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Nearly \$2 Billion and Counting for our Schools

GOVERNOR Christopher T. Sununu
CHAIRMAN Debra M. Douglas
COMMISSIONER Paul J. Holloway
COMMISSIONER David L. Geinas
EXECUTIVE DIRECTOR Charles R. McIntyre

May 26, 2017

The Honorable Neal M. Kurk, Chairman
Fiscal Committee of the General Court
and
His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTIONS

- (1) Pursuant to Chapter 275:4, Laws of 2015, authorize the New Hampshire Lottery Commission® (Lottery) to transfer \$2,645,000 from the Lottery Special Revenue Account for the purchase of instant tickets and related services. Effective upon Fiscal Committee and Governor and Council approval through June 30, 2017. Funding Source 100% Lottery Special Revenue Account.

From: Lottery Revenue Account 06-083-083-830013-79010001-402070	<u>FY2017</u>
To:	(\$2,645,000)
06-083-083-830013-10290000	
Lottery Operating Cost	
106-500858 Goods for Resale	\$2,645,000

- (2) Authorize the New Hampshire Lottery Commission® (Lottery), contingent upon #1 above, to enter into a contract with vendors Scientific Games International, Inc. (Vendor Code#175862), Alpharetta, Georgia; and IGT Global Solutions Corporation (Vendor Code to be determined), Providence, Rhode Island, in an amount not to exceed \$10,580,000 for instant ticket printing and related services from the date of Governor and Council approval for a four (4) year period from July 1, 2017 to June 30, 2021, with two (2) one-year renewal options, subject to approved funding. 100% Lottery Funds

Funds are anticipated to be available in the Lottery Operating Cost Account: 06-083-083-830013-10290000, in FY2018, FY2019, FY2020, and FY2021, with authority to adjust encumbrance amounts within the price limitation and between State Fiscal Years through the Budget Office if needed and justified, without approval from Governor and Executive Council.

	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>
106-500858 Goods for Resale	\$2,645,000	\$2,645,000	\$2,645,000	\$2,645,000



Live Free or Die

New Hampshire Lottery Commission 14 Integra Drive Concord, New Hampshire 03301
TEL 603.271.3381 FAX 603.271.1160 TDD 1 800 735 2864 www.nhlottery.com

EXPLANATION

- (1) The transfer of funds is requested for the purchase of instant gaming tickets and related services as, according to Chapter 275:4, Laws of 2015:

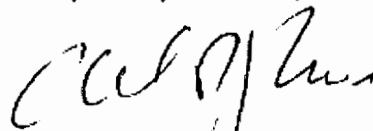
For the biennium ending June 30, 2017, in order to provide sufficient funding to the lottery commission to carry out lottery games that will provide funds for distribution in accordance with RSA 284:21-j, the commission shall apply to the fiscal committee of the general court for approval of any new games, the expansion of any existing lottery games, or for the purchase of any tickets for new or continuing games. Additionally, no expenditures for consultants shall be made without prior approval by the fiscal committee. If approved, the commission may then apply to the governor and council to transfer funds from the sweepstakes revenue special account. The total of such transfers shall not exceed \$6,000,000 for the biennium ending June 30, 2017.

The sales of instant tickets account for approximately 70% of Lottery's gross revenue; therefore your support helps to ensure that the agency is able to continue to offer products that maximize the profit for the Education Trust Fund.

- (2) The purpose of this contract is to secure vendors to produce lottery instant scratch tickets, provide game-related marketing support and services, and develop new Lottery products. The technical capabilities of the vendors, coupled with their creativity and innovation, will continue to propel the Lottery's growth and generate revenue for the Education Trust Fund.

The New Hampshire Lottery Commission issued a Request for Proposal (RFP) January 3, 2017, soliciting bids for the purchase of instant tickets and related services. Three vendors submitted written proposals by the March 6, 2017 deadline, and the review committee performed site visits and analysis of each vendor's production facilities. Scientific Games International, Inc. (SGI) of Alpharetta, Georgia, and IGT Global Solutions Corporation (IGT) of Providence, Rhode Island were both recommended based on the scoring of their written proposal and outcomes of their production site evaluations. As described in the attached Proposal Evaluation for Instant Ticket Printing and Related Services report, SGI would be awarded no less than 80% and up to 100% of the total contracted amount, and IGT would be awarded up to 20% of the total contracted amount.

