, (4) floods, (5) epidemics, (6) quarantine restrictions, (7) strikes, (8) freight embargoes, and (9) unusually severe weather. In each instance the failure to perform must be beyond the control and without the fault or negligence of the Contractor.

(d) If the failure to perform is caused by the default of a subcontractor at any tier, and if the cause of the default is beyond the control of both the Contractor and subcontractor, and without the fault or negligence of either, the Contractor shall not be liable for any excess costs for failure to perform, unless the subcontracted supplies or services were obtainable from other sources in sufficient time for the Contractor to meet the required delivery schedule.

(e) If this contract is terminated for default, the State may require the Contractor to transfer title and deliver to the State, as directed by the Procurement Officer, any (1) completed supplies, and (2) partially completed supplies and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (collectively referred to as "manufacturing materials" in this clause) that the Contractor has specifically produced or acquired for the terminated portion of this contract. Upon direction of the Procurement Officer, the Contractor shall also protect and preserve property in its possession in which the State has an interest.

(f) The State shall pay contract price for completed supplies delivered and accepted. The Contractor and Procurement Officer shall agree on the amount of payment for manufacturing materials delivered and accepted and for the protection and preservation of the property; if the parties fail to agree, the Procurement Officer shall set an amount subject to the Contractor's rights under the Disputes clause. Failure to agree will be a dispute under the Disputes clause. The State may withhold from these amounts any sum the Procurement Officer determines to be necessary to protect the State against loss because of outstanding liens or claims of former lien holders.

(g) If, after termination, it is determined that the Contractor was not in default, or that the default was excusable, the rights and obligations of the parties shall, if the contract contains a clause providing for termination for convenience of the State, be the same as if the termination had been issued for the convenience of the State. If, in the foregoing circumstances, this contract does not contain a clause providing for termination for convenience of

the State, the contract shall be adjusted to compensate for such termination and the contract modified accordingly subject to the contractor's rights under the Disputes clause.
(h) The rights and remedies of the State in this clause are in addition to any other rights and remedies provided by law or under this contract.

ILLEGAL IMMIGRATION (NOV 2008)

(An overview is available at www.procurement.sc.gov) By signing your offer, you certify that you will comply with the applicable requirements of Title 8, Chapter 14 of the South Carolina Code of Laws and agree to provide to the State upon request any documentation required to establish either: (a) that Title 8, Chapter 14 is inapplicable to you and your subcontractors or sub-subcontractors; or (b) that you and your subcontractors or sub-subcontractors are in compliance with Title 8, Chapter 14. Pursuant to Section 8-14-60, "A person who knowingly makes or files any false, fictitious, or fraudulent document, statement, or report pursuant to this chapter is guilty of a felony, and, upon conviction, must be fined within the discretion of the court or imprisoned for not more than five years, or both." You agree to include in any contracts with your subcontractors language requiring your subcontractors to (a) comply with the applicable requirements of Title 8, Chapter 14, and (b) include in their contracts with the sub-subcontractors language requiring the sub-subcontractors to comply with the applicable requirements of Title 8, Chapter 14. [07-7B097-1]

INDEMNIFICATION-THIRD PARTY CLAIMS – GENERAL (MODIFIED)

This section applies to the prosecution or defense of any action arising out of the Contractor’s performance under the Contract. By law all claims MUST be brought “in good faith” or the instigator thereof will be subject to suit for a frivolous action or an action upon which there are no good grounds.” See also Section 3.0 and S.C. Code Ann. Section 11-35-4230. The circumstances under which this remedy may apply will vary depending upon the factual situation on a case-by-case basis.

Notwithstanding any limitation in this Contract, and to the fullest extent permitted by law, Contractor shall defend and hold harmless Indemnitees for and against any and all suits or claims of any character (and all related damages, settlement payments, attorneys' fees, costs, expenses, losses or liabilities) by a third party which are attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property arising out of or in connection with the goods or services acquired hereunder or caused in whole or in part by any act or omission of the Contractor, its subcontractors, their employees, workmen, servants, agents, or anyone directly or indirectly employed by them or anyone for whose acts any of them may be liable, regardless of whether or not caused in part by an Indemnitee, and whether or not such claims are made by a third party or an Indemnitee; however, if an Indemnitee's negligent act or omission is subsequently determined to be the sole proximate cause of a suit or claim, the Indemnitee shall not be entitled to indemnification hereunder. The Contractor must indemnify the Indemnitee unless the Indemnitee is the sole proximate cause of the suit or claim. The RFP will not be modified to include a comparative negligence standard. The Contractor shall be given timely written notice of any suit or claim. Contractor's obligations hereunder are in no way limited by any protection afforded under workers' compensation acts, disability benefits acts, or other employee benefit acts. This Section shall not negate, abridge, or reduce any other rights or obligations of indemnity which would otherwise exist. The obligations of this Section shall survive termination, cancelation, or expiration of this Contract. This Section shall be construed fairly and reasonably, neither strongly for nor against either party, and without regard to any clause regarding insurance. As used in this Section, "Indemnitees" means the State of South Carolina, SCEL, its Commissioners and all their respective officers, agents and employees.

The Contractor, as part of its duty of indemnification, is required to defend and hold harmless the State from any costs arising out of the prosecution or defense of any action arising out of the Contractor’s performance under this Contract, including any action affecting the payment or denial of the payment of lottery winnings in whole or in part. The Contractor shall notify SCEL of the filing of any such litigation, and SCEL shall give the Contractor written notice of any such claim, in the event such claim comes to the attention of SCEL first. SCEL shall have the right, but not the obligation, to participate in the litigation and, subject to prior review and discussion, shall also have the right to ultimately decide matters concerning any litigation arising out of the action affecting the payment or nonpayment of lottery winnings.

Contractor also agrees to advise SCEL of any claims asserted or brought against Contractor arising from this

Contract and which may potentially expose SCEL to liability and to coordinate with SCEL on any issues of governmental or public interest or concern relating to SCEL and/or this Contract. In the event of participation by SCEL in the defense of any claim, which shall be solely at the discretion of SCEL, SCEL shall be responsible for its own costs and expenses. If SCEL, in its sole discretion, determines that the action may expose SCEL to liability, the Contractor will not settle any such claims arising hereunder without the express prior written permission of SCEL. The Contractor will, in all instances, bear its own attorneys' fees and expenses, and failure to comply herewith will entitle SCEL to make appropriate deductions from the Fixed Monthly Fee due to the Contractor or to draw upon the security pursuant to this Contract.

The Contractor further agrees that in the event it is requested to produce in any litigation any document or information referring or relating to the State or SCEL, it shall not produce the requested material before it has notified SCEL and provided it a reasonable opportunity to appear and object to the production or revelation of SCEL's material or information. SCEL will inform the Contractor when a request is made for it to produce a document or information in litigation that refers to or relates to the Contractor.

INDEMNIFICATION - THIRD PARTY CLAIMS – DISCLOSURE OF INFORMATION (FEB 2015)

(a) Without limitation, Contractor shall defend and hold harmless Indemnitees from and against any and all suits, claims, investigations, or fines (hereinafter "action") of any character (and all related damages, settlement payments, attorneys' fees, costs, expenses, losses or liabilities) by a third party which arise out of or in connection with a disclosure of government information (as defined in the clause titled Information Security - Definitions) caused in whole or in part by any act or omission of contractor, its subcontractors at any tier, their employees, workmen, servants, agents, or anyone directly or indirectly employed by them or anyone for whose acts any of them may be liable, regardless of whether or not caused in part by an Indemnitee, and whether or not such action is brought by a third party or an Indemnitee, but only if the act or omission constituted a failure to perform some obligation imposed by the contract or the law.
(b) Indemnitee must notify contractor in writing within a reasonable period of time after Indemnitee first receives written notice of any action. Indemnitee's failure to provide or delay in providing such notice will relieve contractor of its obligations under this clause only if and to the extent that such delay or failure materially prejudices contractors ability to defend such action. Indemnitee must reasonably cooperate with contractor's defense of such actions (such cooperation does not require and is without waiver of an Indemnitees attorney/client, work product, or other privilege) and, subject to Title 1, Chapter 7 of the South Carolina Code of Laws, allow contractor sole control of the defense, so long as the defense is diligently and capably prosecuted. Indemnitee may participate in contractor's defense of any action at its own expense. Contractor may not, without Indemnitee's prior written consent, settle, compromise, or consent to the entry of any judgment in any such commenced or threatened action unless such settlement, compromise or consent (i) includes an unconditional release of Indemnitee from all liability related to such commenced or threatened action, and (ii) is solely monetary in nature and does not include a statement as to, or an admission of fault, culpability or failure to act by or on behalf of, an Indemnitee or otherwise adversely affect an Indemnitee. Indemnitee's consent is necessary for any settlement that requires Indemnitee to part with any right or make any payment or subjects Indemnitee to any injunction.
(c) Notwithstanding any other provision, contractor's obligations pursuant to this clause are without any limitation whatsoever. Contractor's obligations under this clause shall survive the termination, cancellation, rejection, or expiration of the contract. This provision shall be construed fairly and reasonably, neither strongly for nor against either party, and without regard to any clause regarding insurance.
(d) "Indemnitee" means the State of South Carolina, its instrumentalities, agencies, departments, boards, political subdivisions and all their respective officers, agents and employees. [07-7B102-1]

INDEMNIFICATION-INTELLECTUAL PROPERTY (JAN 2006)

(a) Without limitation and notwithstanding any provision in this agreement, Contractor shall, upon receipt of notification, defend and indemnify the State, its instrumentalities, agencies, departments, boards, political subdivisions and all their respective officers, agents and employees against all actions, proceedings or claims of any nature (and all damages, settlement payments, attorneys' fees (including inside counsel), costs, expenses, losses or liabilities attributable thereto) by any third party asserting or involving an IP right related to an acquired item. State shall allow Contractor to defend such claim so long as the defense is diligently and capably prosecuted. State shall allow Contractor to settle such claim so long as (i) all settlement payments are made by Contractor, and (ii) the settlement imposes no non-monetary obligation upon State. State shall reasonably cooperate with Contractor's defense of such claim. (b) In the event an injunction or order shall be obtained against State's use of any acquired item, or if in Contractor's opinion, the acquired item is likely to become the subject of a claim of infringement or violation of an IP right, Contractor shall, without in any way limiting the foregoing, and at its expense, either: (1) procure for State the right to continue to use, or have used, the acquired item, or (2) replace or modify the acquired item so that it becomes non-infringing but only if the modification or replacement does not adversely affect the specifications for the acquired item or its use by State. If neither (1) nor (2), above, is practical, State may require that Contractor remove the acquired item from State, refund to State any charges paid by State therefor, and take all steps necessary to have State released from any further liability. (c) Contractors obligations under this paragraph do not apply to a claim to the extent (i) that the claim is caused by Contractor's compliance with specifications furnished by the State unless Contractor knew its compliance with the State's specifications would infringe an IP right, or (ii) that the claim is caused by Contractor's compliance with specifications furnished by the State if the State knowingly relied on a third party's IP right to develop the specifications provided to Contractor and failed to identify such product to Contractor. (d) As used in this paragraph, these terms are defined as follows: "IP right(s)" means a patent, copyright, trademark, trade secret, or any other proprietary right. "Acquired item(s)" means the rights, goods, or services furnished under this agreement. "Specification(s)" means a detailed, exact statement of particulars such as a statement prescribing materials, dimensions, and quality of work. (e) Contractor's obligations under this clause shall survive the termination, cancellation, rejection, or expiration of this Agreement. [07-7B103-1]

INFORMATION SECURITY - DEFINITIONS (FEB 2015)

The following definitions are used in those clauses that cross reference this clause.

Compromise means disclosure of information to unauthorized persons, or a violation of the security policy of a system in which unauthorized intentional or unintentional disclosure, modification, destruction, or loss of an object may have occurred. Without limitation, the term “compromise” includes copying the data through covert network channels, or copying the data to unauthorized media, or disclosure of information in violation of any obligation imposed by this contract.

Data means a subset of information in an electronic format that allows it to be retrieved or transmitted.

Government information means information (i) provided to Contractor by, or generated by Contractor for, the using governmental unit, or (ii) acquired or accessed by Contractor as a result of performing the Work. Without limiting the foregoing, government information includes any information that Contractor acquires or accesses by software or web-based services, which includes, without limitation, any metadata or location data. Government information excludes unrestricted information.

Information means any communication or representation of knowledge such as facts, statistics, or opinions, in any medium or form, including textual, numerical, graphic, cartographic, narrative, or audiovisual.

Information system means a discrete set of information resources organized for the collection, processing, maintenance, use, sharing, dissemination, or disposition of information.

Public information means any specific information, regardless of form or format, that the State has actively and intentionally disclosed, disseminated, or made available to the public. Information is not public information solely because it may be subject to inspection pursuant to an unfulfilled public records request.

Software means any computer program accessed or used by the Using Governmental Unit or a third party pursuant to or as a result of this contract.

Third party means any person or entity other than the Using Governmental Unit, the Contractor, or any subcontractors at any tier.

Unrestricted information means (1) public information acquired other than through performance of the work, (2) information acquired by Contractor prior to contract formation, (3) information incidental to your contract administration, such as financial, administrative, cost or pricing, or management information, and (4) any ideas, concepts, know-how, methodologies, processes, technologies, techniques which Contractor develops or learns in connection with Contractor’s performance of the work.

Web-based service means a service accessed over the Internet and acquired, accessed, or used by the using governmental unit or a third party pursuant to or as a result of this contract, including without limitation, cloud services, software-as-a-service, and hosted computer services. [07-7B104-1]

INFORMATION SECURITY - SAFEGUARDING REQUIREMENTS (MODIFIED)

(a) Definitions. The terms used in this clause shall have the same meaning as the terms defined in the clause titled

Information Security – Definitions. In addition, as used in this clause— Clearing means removal of data from an information system, its storage devices, and other peripheral devices with storage capacity, in such a way that the data may not be reconstructed using common system capabilities (i.e., through the keyboard); however, the data may be reconstructed using laboratory methods. Intrusion means an unauthorized act of bypassing the security mechanisms of a system. Media means physical devices or writing surfaces including but not limited to magnetic tapes, optical disks, magnetic disks, portable hard drives, "thumb" drives, large scale integration memory chips, and printouts (but not including display media, e.g., a computer monitor, cathode ray tube (CRT) or other (transient) visual output) onto which information is recorded, stored, or printed within an information system. Safeguarding means measures or controls that are prescribed to protect information. Voice means all oral information regardless of transmission protocol.

(b) Safeguarding Information. Without limiting any other legal or contractual obligations, contractor shall implement and maintain reasonable and appropriate administrative, physical, and technical safeguards (including without limitation written policies and procedures) for protection of the security, confidentiality and integrity of the government information in its possession. In addition, contractor stall apply security controls when the contractor reasonably determines that safeguarding requirements, in addition to those identified in paragraph (c) of this clause, may be required to provide adequate security, confidentiality and integrity in a dynamic environment based on an assessed risk or vulnerability.

(c) Safeguarding requirements and procedures. Contractor shall apply the following basic safeguarding requirements to protect government information from unauthorized access and disclosure: (1) Protecting information on public computers or Web sites: Do not process government information on public computers (e.g., those available for use by the general public in kiosks, hotel business centers) or computers that do not have access control. Government information shall not be posted on Web sites that are publicly available or have access limited only by domain/Internet Protocol restriction. Such information may be posted to web pages that control access by user ID/password, user certificates, or other technical means, and that provide protection via use of security technologies. Access control may be provided by the intranet (versus the Web site itself or the application it hosts).

(2) Transmitting electronic information. Transmit email, text messages, blogs, and similar communications that contain government information using technology and processes that provide the best level of security and privacy available, given facilities, conditions, and environment. (3) Transmitting voice and fax information. Transmit government information via voice and fax only when the sender has a reasonable assurance that access is limited to authorized recipients.

(4) Physical and electronic barriers. Protect government information by at least one physical and one electronic barrier (e.g., locked container or room, login and password) when not under direct individual control.

(5) Sanitization. At a minimum, clear information on media that have been used to process government information before external release or disposal. Overwriting is an acceptable means of clearing media in accordance with National Institute of Standards and Technology 800–88, Guidelines for Media Sanitization, at https://csrc.nist.gov/pubs/sp/800/88/r2/final (6) Intrusion protection. Provide at a minimum the following protections against intrusions and compromise:

(i) Current and regularly updated malware protection services, e.g., anti-virus, antispyware.

(ii) Prompt application of security-relevant software upgrades, e.g., patches, service packs, and hot fixes.

(7) Transfer limitations. Transfer government information only to those subcontractors that both require the information for purposes of contract performance and provide at least the same level of security as specified in this clause.

(d) Subcontracts. Any reference in this clause to Contractor also includes any subcontractor at any tier. Contractor is responsible for, and shall impose by agreement requirements at least as secure as those imposed by this clause on, any other person or entity that contractor authorizes to take action related to government information.

(e) Other contractual requirements regarding the safeguarding of information. This clause addresses basic requirements and is subordinate to any other contract clauses or requirements to the extent that it specifically provides for enhanced safeguarding of information or information systems.

INFORMATION SECURITY – LOCATION OF DATA (MODIFIED)

Notwithstanding any other provisions, contractor is prohibited from processing, storing, transmitting, or accessing government information, as defined in the clause titled Information Security - Definitions, outside the continental United States without express approval of SCEL. For clarity, this obligation is a material requirement of this contract and applies to subcontractors at any tier.