Respectfully submitted,



Charles R. McIntyre
Executive Director



Proposal Evaluation for Instant Ticket Printing and Related Services

The New Hampshire Lottery® (Lottery) issued a Request for Proposal (RFP) on January 3, 2017, seeking a vendor to produce instant scratch tickets and related services. Three (3) vendors submitted written proposals in response to the RFP by the deadline of March 6, 2017:

- Pollard Banknote (Pollard) of Ypsilanti, Michigan
- Scientific Games International, Inc. (SGI) of Alpharetta, Georgia
- IGT Global Solutions Corporation (IGT) of Providence, Rhode Island

An Evaluation Committee was established to review the proposals, to ensure compliance with the RFP, to evaluate and score the Technical Proposals, and to analyze the Price Proposals. The Committee was comprised of the following Lottery staff:

Charles R. McIntyre, Executive Director. Mr. McIntyre was with Massachusetts Lottery prior to joining New Hampshire Lottery as Director seven years ago. He has extensive knowledge and understanding of the industry, from vendor and production aspects to marketing and sales.

Kelley-Jaye Cleland, Director of Sales and Product Development. The key liaison with vendors producing the Lottery's instant ticket games, Ms. Cleland also has experience in state procurement, contract negotiations, and standards. She is responsible for developing Lottery products, and overseeing the statewide sales team.

Valerie King, Procedures Administrator. Ms. King joined Lottery with the merger of Racing and Charitable Gaming, where her area of expertise is interpreting statutes affecting Lottery and Gaming activities. She is responsible for updating and writing rules for activities under our agencies' purview.

James Downey, Lottery Sales Representative. Mr. Downey brings several years' experience working with Lottery retailers to the evaluation team, which provided a valuable perspective of the industry from the customer's side.

The Committee evaluated written proposals submitted by the bidders, and conducted inspections of each production facility. The written proposals were scored on the following criteria:

Criteria for Scoring:

- | | |
|--|-------------------------------------|
| 1. Technical | |
| a. Vendor Experience, Qualifications
Expertise, and Financial Condition | Maximum points: 50 |
| b. Technical Capabilities | Maximum points: 75 |
| c. Marketing and Retailer Support | Maximum points: 50 |
| d. Product Quality | Maximum points: 125 |
| e. Game Design and Creativity | Maximum points: 50 |
| f. Options | Maximum points: 50 |
| 2. Price | Maximum points: 100 |
| | Total achievable points: 500 |

Based upon the Technical Evaluation Criteria, SGI's proposal was the most advantageous. After opening the Price Proposals, IGT was the lowest cost by 14%-20%. Pollard's proposal was the most expensive option, as well as being tied with IGT in the Technical Evaluation Criteria. With that, Pollard's proposal was determined to not be an advantageous option for the New Hampshire Lottery Commission based on Technical Evaluation Criteria as well as price.

The Committee determined each bidder's ticket price using the Lottery's instant ticket schedule for FY 2017 and compared each bidder's cost per game to the other. The results for the Technical Evaluation and Price Evaluation are as follows:

EVALUATION CRITERIA	POINTS	%	Pollard	SGI	IGT
Vendor experience and qualifications, expertise, and financial condition	50	10	35	45	35
Technical capabilities	75	15	60	75	55
Marketing and retailer support	50	10	40	50	40
Product quality	125	25	120	120	120
Game design and creativity	50	10	40	50	40
Options	50	10	40	48	45
TOTAL TECHNICAL EVALUATION	400	80	335	388	335
Price	100	20	78.08	91.94	100
TOTAL POINTS	500	100	413.08	479.94	435.00

The term for these contracts is a four (4) year period from July 1, 2017 to June 30, 2021, with two (2) one-year renewal options. The price for the renewal option, if exercised, would be negotiated in year three of the contract, providing ample time for the New Hampshire Lottery Commission to either accept the price or issue a new RFP. The RFP also stipulated that:

“The successful instant ticket Vendor will be the supplier of instant tickets, marketing support and related services; however, the NHLC at its own discretion may also engage with secondary instant ticket Vendor(s) to print instant tickets on an as-needed basis. If the Lottery determines that multiple Vendors will be chosen, a primary Vendor will be awarded at least eighty (80) percent of the contract.”

The Evaluation Committee was unanimous in its decision to recommend Scientific Games International as the Primary Vendor and IGT Global Solutions Corporations as the Secondary Vendor.

The New Hampshire Lottery Commission requests the maximum payment of \$2,645,000 for FY 2018, payable to SGI of at least 80% of the total amount, per the RFP, and to IGT of up to 20% of the total amount, per the RFP. This cost was calculated using the expected number of tickets to be printed, plus anticipated costs for available printing options. The New Hampshire Lottery Commission also requests that any unused funds from FY 2018 roll over to FY 2019.

The New Hampshire Lottery Commission respectfully requests approval of the contract to purchase instant ticket printing and related services from Scientific Games International, Inc. as the Primary Vendor and IGT Global Solutions Corporations, as specified above.