INFORMATION SECURITY AND STATUTORY OBLIGATIONS

All material and information provided to the Contractor in performance of the Contract, whether verbal, written, recorded on magnetic media, transferred electronically, cards, or otherwise, shall be regarded as the property of SCEL and is deemed to be confidential information. The Contractor assures that information and data obtained as to personal identifying information will be collected and held confidential, during and following the term of this agreement, and will not be divulged without SCEL's consent. The Contractor agrees to take all necessary steps to safeguard the confidentiality of such material, to include all collected personal identifying information or any other information and respond to an unauthorized release or security compromise, in conformance with all applicable Federal and State statutes and regulations, including but not limited to, S.C. Code Ann. § 1-11-490, S.C. Code Ann. § 30-2-10 et seq. and S.C. Code Ann. § 30-2-310 et seq., throughout the term of the Contract and until Contractor has provided SCEL with certification of the destruction and/or return of all data. The Contractor will be liable for any damages or remedies incurred because of a security compromise or unauthorized electronic access to any SCEL data or computerized Digital Engagement Solutions. SCEL may assess damages. The Contractor must provide SCEL notice of any such compromise within one (1) hour of discovery verbally to the Director of Information Technology or his or her designee. Contractors shall allow SCEL to both participate in the investigation of incidents and exercise control over decisions regarding external reporting. When notification to affected persons is required under this section or by law, the Contractor must provide that notification, but only after receipt of SCEL's approval of the contents of the notice. The Contractor agrees not to release any information provided by SCEL or any information generated by the Contractor without the prior express written consent of SCEL and further ag

INFORMATION USE AND DISCLOSURE (FEB 2015)

Except to the extent necessary for performance of the work, citizens should not be required to share information with those engaged by the government in order to access services provided by the government and such information should be used by those engaged by the government only to the extent necessary to perform the work acquired; accordingly, this clause addresses basic requirements for the Contractor's use and disclosure of government information, which expressly includes, but is not limited to, information provided by or obtained from the citizens. Anonymizing information does not resolve the foregoing concern. This clause should be broadly interpreted to effectuate this intent. Every obligation in this clause is material. Absent express reference to this clause, this clause supersedes any other clause to the extent of any inconsistency unless and to the extent the other clause provides greater protection for government information.

(a) Definitions. The terms used in this clause shall have the same meaning as the terms defined in the clause titled Information Security – Definitions.

(b) Legal mandates. Contractor shall be permitted to use, disclose, or retain government information to the limited extent necessary to comply with any requirement imposed on Contractor by law. If it is necessary for Contractor to use, disclose, or retain government information in order to comply with a law, Contractor shall provide using governmental unit with written notice, including a description of the circumstances and applicable law, in advance of such use, disclosure or retention except to the extent expressly prohibited by law.

(c) Flow down. Any reference in this clause to Contractor also includes any subcontractor at any tier. Contractor is responsible for, and shall impose by agreement the requirements of this clause on, any other person or entity that contractor authorizes to take action related to government information.

(d) Collecting Information. Contractor must gather and maintain government information only to the minimum extent necessary to accomplish the work.

(e) Rights, Disclosure and Use. Except as otherwise expressly provided in this solicitation, Contractor agrees NOT to either (1) use or disclose government information, or (2) retain government information after termination or expiration of this contract. Contractor acquires no rights in any government information except the limited rights to use, disclose and retain the government information in accordance with the terms of this solicitation. To the extent reasonably necessary to perform the work, Contractor may: (i) use (including access, process, transmit, and store) and maintain the government information itself; and (ii) disclose government information to persons having a need-to-know (e.g., subcontractors). Before disclosing government information to a subcontractor or third party, Contractor shall give the using governmental unit detailed written notice of both the reason for disclosure and the identity and location of the recipient. The notice shall be provided no later than fifteen (15) business days in advance of the disclosure.

(f) Return. Notwithstanding the using governmental unit's failure to perform or the pendency of a dispute, Contractor agrees to promptly deliver to the using governmental unit (or destroy, at the using governmental unit's option) all government information in its possession as and upon written request of using governmental unit

(provided that, if the contract has not expired or been terminated, Contractor shall be excused from the performance of any work reasonably dependent on Contractor's further access to such government information).
(g) Privacy Policy & Applicable Laws. Without limiting any other legal or contractual obligations imposed by this contract or the law, Contractor shall (a) comply with its own privacy policies and written privacy statements relevant to the work, and (b) comply with (1) all laws applicable to Contractor regarding government information, and (2) all laws and standards identified in the clause, if included, entitled Information Use and Disclosure – Standards.
(h) Actions Following Disclosure. Immediately upon discovery of a compromise or improper use of government information, Contractor shall take such action as may be necessary to preserve forensic evidence and eliminate the cause of the compromise or improper use. As soon as practicable, but no later than twenty-four hours after discovery, Contractor shall notify using governmental unit of the compromise or improper use, including a description of the circumstances of the use or compromise. As soon as practicable after discovery, Contractor shall undertake a thorough forensic investigation of any compromise or improper use and provide the using governmental unit all information necessary to enable the using governmental unit to fully understand the nature and extent of the compromise or improper use. With regard to any compromise or improper use of government information, Contractor shall: (1) provide any notification to third parties legally required to be provided such notice by Contractor, and if not (e.g., if legally required of the using governmental unit), Contractor shall reimburse using governmental unit for the cost of providing such notifications; (2) pay all costs and expenses for at least two years of identity theft monitoring services (including without limitation, credit monitoring) and identity theft restoration services for any such affected individuals receiving notice where such services are appropriate given the circumstances of the incident and the nature of the information compromised; (3) undertake any other measures that are customary and reasonable for an entity to take when experiencing a similar disclosure, (4) pay any related fines or penalties imposed on the using governmental unit, and (5) reimburse the Using Governmental Unit all costs reasonably incurred for communications and public relations services involved in responding to the compromise or improper us. Notwithstanding any other provision, contractor's obligations pursuant to this item (h) are without limitation.
(i) Survival & Remedy. All the obligations imposed by this paragraph are material. The obligations of this section shall survive termination or expiration of the contract. Without limiting any rights the using governmental unit may have, and notwithstanding any other term of this contract, Contractor agrees that using governmental unit may have no adequate remedy at law for a breach of Contractor's obligations under this clause and therefore the using governmental unit shall be entitled to pursue equitable remedies in the event of a breach of this clause. [07-7B108-1]

INFORMATION USE AND DISCLOSURE – STANDARDS (FEB 2015)

To the extent applicable:
(a) Breach of security of state agency data; notification; rights and remedies of injured parties; penalties; notification of Consumer Protection Division, S.C. Code Ann. Section 1-11-490.
(b) South Carolina Financial Identity Fraud and Identity Theft Protection Act (FIFITPA), 2008 Act 190, as amended. Solely for purposes of Section 39-1-90 of the South Carolina Code of Laws, as amended, Contractor is deemed to be the owner of government information, as defined herein, and Contractor agrees that the Using Governmental Unit is not a licensee.
(c) The South Carolina Family Privacy Protection Act of 2002, S.C. Code Ann. Sections 30-2-10, et seq.
(d) Personal Identifying Information Privacy Protection, S.C. Code Ann. Sections 30-2-310 et seq.
(e) Data Breach Notification, 2014 Act No. 286, Section 117.117, as revised in any future annual appropriations act. [07-7B110-1]

LICENSES AND PERMITS (JAN 2006)

During the term of the contract, the Contractor shall be responsible for obtaining, and maintaining in good standing, all licenses (including professional licenses, if any), permits, inspections and related fees for each or any such licenses, permits and /or inspections required by the State, county, city or other government entity or unit to accomplish the work specified in this solicitation and the contract. [07-7B115-1]

LIMITATION OF LIABILITY -- SINGLE AGENCY (MAY 2020)

(1) Contractor's liability for damages to the Using Governmental Unit shall not exceed [*$2,000,000.00*].
(2) The parties waive claims against each other for (i) exemplary or punitive damages and (ii) special or

consequential damages.
(3) The foregoing limitations shall not apply: (a) to claims for physical damage to real or tangible personal property, (b) to claims regarding bodily injury, sickness, disease or death, (c) to claims arising from reckless or intentional misconduct, (d) to amounts due or obligations under a clause (regardless of how named) providing for liquidated damages, or if such a clause is ruled unenforceable as a penalty, (e) to amounts due or obligations under the following clauses, if included: (i) Indemnification-Third Party Claims-General, (ii) Indemnification-Third Party Claims-Disclosure of Information, (iii) Indemnification-Intellectual Property, (iv) Information Security Safeguarding Requirements, (v) Information Security-Location of Data, (vi) Information Use and Disclosure Standards, or (vii) Service Provider Security Representations; (f) to amounts due or obligations under a clause imposing a duty to defend or indemnify, or (g) to any loss or claim to the extent the loss or claim is covered by a policy of insurance maintained, or required by this contract to be maintained, by contractor.
(4) The absence in any subcontract of a similar clause limiting contractor's liability shall not effectively increase the obligation of the Using Governmental Unit beyond what it would have been had the subcontract contained such a clause.
(5) The Using Governmental Unit's liability for damages, if any, shall in no event exceed *$2,000,000.00*]. Nothing herein shall be construed to waive any law or clause regarding the availability or appropriation of funds, sovereign immunity, or any other immunity, restriction, or limitation on payment or recovery provided by law.
(6) The State of South Carolina's total liability for any obligation under any clause imposing any duty of confidentiality or non-disclosure shall not exceed an amount equal to fifty thousand dollars. [07-7B117-1]

OFFSHORE CONTRACTING PROHIBITED (MODIFIED)

No part of the resulting contract from this solicitation may be performed offshore of the United States by persons located offshore of the United State or by means, methods, or communications that, in whole or in part, take place offshore of the United States, without express approval of SCEL.

OWNERSHIP OF DATA AND INTELLECTUAL PROPERTY

(a)All information, data and other records relating to SCEL retailers, claims and/or transactions (SCEL-related data) entered into any software/databases supplied and/or/maintained by the Contractor pursuant to this Contract belongs exclusively to SCEL. Any use of the data, anonymized or otherwise, must be previously approved, in writing. The Contractor shall not, without SCEL's prior written consent, copy or use SCEL-related data except to carry out contracted work and will not transfer or otherwise exchange or deliver SCEL-related data to any other party not involved in the performance of work pursuant to this Contract. All SCEL-related data will be returned to SCEL upon termination of the Contract and the Contractor will provide a certification that there is no SCEL-related data residing in its databases or otherwise retained by it. Contractor shall assure that any contract between it and a Subcontractor contains language assuring SCEL's grant of a non-transferable, non-exclusive right to use the System and all intellectual property, as specified in the Contract, for the duration of the Contract. The Subcontractor has the same obligations of the Contractor in this Section, and the contract between the Contractor and Subcontractor shall so provide. (b)Except as may otherwise be provided in this Contract, the software, source code, and other intellectual property provided pursuant to this Contract belongs exclusively to Contractor. SCEL is granted a non-transferable, non-exclusive right to use the System and all intellectual property, as specified in the Contract, for the duration of the Contract. The same right to use will apply to any intellectual property supplied any subcontractor(s) during the term of the Contract. Contractor shall assure that any contract between it and a Subcontractor contains language assuring SCEL's grant of a non-transferable, non-exclusive right to use the System and all intellectual property, as specified in the Contract, for the duration of the Contract. (c)The Contractor grants SCEL a perpetual, non-transferable right to use any terminal-generated game(s) provided to SCEL and offered for sale by SCEL at any time during the term of the Contract without any additional payment to the Contractor upon or after the termination of the Contract.

(d)The Contractor grants SCEL a limited use license of its back-office user interface for up to two (2) years after termination of this Contract. SCEL agrees that this license is for the sole purpose of accessing and managing any historical data contained in the ad hoc system that was not converted after termination. The ad hoc system shall remain configured as it was at Contract termination. SCEL agrees to pay reasonable and mutually agreed upon payments for any equipment or services provided to SCEL by the Contractor for this purpose after termination of the Contract.
(e)The Contractor acknowledges and agrees that discoveries, improvements, concepts, ideas, methods, processes, procedures, designs, plans, schematics, invention disclosure statements, drawings, formulae, technical data, specifications, research and development information, technology and product roadmaps and data bases and other proprietary or confidential information, including but not limited to software and source coding (hereinafter "Developments") may be developed during the Contract term at the request of SCEL, and it is the intention of the parties that any intellectual property rights in such Developments it will belong to SCEL. Contractor agrees that it shall executed any and all documents necessary to assign these rights to SCEL. Contractor further grants to SCEL a perpetual, irrevocable, royalty-free license to any and all intellectual property was developed prior to the date of the Contract necessary to the performance of the Contract or use of the games developed thereunder.
(f) Paragraph (c) of this Subsection covers those games sold by SCEL over the term of the Contract, insuring that SCEL may continue to sell those games without regard to the status of this Contract.

PERFORMANCE BOND

Pursuant to S.C. Code Ann. § 59-150-140(A), Contractor shall supply security for the duration of this Contract in the form of an annual performance bond or cash equivalent to be held and maintained by SCEL or an unconditional irrevocable standby letter of credit, issued by a bank with offices in South Carolina or a location acceptable to SCEL, in the amount of two hundred and fifty thousand dollars ($250,000.00) which funds are:
(1) pledged to the benefit of SCEL;
(2) are not under the control of the Contractor;
(3) payable to SCEL upon the Surety receiving notice of a claim against the bond, and the Surety having the opportunity to cure the default; and
(4) are subject to the direction of SCEL if any of the circumstances set forth in the items below occur. This security is for the faithful performance of this Contract between SCEL and Contractor and will further protect, indemnify and save harmless SCEL from all costs, losses including business opportunity losses and damages arising from operation of the System caused by the Contractor's default, breach, or failure to satisfactorily complete any of the following items:
(i) Payment to all entities, individuals, and the like furnishing labor or materials in connection with this Contract;
(ii) The successful execution of the Implementation Plan, including satisfactorily meeting the performance and test requirements; or
(iii) Full and satisfactory performance of the ongoing obligations contained in this RFP, the response thereto, and any amendments.
In the event of any condition of breach, default, or other circumstance attributable to the Contractor, SCEL shall have the right to draw against the security such sums as are necessary to make the State whole, or for such other sums as may become due to the State pursuant to Part VII, **Indemnification – Third Party Claims - General**; **Indemnification – Intellectual Property**; **Termination For Cause**; **Warranty**; and **Transition Plan** including, but not limited to, the costs incurred to secure and compensate for substituted services of another entity made necessary by the breach. Nothing herein shall be construed to mean that the security provided for herein is exclusive or constitutes any limitation or restriction on any remedies to which SCEL may be entitled.

The security shall be supplied to SCEL within thirty (30) days after The Notice of Intent to Award becomes final.

PRICE ADJUSTMENTS (JAN 2006)

(1) Method of Adjustment. Any adjustment in the contract price made pursuant to a clause in this contract shall be consistent with this Contract and shall be arrived at through whichever one of the following ways is the most valid approximation of the actual cost to the Contractor (including profit, if otherwise allowed):
(a) by agreement on a fixed price adjustment before commencement of the pertinent performance or as soon thereafter as practicable;

(b) by unit prices specified in the Contract or subsequently agreed upon;
(c) by the costs attributable to the event or situation covered by the relevant clause, including profit if otherwise allowed, all as specified in the Contract; or subsequently agreed upon;
(d) in such other manner as the parties may mutually agree; or,
(e) in the absence of agreement by the parties, through a unilateral initial written determination by the Procurement Officer of the costs attributable to the event or situation covered by the clause, including profit if otherwise allowed, all as computed by the Procurement Officer in accordance with generally accepted accounting principles, subject to the provisions of Title 11, Chapter 35, Article 17 of the S.C. Code of Laws.
(2) Submission of Price or Cost Data. Upon request of the Procurement Officer, the contractor shall provide reasonably available factual information to substantiate that the price or cost offered, for any price adjustments is reasonable, consistent with the provisions of Section 11-35-1830. [07-7B160-1]

PRICE ADJUSTMENTS -- LIMITED BY CPI "OTHER GOODS and SERVICES" (JAN 2006)

Upon request and adequate justification, the Procurement Officer may grant a price increase up to, but not to exceed, the unadjusted percent change for the most recent 12 months for which data is available, that is not subject to revision, in the Consumer Price Index (CPI) for all urban consumers (CPI-U), "Other Goods & Services" for services, as determined by the Procurement Officer. The Bureau of Labor and Statistics publishes this information on the web at www.bls.gov [07-7B175-1]

PRICING DATA -- AUDIT -- INSPECTION (MODIFIED)

[Clause Included Pursuant to Section 11-35-1830, - 2210, & -2220] (a) Cost or Pricing Data. Upon Procurement Officer's request, you shall submit cost or pricing data, as defined by 48 C.F.R. Section 2.101 (2004), prior to either (1) any award to contractor pursuant to 11-35-1530 or 11-35-1560, if the total contract price exceeds $500,000, or (2) execution of a change order or contract modification with contractor which exceeds $100,000. Your price, including profit or fee, shall be adjusted to exclude any significant sums by which the state finds that such price was increased because you furnished cost or pricing data that was inaccurate, incomplete, or not current as of the date agreed upon between parties. (b) Records Retention. You shall maintain your records for three years from the date of final payment, or longer if requested by the chief Procurement Officer. The state may audit your records at reasonable times and places. As used in this subparagraph (b), the term "records" means any books or records that relate to cost or pricing data submitted pursuant to this clause. In addition to the obligation stated in this subparagraph (b), you shall retain all records and allow any audits provided for by 11-35-2220(2). (c) Inspection. At reasonable times, the state may inspect any part of your place of business which is related to performance of the work. (d) Instructions Certification. When you submit data pursuant to subparagraph (a), you shall (1) do so in accordance with the instructions appearing in Table 15-2 of 48 C.F.R. Section 15.408 (2004) (adapted as necessary for the state context), and (2) submit a Certificate of Current Cost or Pricing Data, as prescribed by 48 CFR Section 15.406-2(a) (adapted as necessary for the state context). (e) Subcontracts. You shall include the above text of this clause in all of your subcontracts. (f) Nothing in this clause limits any other rights of the state. By submitting the Proposal, the Offeror agrees to make such information available within fifteen (15) days of SCEL's request.