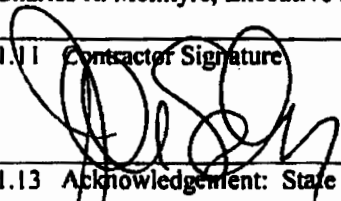
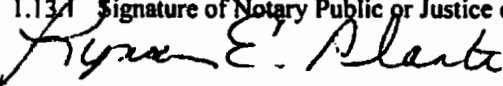


Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

I. IDENTIFICATION.

1.1 State Agency Name New Hampshire Lottery Commission		1.2 State Agency Address 14 Integra Drive Concord, NH 03301	
1.3 Contractor Name Scientific Games International		1.4 Contractor Address 1500 Bluegrass Lakes Parkway Alpharetta GA 30004	
1.5 Contractor Phone Number 770-663-6875	1.6 Account Number 79010001-500858	1.7 Completion Date June 30, 2021	1.8 Price Limitation \$10,580,000
1.9 Contracting Officer for State Agency Charles R. McIntyre, Executive Director		1.10 State Agency Telephone Number 603-271-3391	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory John Schulz Senior Vice President, Instant Products	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Merrimack</u> On <u>May 18, 2017</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace  [Seal]		<div style="border: 2px solid black; padding: 5px; text-align: center;"> LYNDA E. PLANTE ★ NOTARY PUBLIC - NEW HAMPSHIRE ★ My Commission Expires October 21, 2020 </div>	
1.13.2 Name and Title of Notary or Justice of the Peace <u>Lynda E. Plante Notary</u>			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Charles R. McIntyre Executive Director	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By:  On: <u>6/5/17</u>			
1.18 Approval by the Governor and Executive Council (if applicable) By: _____ On: _____			

2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.18, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.14 ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. This may include the requirement to utilize auxiliary aids and services to ensure that persons with communication disabilities, including vision, hearing and speech, can communicate with, receive information from, and convey information to the Contractor. In addition, the Contractor shall comply with all applicable copyright laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this

Contractor Initials

Date

[Handwritten Signature]
5/15/17

Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

10. TERMINATION. In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

11. CONTRACTOR'S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS. The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice and consent of the State. None of the Services shall be subcontracted by the Contractor without the prior written notice and consent of the State.

13. INDEMNIFICATION. The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate; and

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

Contractor Initials

Date 5/18/17

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than thirty (30) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than thirty (30) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("*Workers' Compensation*").

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. WAIVER OF BREACH. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

17. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no

such approval is required under the circumstances pursuant to State law, rule or policy.

19. CONSTRUCTION OF AGREEMENT AND TERMS.

This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.

Contractor Initials

Date 5/18/17

EXHIBIT A
SCOPE OF SERVICES

The scope of services is as set forth in the following documents, which are hereby incorporated by the reference into this agreement:

- A. This Agreement.
- B. The "Request for Proposals for Instant Ticket Printing and Related Services" dated January 3, 2017 (hereinafter "RFP"), and amended February 21, 2017 resulting from RFP clarification questions (Attachment 1 hereto).
- C. Vendor questions and New Hampshire Lottery responses (Attachments 2 and 3 hereto).
- D. The Proposal dated March 6, 2017, submitted by Scientific Games International (hereinafter "SGI") in response to the RFP. A copy of the Proposal is on file with the New Hampshire Lottery Commission (hereinafter referred to as "Commission").

In the event of a conflict in language between any of the above-mentioned documents, the provisions and requirements set forth or reference in the RFP and its amendments and the contract form P-37 shall govern. In the event that an issue is addressed in the Proposal that is not addressed in the RFP, no conflict in language shall be deemed to occur.

In the event of a conflict in language between any of the above-mentioned documents other than the RFP (as amended and clarified) and this Agreement, the provisions and requirements set forth or referenced in this Agreement shall govern. In the event that an issue is not addressed in this Agreement, no conflict of language shall be deemed to occur.

EXHIBIT B
PAYMENT SCHEDULE

The Commission shall make payment for tickets and services at the prices set forth in, and otherwise in accordance with, the Proposal. Payment is due upon delivery and within thirty days of receipt of invoice. Tickets are shipped F.O.B. to the New Hampshire Lottery Commission at 14 Integra Drive, Concord, New Hampshire or to a location as designated by the New Hampshire Lottery Commission.

EXHIBIT C
SPECIAL PROVISIONS

1. The Commission has the option to renew this contract for two (2) periods of one (1) year, with the written consent of both parties, subject to approved funding. The Commission shall notify the Contractor no later than June 30, 2020 whether or not the Commission intends to exercise this option.
2. The Contractor agrees to maintain, and the New Hampshire Lottery Commission agrees to accept general liability insurance in the amount of \$1,000,000 per occurrence, together with an excess/umbrella liability amount of \$2,000,000.