RELATIONSHIP OF THE PARTIES (JAN 2006)

Neither party is an employee, agent, partner, or joint venturer of the other. Neither party has the right or ability to bind the other to any agreement with a third party or to incur any obligation or liability on behalf of the other party. [07-7B205-1]

RESTRICTIONS ON PRESENTING TERMS OF USE OR OFFERING ADDITIONAL SERVICES (FEB 2015)

(a) Citizens, as well as public employees (acting in their individual capacity), should not be unnecessarily required to agree to or provide consent to policies or contractual terms in order to access services acquired by the government pursuant to this contract (hereinafter “applicable services”) or, in the case of public employees, to perform their job duties; accordingly, in performing the work, contractor shall not require or invite any citizen or public employee to agree to or provide consent to any end user contract, privacy policy, or other terms of use (hereinafter “terms of use”) not previously approved in writing by the procurement officer. Contractor agrees that any terms of use regarding applicable services are void and of no effect.
(b) Unless expressly provided in the solicitation, public contracts are not intended to provide contractors an

opportunity to market additional products and services; accordingly, in performing the work, contractor shall not – for itself or on behalf of any third party – offer citizens or public employees (other than the procurement officer) any additional products or services not required by the contract.
(c) Any reference to contractor in items (a) or (b) also includes any subcontractor at any tier. Contractor is responsible for compliance with these obligations by any person or entity that contractor authorizes to take any action related to the work.
(d) Any violation of this clause is a material breach of contract. The parties acknowledge the difficulties inherent in determining the damage from any breach of these restrictions. Contractor shall pay the state liquidated damages of $1,000 for each contact with a citizen or end user that violates this restriction. [07-7B212-1]

SERVICE PROVIDER SECURITY REPRESENTATION (FEB 2015)

The following obligations are subordinate to any other contract clause to the extent the other clause specifically provides for enhanced safeguarding of government information, applicable information systems, or applicable organizations. Offeror (i) warrants that the work will be performed, and any applicable information system (as defined in the clause titled "Information Security - Definitions") will be established and maintained in substantial conformity with the information provided in Offeror's Response to SPSAQ; (ii) agrees to provide the Using Governmental Unit with prompt notice of any material variation in operations from that reflected in the Response to SPSAQ; and (iii) agrees to comply with all other obligations involving either information security or information use and disclosure imposed by the contract, notwithstanding any inconsistent statement in Offeror's Response to SPSAQ. To the extent Offeror's Response to SPSAQ does not conform to any other contractual requirements, the Using Agency's lack of objection does not constitute a waiver [07-7B217-1]

TERM OF CONTRACT -- EFFECTIVE DATE / INITIAL CONTRACT PERIOD (JAN 2006)

The effective date of this contract is the first day of the Maximum Contract Period as specified on the final statement of award. The initial term of this agreement is five years from the effective date. Regardless, this contract expires no later than the last date stated on the final statement of award. [07-7B240-1]

SYSTEM UPDATES

System updates shall be provided at no cost to the State. Updates are software providing bug fixes and minor software enhancements and addresses existing issues in the software since initial release.

TERMINATION

The Contract may be terminated pursuant to the following:

(a) **Nonappropriations or Lack of Legislative Authority**: If the General Assembly fails to appropriate or authorize the expenditure of sufficient funds to provide for the continuation of this Contract, any portion of the Contractor's services, or if a lawful order issued for any fiscal year during the term of the Contract reduces the funds authorized in such amounts as to preclude making the payments set out herein, the Contract shall terminate on the date said funds are no longer available without any termination charges or other liability incurring to SCEL. SCEL shall provide the Contractor with notice not less than thirty (30) days prior to the date of cancellation, if such time is available. Otherwise, prompt notice will suffice. Furthermore, if, at any time during the term of this Contract, the General Assembly alters the authority of SCEL or the Board of Commissioners in a manner that requires a reduction in the scope of work or alters the products SCEL may lawfully offer, the Procurement Officer reserves the right to exercise its options as provided herein. In the event of occurrence of the circumstances described immediately above, the Contractor shall not prohibit or otherwise limit SCEL's right to pursue and Contract for alternate solutions and remedies as deemed necessary by SCEL for the conduct of its affairs. All provisions herein shall apply to any Change Order, Contract Modification, or any Amendment to this Contract. Note that while the Lottery Act currently provides that SCEL is self-funding, the General Assembly can amend that law during the term of the Contract.

(b) **For convenience**: The Procurement Officer may terminate in whole or in part by giving ninety (90) days written notice to the Contractor.

   (1) Termination. The Procurement Officer may terminate this contract in whole or in part, for the convenience of the State. The Procurement Officer shall give written notice of the termination to the contractor specifying the part of the contract terminated and when termination becomes effective.

   (2) Contractor's Obligations. The contractor shall incur no further obligations in connection with the terminated work and on the date set in the notice of termination the contractor will stop work to the extent specified. The contractor shall also terminate outstanding orders and subcontracts as they relate to the terminated

work. The contractor shall settle the liabilities and claims arising out of the termination of subcontracts and orders connected with the terminated work. The Procurement Officer may direct the contractor to assign the contractor's right, title, and interest under terminated orders or subcontracts to the State. The contractor must still complete the work not terminated by the notice of termination and may incur obligations as are necessary to do so.

(3) Right to Supplies. The Procurement Officer may require the contractor to transfer title and deliver to the State in the manner and to the extent directed by the Procurement Officer:

(a) any completed supplies; and

(b) such partially completed supplies and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (hereinafter called "manufacturing material") as the contractor has specifically produced or specially acquired for the performance of the terminated part of this contract. The contractor shall, upon direction of the Procurement Officer, protect and preserve property in the possession of the contractor in which the State has an interest. If the Procurement Officer does not exercise this right, the contractor shall use best efforts to sell such supplies and manufacturing materials in a accordance with the standards of Uniform Commercial Code Section 2-706. Utilization of this Section in no way implies that the State has breached the contract by exercise of the Termination for Convenience Clause.

(4) Compensation.

(a) The contractor shall submit a termination claim specifying the amounts due because of the termination for convenience together with cost or pricing data required by Section 11-35-1830 bearing on such claim. If the contractor fails to file a termination claim within one year from the effective date of termination, the Procurement Officer may pay the contractor, if at all, an amount set in accordance with Subparagraph (c) of this Paragraph.

(b) The Procurement Officer and the contractor may agree to a settlement and that the settlement does not exceed the total contract price plus settlement costs reduced by payments previously made by the State, the proceeds of any sales of supplies and manufacturing materials under Paragraph (3) of this clause, and the contract price of the work not terminated;

(c) Absent complete agreement under Subparagraph (b) of this Paragraph, the Procurement Officer shall pay the contractor the following amounts, provided payments agreed to under Subparagraph (b) shall not duplicate payments under this Subparagraph:

(i) contract prices for supplies or services accepted under the contract;

(ii) costs reasonably incurred in performing the terminated portion of the work less amounts paid or to be paid for accepted supplies or services;

(iii) reasonable costs of settling and paying claims arising out of the termination of subcontracts or orders pursuant to Paragraph (2) of this clause. These costs must not include costs paid in accordance with Subparagraph (c)(ii) of this paragraph;

(iv) any other reasonable costs that have resulted from the termination. The total sum to be paid the contractor under this Subparagraph shall not exceed the total contract price plus the reasonable settlement costs of the contractor reduced by the amount of payments otherwise made, the proceeds of any sales of supplies and manufacturing materials under Subparagraph (b) of this Paragraph, and the contract price of work not terminated.

(d) Contractor must demonstrate any costs claimed, agreed to, or established under Subparagraphs (b) and (c) of this Paragraph using its standard record keeping system, provided such system is consistent with any applicable Generally Accepted Accounting Principles.

(5) Contractor's failure to include an appropriate termination for convenience clause in any subcontract shall not

(i) affect the State's right to require the termination of a subcontract, or

(ii) increase the obligation of the State beyond what it would have been if the subcontract had contained an appropriate clause.

(c) **For cause**: In the event of a material breach by the Contractor or a material breach by a subcontractor, at any tier, the Procurement Officer shall give written notice specifying the material breach. SCEL would regard any deviation from the requirements of the Contract that is neither trivial nor innocent as being material. Such deviations are evaluated on an instance-by-instance basis. If such a notice of material breach is given and the Contractor has not, at any subcontractor tier, begun correction of the material breach within five (5) days or has not substantially corrected the material breach within thirty (30) days of receipt of the written notice, the

Procurement Officer shall have the right to unilaterally and immediately terminate this Contract in whole or in part and obtain alternate services hereunder without further notice. SCEL reserves the right to purchase any and all products or services or other items thereafter in the open market, charging the Contractor with any additional costs and to draw against the security pursuant to this Contract for this purpose. Should such charge be assessed, no subsequent proposals of the defaulting Contractor will be considered until the assessed charge has been satisfied. Additionally, SCEL shall have a similar right of rescission in any instance where the Contractor provides or seeks to provide any services for a price higher than that specified in the Contract, without regard to cause, including governmental or regulatory intervention and insistence. In case of rescission, revocation, or termination, all documents and other materials of SCEL relating to performance are the property of SCEL. Failure by SCEL to exercise its rights to terminate under this provision shall not be construed as a waiver of its rights to terminate, rescind, or revoke the services herein in case of any subsequent breach.

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

TRANSITION PLAN

1) Transition. Contractor shall perform the services required to smoothly transfer responsibility for the services to be transitioned from the State to Contractor (the "Transition Services"), including those described in the Transition Plan set forth in Contractor's Proposal (the "Transition Plan").
2) Detailed Transition Plan. Contractor shall prepare and deliver to the State a more detailed version of the Transition Plan for the State's review, comment and approval within thirty (30) business days after the award date. The proposed detailed Transition Plan shall describe in greater detail the specific transition activities to be performed by Supplier, but shall be consistent in all respects with the Transition Plan attached to the Proposal. Contractor shall address and resolve any questions or concerns the State may have as to any aspect of the proposed detailed Transition Plan and incorporate any modifications, additions or deletions to such Transition Plan requested by the State. Contractor's detailed Transition Plan as approved by the State in writing shall be appended to and incorporated in the Contract.
3) Performance. Contractor shall perform the Transition Services described in the Transition Plan in accordance with the timetable and the Transition Milestones set forth in the Transition Plan. Supplier shall perform the Transition Services in a manner that will not disrupt the business or operations of the State or degrade the Services then being received by the State, except as may be otherwise expressly provided in the Transition Plan. Prior to undertaking any transition activity, Contractor shall discuss with the State all known material risks and shall not proceed with such activity until the State is reasonably satisfied with the plans with regard to such risks (provided that neither Contractor's disclosure of any such risks to the State, nor the State's acquiescence in Supplier's plans, shall operate or be construed as limiting Contractor's responsibility under the contract). Contractor shall identify and resolve, with the State's reasonable assistance, any problems that may impede or delay the timely
4) Failure to Meet Transition Milestones.
a) If Contractor fails to meet a Transition Milestone, Contractor shall pay the State any Fee Credits specified in the Transition Plan for such Transition Milestone.
b) Neither the Transition Services nor the activities and deliverables associated with individual Transition Milestones will be deemed complete until Acceptance of such activities and deliverables by the State, in writing.
c) In addition to any Fee Credits due the State, if Contractor fails to meet the mutually agreed upon adjusted date specified for any Transition Milestone, Contractor shall not be entitled to any further compensation for work associated with such Transition Milestone after such adjusted date.

VII. TERMS AND CONDITIONS -- C. ADDITIONAL

ATTORNEYS' FEES

Contractor shall pay attorneys' fees, costs and other items as set forth in S.C. Code Ann. § 59-150-300(E). Further, in the event of a Contract controversy pursuant to S.C. Code Ann. § 11-35-4230 or any litigation between the parties, SCEL, if it prevails in whole or in part, may seek attorneys' fees from the Contractor and the Contractor will pay to SCEL such attorneys' fees as may be awarded. Contractor will, in all instances, bear its own attorneys' fees and expenses.

CONTRACT INTERPRETATION

(a) In the event there are any disagreements between the parties with regards to the application of this Contract or the requirements of SCEL arising from any interpretation of the Request for Proposal, this Contract, or any other matter that is subject to resolution as provided in S.C. Code Ann. § 11-35-4230, Contractor agrees to defer to the reasonable interpretations of SCEL as from time to time may be made by SCEL (See Section 3.0). This provision applies to all matters including those arising from disputes concerning whether Contractor is required to provide some service or item including scope of work issues and whether particular items or services were included in the scope of work agreed to by the parties in this Contract or otherwise. In summary, if both parties have a reasonable interpretation regarding application of the Contract, Contractor agrees to defer to SCEL's interpretation.
(b) The above requirements shall apply to any Change Orders, Contract modifications, or other deviations to this Contract. Failure to receive the prior written and express approval of SCEL prior to implementing any changes to the requirements provided for hereunder, for which requests for extra or additional compensation are thereafter submitted by the Contractor to SCEL, shall impose no liability for payment upon SCEL and may be rejected by SCEL without recourse.

CONTRACTOR ERROR LIABILITY

The Contractor will be liable for any specific and definite financial obligations arising because of errors and faults caused by the Contractor's or any subcontractors. The Contractor will promptly pay all costs for any such error and shall pay any additional cost(s) incurred by SCEL upon determination by SCEL, in its sole discretion, that such an error has occurred. To the extent possible, in SCEL's sole judgment, SCEL will allow the Contractor to review the error before payment. However, some errors may not be discovered until after payment. To the extent possible, SCEL will notify and involve the Contractor of instances where SCEL becomes aware of an action or event that may result in the liability of the Contractor. Although determined on a case-by-case basis, an error or fault would generally be the result of any deviation from the Contract obligations causing a financial loss such as but not limited to the payment of a prize or prizes when not owed or entitled to be paid or failure to pay a prize when it is owed. In the event of any dispute as to whether the error was caused by the Contractor, the presumption will be that it was, which presumption can be overcome only by clear and convincing evidence that the error or other causative factor was beyond the custody, control, or influence of the Contractor. The Contractor may seek to be reimbursed for amounts paid in prizes and other costs under the dispute resolution provisions.

DUTY TO NOTIFY SCEL OF FRAUD

The Contractor shall notify SCEL of any and all lottery participant or lottery retailer fraud that is discovered. The State does not expect notification of an activity of which the Contractor is unaware. The State does expect that the Contractor notify SCEL of any lottery participant or lottery retailer that they, or their subcontractor, become aware of or suspects that fraudulent activities are occurring, or are about to occur. Failure to comply with this requirement will render the Contractor liable for reimbursement to SCEL for payments made which were the results of such fraud.

FIDELITY BOND

a) The Primary Contractor is required to maintain a Fidelity Bond in the amount of five hundred thousand ($500,000)) dollars covering any loss to the State during the life of the Contract due to any fraudulent or dishonest act on the part of the Primary Contractor, and any officer, employee, agent, subcontractor, or assignee of the Primary Contractor. Proof of coverage must be provided to SCEL no later than ten days after the Award of this Contract

becomes final.
b) Any Subcontractor will be required to maintain, during the life of the Contract, a Fidelity Bond in the amount of five hundred thousand ($500,000) dollars covering any loss to the State due to any fraudulent or dishonest act on the part of the Subcontractor, and any officer, employee, agent, subcontractor or assignee of the Subcontractor. Proof of coverage must be provided to SCEL no later than the date of execution and then shall continue during the term of this Contract unless SCEL provides a written release of this requirement to the Subcontractor.
c) Each Contractor must provide evidence of coverage to SCEL annually.

SECURITY VIOLATION REPORTING

The Contractor shall immediately notify SCEL of any Contractor Personnel, Subcontractor, or Third Party suspected or actual internal or external security violation, violation of law (e.g., theft), or disappearance of any material used or to be used in the performance of this Contract.

INTELLECTUAL PROPERTY INFRINGEMENT AND INDEMNIFICATION

a) Indemnification -- The Contractor shall indemnify and hold harmless the State of South Carolina, SCEL, its commissioners, officers, directors, agents, retailers, and employees, from and against any and all allegations or claims, liabilities, losses, damages, judgments, costs or expenses of any nature or kind, including, without limitation, court costs and attorney fees, by third parties arising out of, in connection with, or arising out of the performance of this Contract by Subcontractor, its employees, and agents and enjoyment of any intellectual property rights and data rights transferred to SCEL pursuant to the terms of this Contract.
b) Infringement – Both parties, upon learning of an allegation or claim against either of them, both of them, or their respective employees and agents and which allegation or claims is related to the subject matter of this Contract, shall give the other prompt written notice thereof. Contractor shall have full right and opportunity to conduct the defense thereof, together with full information and reasonable cooperation from SCEL. If principles of governmental or public law are involved, SCEL may participate in the defense of any such action at its own expense. The Contractor, at its own expense, will otherwise defend any suit which may be brought against the state or SCEL to the extent that it is based on a claim that the goods and/or services furnished through a Contract that infringes an Intellectual Property Right and in any such suit will pay those costs and damages which are attributable to such claim and finally awarded against SCEL. No cost or expenses for such defense shall be incurred by the Contractor for the benefit of SCEL without SCEL's written consent.

LITIGATION BOND

Pursuant to S.C. Code Ann. § 59-150-300(E), each Offeror must submit with its Proposal, **in Section 9.10, not as a part of the response to Part IV,** a litigation bond or a standby irrevocable letter of credit (Litigation Bond) in the amount of
two hundred and fifty thousand dollars ($250,000.00). A claim upon the bond may be made by SCEL if:
(a) The Offeror brings any proceeding against SCEL, the State of South Carolina, or any of their officers, employees, other Contractors, or retailers regarding any matter relating to or arising out of the Solicitation, or award of a Digital Engagement Solution Contract as permitted by South Carolina law. For purposes of this provision, any proceeding includes those undertaken pursuant to the S.C. Procurement Code or in any court; and
(b) The Offeror is not the prevailing party in such proceedings and/or the appeal of any such proceeding; and in the instance of any final agency decision is determined by the reviewing court to be without merit.

The purpose of the Litigation Bond is to permit SCEL or other defendants to recover damages, including compensation for SCEL or State staff time, attorneys' fees, lost SCEL revenues, expenses, and court costs resulting from such litigation. The litigation bond shall remain in effect until an award is made and is final, i.e. all times for protest or other challenges have expired and/or the protest is final and not subject to further appeal.

REMEDIES

All remedies are cumulative including injunctive relief. Contractor understands and agrees that SCEL will be entitled to any relief recognized herein or at equity or at law to make the State or SCEL whole as the result of any breach, termination, or other claim asserted by SCEL against the Contractor, including, but not limited to: the cost(s) of acquiring and obtaining alternative sources of supply for goods and/or services; SCEL staff time or in kind cost(s) attributable to the Contractor’s breach or other form of non-performance; reimbursement for outside consultants, including attorneys, to advise SCEL as a result of the Contractor’s breach or other form of non-performance; loss of revenue or funds from any other source; investment proceeds or opportunity costs; and the like. There is no limitation on liability in this Contract favoring the Contractor.

SEVERABILITY

If any term or provision of this Contract is found to be illegal or unenforceable, then, notwithstanding any such illegality or unenforceability, the remainder of the Contract shall remain in full force and effect and such term or provision shall be deemed to be deleted and severable.

CUSTOMER ACCEPTANCE TEST

Although it is common practice for SCEL to conduct its own Customer acceptance tests, SCEL is not obligated to conduct any test, and the Contractor remains fully responsible for the quality of the app produced and the reliability of the game data file(s) provided.

USUFRUCT

If, for any reason other than breach of Contract by SCEL, the Contractor should lose its ability to service the Contract resulting from this RFP, SCEL shall acquire a usufruct in all contractual items owned by the Contractor in conjunction with the Contract and which are necessary to provide such services.

SOURCE CODE ESCROW

To protect the Lottery's ability to operate the Digital Engagement Solution in case of the Contractor's inability to fulfill its contractual obligations, the Lottery requests the Contractor to place its source code in escrow as follows:

1. The Contractor is required to provide a current copy of the unencrypted source code and executable code for the entire software including all proprietary software owned by the Contractor and/or any of its subcontractors that are required for the full operation and performance of the Digital Engagement Solution.
2. The Contractor must deposit the software and all required documentation with a third-party escrow agent, on a yearly basis and whenever requested by SCEL.
3. The Contractor agrees to invoice SCEL for the escrow account <u>at cost without markup</u>.
4. The escrow agreement shall authorize the escrow agent to release and make available to SCEL, with full rights, any content of the escrow account to the extent necessary for SCEL to continue to support the Digital Engagement Solution or any component thereof upon Contractor or subcontractor: (i) breach of the contract as defined elsewhere in this contract; (ii) filing for bankruptcy or appointment of a receiver, or (iii) announcement of discontinuance of support or; (iv) failure to continue to support the Digital Engagement Solution of any component thereof.
5. SCEL may, at any time, in its discretion and at its own expense, require the verification of the escrow source code and documentation by the Escrow agent or by other third parties acceptable to SCEL and the Contractor and/or subcontractor as applicable.
6. Within ninety (90) days of contract award notice, the Contractor must identify their third-party escrow agent with all applicable contact information.

LIQUIDATED DAMAGES

S. C. Code § 11-35-30 imposes an obligation of good faith and fair dealing upon both parties. These principles are incorporated into Section 7.49(a). A working relationship where mutual trust is expected and cultivated is extremely beneficial to both parties. SCEL strives for this type of relationship in all of its interactions with a Contractor. Fostering this type of relationship may not avoid the imposition of liquidated damages but it should help to ensure that the process ends with an appropriate conclusion. If the Contractor disagrees with the result, the dispute may be resolved as provided in S. C. Code § 11-35-4230. See also Section 3.0.

(a) **Liquidated Damages Provisions.** In all the below liquidated damages sections, SCEL and the Contractor agree that it would be extremely impractical and difficult to determine actual damages which SCEL would sustain, including those that negatively affect the image and reputation of SCEL. The goods and services to be provided under the Contract are not readily available on the open market and the occurrence of any of the events covered below may delay and disrupt SCEL's operations and 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 or applied as a penalty. Liquidated damages are not intended as either a penalty against the Contractor or windfall to SCEL. The application of liquidated damages will be determined on a case-by-case basis taking into consideration the severity of the occurrence, the number of times the same or similar events have occurred, the Contractor's response to the occurrence and overall fairness to the interests of both the Contractor and SCEL, and the estimated losses, with the understanding that SCEL's decisions are at its sole discretion. Assessment of liquidated damages shall be in addition to, and not in lieu of, such other remedies as may be available to SCEL. Except and to the extent expressly provided herein, SCEL shall be entitled to recover liquidated damages under each section applicable to any given incident. The Contractor shall continuously capture the information necessary and appropriate to determine whether any of the circumstances giving rise to the imposition of liquidated damages hereunder has occurred. **Note:** Remedies under the Contract are not limited to liquidated or other monetary damages and include remedies such as specific performance, injunction, termination, etc.

(b) **Notification of Liquidated Damages:** Upon determination that liquidated damages are to (or may) be assessed, SCEL 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 SCEL.

(c) **Conditions for Termination of Liquidated Damages:**

i. As determined appropriate by SCEL, the following are the conditions under which the Contractor may obtain relief from the continued assessment of liquidated damages.

ii. Unless waived in writing by SCEL, 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 Digital Engagement Solution testing or other verification at the discretion of SCEL.

iii. As appropriate, the Contractor shall conduct Digital Engagement Solution testing of any correction as SCEL deems necessary. Such testing shall be developed jointly by SCEL and the Contractor and must be approved by SCEL, including the test script, test environment, and test results. Notice of correction will not be accepted until verified by SCEL.

(d) **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(s) shall remain in full force and effect.

(e) **Waivers of Liquidated Damages:** The waiver of any liquidated damages due SCEL 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 SCEL.

(f) **Payment of Liquidated Damages:** Assessed liquidated damages will be deducted from the Fixed Monthly Fee first, then, if necessary, from the Performance Bond. In the event the amount due the Contractor is not sufficient to satisfy the amount of the liquidated damages, SCEL will continue to deduct monies until the amount due is paid in full. The parties may agree to modify the payment schedule.

(g) **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 affected by force majeure or for time delays specifically caused by or approved by SCEL or SCEL's third party. In all the below liquidated damages sections, the damages shall be pro-rated for partial periods.

(h) **Conversion and Startup**

i. **Condition**: Contractor shall complete, except as otherwise approved by SCEL, all agreed upon implementation tasks and deliverables required pursuant to Sections 3.1 through 3.6 (and Part III generally), and in accordance with the Conversion Plan as presented in response to Section IV. INFORMATION FOR OFFORERS TO SUBMIT.

ii. **Damages**: SCEL may impose liquidated damages for each calendar day of delay as follows:

(1) Unresolved errors or failures preventing CAT successful completion as specified in the conversion plan – up to ten thousand dollars ($10,000).

(2) Startup delays beginning with the Contract-agreed production Cutover Date - Up to one hundred thousand dollars ($100,000).

(i) **Timely Deliverables**

i. **Condition**: Every deliverable must be available on schedule as agreed upon by the parties.

ii. **Damages**: Up to one thousand dollars ($1,000) per day per deliverable.

(j) **Digital Engagement Solution Down and/or Degraded Performance**

i. **Condition**: The Digital Engagement Solution shall be defined to be "down" if there is a total Network outage, application failure, or any other condition that prevents:

(1) the occurrence of key transactions, such as ticket scanning, drawing entry, drawing services, and/or mobile claims if and when such function becomes available.

ii. **Condition**: The Digital Engagement Solution shall suffer "degraded performance" when the system can process in full or in part transactions from some and/ or all devices, but not for all products involving ticket scanning, drawing entry, and/or mobile claims if and when such function becomes available

iii. **Damages**: For either condition identified above in Digital Engagement Solution “down” or “degraded performance”, SCEL may assess up to one day’s pay for every twenty-four (24) hours the Digital Engagement Solution is “down” or “degraded performance” based on the fixed monthly fee or a prorated portion thereof per incident. The Contractor has a grace period of twenty-four (24) hours to resolve any and all issues causing the Digital Engagement Solution “down” or “degraded performance” condition. To address chronic problems, in the event that two (2) downtime events (“down” or “degraded performance”) of any length have already occurred in any seven (7) day period, the grace period of twenty-four (24) hours shall be rescinded. Alternative methodologies for calculation of liquidated damages will not be considered.

(k) **Failure to Produce an Administrative Software Change**

i. **Condition:** The Contractor shall modify or add software to produce reports, screen displays, inquiries, and other administrative applications in accordance with an agreed upon release schedule. The Contractor’s change must complete CAT and receive SCEL's written approval, within the time frame specified therein.

ii. **Damages**: Up to five hundred dollars ($500) per day that the modified or additional software is not installed.

(l) **Unauthorized Software/Hardware Modifications**

i. **Condition**: The Contractor shall not modify any software or hardware without the prior, authorized written consent of SCEL. “Modification” does not include replacement of a Digital Engagement Solution component with an essentially similar working component in the event of necessary maintenance.

ii. **Damages**: Up to ten thousand dollars ($10,000) per violation in addition to any other damages that may occur because of such unauthorized modification.

(m) **Unauthorized Access or Compromise**

i. **Condition**: The Contractor shall preclude personnel, not authorized by SCEL, from accessing, modifying, or otherwise interfering with the Digital Engagement Solution, and any data or software. Each person and every act that permits access, modification, or interference by an unauthorized person is an incident.

ii. **Damages**: Up to five thousand dollars ($5,000) per person, for each incident.

(n) **Failure to Report Incidents**

i. **Condition:** The Contractor shall be responsible to immediately report all significant incidents as related to any facet of the Digital Engagement Solution to include PAM, ticket scanning, rewards program, security violations, drawing services and mobile claims, if and when it becomes available... The immediate reporting shall be delivered personally or by telephone and email within one (1) hour of the discovery of the incident, followed by a letter addressed to the SCEL Contract Administrator, within forty-eight (48) hours of the incident. Any situation which may cause the public to become alarmed and/or which may damage the integrity of the public image of SCEL must be reported.

ii. **Damages**: In the event that the Contractor fails to report incidents, SCEL may impose up to five thousand dollars ($5,000) per calendar day until the incident is correctly reported.

(o) **Failure to Provide Software Testing and Quality Software Turnovers**

i. **Condition**: The Contractor must provide a quality assurance test plan, a report on the quality assurance test, and quality tested software in accordance with the agreed upon release schedule.

ii. **Damages**: Up to five thousand dollars ($5,000) for each violation (return or retraction of the software).

(p) **CAT environment**

i. **Condition**: If applicable all integral parts of the CAT environment must be made available by the Contractor for the use of SCEL at the beginning of, and during normal business hours. This includes the CAT server(s), all communication types, and requested data as agreed by the Contractor and SCEL.

ii. **Damages**: Up to one thousand dollars ($1,000) may be assessed per day.

(q) **Failure to Comply with Proper Digital Engagement Solution Procedures**

i. **Condition**: If, without prior authorization, the Contractor deviates from specific instructions, usual, customary, or established operating procedures and that deviation disruption to the player base, SCEL may assess liquidated damages.

ii. **Damages**: Up to ten thousand dollars ($5,000) per occurrence.

SECURITY BREACH

Upon discovery of any breach of security experienced by the Contractor, Subcontractor, or any related third parties during the term of this Contract, especially theft or disappearance of program files, digital information, or other electronic media, the Contractor must immediately notify SCEL’s Executive Director, or a designee, and the

Director of Security, or a designee. Any breach of security relating to data, storage, access, control, or distribution must be immediately reported. This notice must also be followed by a written incident report detailing the specifics of the occurrence and what steps have been taken to correct the problem. SCEL will be the sole judge of the adequacy of the steps taken and reserves the right to specify other steps to be taken.
SCEL reserves the right to require, at any time, such further and additional security measures it deems necessary or appropriate to ensure the integrity of the operation of SCEL or the Contractor.
SCEL reserves the right, at any time and without prior notice, to expand its background investigation and to inspect and otherwise evaluate all phases of performance specified in this Contract.

VIII. BIDDING SCHEDULE / PRICE-BUSINESS PROPOSAL

PRICE PROPOSAL (JAN 2006)

Notwithstanding any other instructions herein, you shall submit the following price information as a separate document:

Instructions for Price Proposal

Pricing information shall NOT be provided in the Technical Proposal in any manner and under any circumstances. The Price Proposal shall be submitted as a separate document.

A. Pricing information **shall not** be provided in the Technical Proposal under any circumstances. In addition to information requested elsewhere in this solicitation, the Price Proposal must be clearly identified and must include a copy of Page 1 of this solicitation.

B. Outline all costs to be incurred for the services requested in the solicitation. Offeror is to provide a thorough and detailed presentation of all costs to be incurred by the State during the contract performance. See Attachment B.

Offerors shall submit pricing for each of the five years (Years 1 -5) in response to Section III. SCOPE OF WORK /SPECIFICATIONS. Additionally, Offerors shall submit separate pricing for Mobile Claims/E-Wallet Services. See Attachment C.

Offerors must complete and return Attachment B and provide any additional documentation that supports the proposed pricing submitted in response to this schedule. The Offeror is solely responsible for ensuring the proposed pricing accurately reflects all of the components associated with the work to be performed as described in the scope of work.

[088015-1]

IX. ATTACHMENTS TO SOLICITATION

ATTACHMENT A: NONRESIDENT TAXPAYER REGISTRATION AFFIDAVIT INCOME TAX WITHHOLDING

ATTACHMENT B: SERVICE PROVIDER SECURITY ASSESSMENT QUESTIONNAIRE

ATTACHMENT C: COST SUMMARY SPREADSHEET

ATTACHMENT A

IMPORTANT TAX NOTICE - NONRESIDENTS ONLY

Withholding Requirements for Payments to Nonresidents: Section 12-8-550 of the South Carolina Code of Laws requires persons hiring or contracting with a nonresident conducting a business or performing personal services of a temporary nature within South Carolina to withhold 2% of each payment made to the nonresident. The withholding requirement does not apply to (1) payments on purchase orders for tangible personal property when the payments are not accompanied by services to be performed in South Carolina, (2) nonresidents who are not conducting business in South Carolina, (3) nonresidents for contracts that do not exceed $10,000 in a calendar year, or (4) payments to a nonresident who (a) registers with either the S.C. Department of Revenue or the S.C. Secretary of State and (b) submits a Nonresident Taxpayer Registration Affidavit - Income Tax Withholding, Form I-312 to the person letting the contract.

The withholding requirement applies to every governmental entity that uses a contract ("Using Entity"). Nonresidents should submit a separate copy of the Nonresident Taxpayer Registration Affidavit - Income Tax Withholding, Form I-312 to every Using Entity that makes payment to the nonresident pursuant to this solicitation. Once submitted, an affidavit is valid for all contracts between the nonresident and the Using Entity, unless the Using Entity receives notice from the Department of Revenue that the exemption from withholding has been revoked.

Section 12-8-540 requires persons making payment to a nonresident taxpayer of rentals or royalties at a rate of $1,200.00 or more a year for the use of or for the privilege of using property in South Carolina to withhold 7% of the total of each payment made to a nonresident taxpayer who is not a corporation and 5% if the payment is made to a corporation. Contact the Department of Revenue for any applicable exceptions.

For information about other withholding requirements (e.g., employee withholding), contact the South Carolina Department of Revenue at 1-844-898-8542 or visit the Department's website at: **https://dor.sc.gov/**

This notice is for informational purposes only. This agency does not administer and has no authority over tax issues. All registration and withholding tax questions should be directed to the South Carolina Department of Revenue at 1-844-8988542. Additional contact information can be found by visiting the Department's website at dor.sc.gov

PLEASE SEE THE "NONRESIDENT TAXPAYER REGISTRATION AFFIDAVIT INCOME TAX WITHHOLDING"
FORM (FORM NUMBER I-312) LOCATED AT: **https://dor.sc.gov/** [09-9005-5]

ATTACHMENT B

SERVICE PROVIDER SECURITY ASSESSMENT QUESTIONNAIRE

Instructions: (1) Attach additional pages or documents as appropriate and make sure answers cross reference to the questions below. (2) As used in this Questionnaire, the phrase “government information” shall have the meaning defined in the clause titled “Information Security.” (3) This Questionnaire must be read in conjunction with both of the following two clauses (a) Service Provider Security Assessment Questionnaire – Required, and (b) Service Provider Security Representation.

1. Describe your policies and procedures that ensure access to government information is limited to only those of your employees and contractors who require access to perform your proposed services.

2. Describe your disaster recovery and business continuity plans.

3. What safeguards and practices do you have in place to vet your employees and contractors who will have access to government information?

4. Describe and explain your security policies and procedures as they relate to your use of your contractors and next tier sub -contractors.

5. List any reports or certifications that you have from properly accredited third-parties that demonstrate that adequate security controls and assurance requirements are in place to adequately provide for the confidentiality, integrity, and availability of the information systems used to process, store, transmit, and access all government information. (For example, an ISO/IEC 27001 compliance certificate, an AICPA SOC 2 (Type 2) report, or perhaps an AICPA SOC 3 report (i.e., a SysTrust or WebTrust seal)). For each certification, describe the scope of the assessment performed. Will these reports / certifications remain in place for the duration of the contract? Will you provide the state with most recent and future versions of the applicable compliance certificate / audit report?

6. Describe the policies, procedures and practices you have in place to provide for the physical security of your data centers and other sites where government information will be hosted, accessed or maintained. Will government information be encrypted at rest?

7. Will government information be encrypted when transmitted? Will government information be encrypted during data backups, and on backup media? Please elaborate.

8. Describe safeguards that are in place to prevent unauthorized use, reuse, distribution, transmission, manipulation, copying, modification, access or disclosure of government information.

9. What controls are in place to detect security breaches? What system and network activity do you log? How long do you maintain these audit logs?

10. How will government information be managed after contract termination? Will government information provided to the Contractor be deleted or destroyed? When will this occur?

11. Describe your incident response policies and practices.

12. Identify any third party which will host or have access to government information.

Offeror's response to this questionnaire includes any other information submitted with its offer regarding information or data security.

SIGNATURE OF PERSON AUTHORIZED TO REPRESENT THE ACCURACY OF THIS INFORMATION ON BEHALF OF CONTRACTOR:

By: ___________________________________
(authorized signature)

Its: ____________________________________
(printed name of person signing above)

____
(title of person signing above)

Date: ____________________________________

SPSAQ (JAN 2015) [09-9025-1]