**UNANIMOUS WRITTEN CONSENT
OF
THE BOARD OF DIRECTORS
OF
SCIENTIFIC GAMES INTERNATIONAL, INC.
February 21, 2017**

The undersigned, being all of the directors of Scientific Games International, Inc., a Delaware corporation (the "Company"), acting in lieu of meeting, pursuant to §141(f) of the General Corporation Law of the State of Delaware, do hereby consent to and adopt, as the actions of the Board of Directors of the Company (the "Board") with the same force and effect as if presented to and adopted at a meeting of the Board, the following resolutions:

WHEREAS, John Schulz was elected to serve as President, Instant Products, and Pat McHugh was elected to serve as President, North American Lottery Systems, by Unanimous Written Consent of the Board dated October 16, 2014; and

WHEREAS, the Board desires to change the titles of John Schulz and Pat McHugh, effective January 1, 2016;

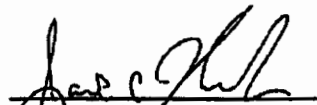
NOW THEREFORE, it is

RESOLVED, that the following persons be, and hereby are, elected to serve, at the pleasure of the Board, in the capacities listed below opposite their names, to serve as such until their successors shall have been duly elected and qualified or until their earlier resignation or removal:

John Schulz
Pat McHugh

Senior Vice President, Instant Products
Senior Vice President, Global Lottery Systems

IN WITNESS WHEREOF, the undersigned, being all of the directors of the Company, have executed this Unanimous Written Consent.


James C. Kennedy


Michael A. Quartieri


Secretary's Certificate

I, Philip J. Bauer hereby certify that I am duly elected Assistant Secretary of Scientific Games International, Inc., I hereby certify the following is a true copy of a vote taken at a meeting of the Board of Directors, duly called and held on February 21, 2017 at which a quorum of the Directors were present and voting.

VOTED: That John Schulz is duly authorized as Senior Vice President, Instant Products, to enter a Contract on behalf of Scientific Games International, Inc. with the New Hampshire Lottery Commission, State of New Hampshire and further is authorized to execute any documents which may in his/her judgment be desirable or necessary to effect the purpose of this vote.

I hereby certify that said vote has not been amended or repealed and remains in full force and effect as of May 22, 2017. I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence that the person listed above currently occupies the position indicated and that they have full authority to bind the corporation to the specific contract indicated.

DATED: May 22, 2017

ATTEST: 
Philip J. Bauer

Vice-President, Corporate Counsel and Assistant Secretary

State of New Hampshire
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that SCIENTIFIC GAMES INTERNATIONAL, INC. is a Delaware Profit Corporation registered to transact business in New Hampshire on January 08, 1996. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID. 242295



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 23rd day of May A.D. 2017.

A handwritten signature in black ink, appearing to read "William M. Gardner".

William M. Gardner
Secretary of State



CERTIFICATE OF LIABILITY INSURANCE

DATE(M/D/YYYY)
05/25/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Aon Risk Services Northeast, Inc. New York NY Office 199 Water Street New York NY 10038-3551 USA	CONTACT NAME: PHONE (A/C. No. Ext): (866) 283-7122 FAX (A/C. No.): (800) 363-0105		
	E-MAIL ADDRESS:		
INSURED Scientific Games International, Inc. 1500 Bluegrass Lakes Parkway Alpharetta GA 30004 USA	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A: National Union Fire Ins Co of Pittsburgh		19445
	INSURER B: Zurich American Ins Co		16535
	INSURER C: American Zurich Ins Co		40142
	INSURER D:		
	INSURER E:		

COVERAGES **CERTIFICATE NUMBER: 570066531486** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS. **Limits shown are as requested**

LINE LTR	TYPE OF INSURANCE	ADDITIONAL INSURED (INS)	SUBROGATION (WVD)	POLICY NUMBER	POLICY EFF. DATE (MM/DD/YYYY)	POLICY EXP. DATE (MM/DD/YYYY)	LIMITS
B	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GENTL AGGREGATE LIMIT APPLIES PER <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER			GL0509598703	06/01/2017	06/01/2018	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) \$10,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$5,000,000 PRODUCTS - COMP/OP AGG \$5,000,000
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> Hired AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS ONLY			BAP 5095988-03	06/01/2017	06/01/2018	COMBINED SINGLE LIMIT (Ea accident) \$2,000,000 BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION			19087000 SIR applies per policy terms & conditions	07/01/2016	07/01/2017	EACH OCCURRENCE \$10,000,000 AGGREGATE \$10,000,000
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N	N/A	WC509598503 AOS WC509598603 MA, WI	06/01/2017	06/01/2018	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE-EA EMPLOYEE \$1,000,000 E.L. DISEASE-POLICY LIMIT \$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 RE: Instant Printing Contract.

CERTIFICATE HOLDER New Hampshire Lottery Commission 14 Integra Drive Concord NH 03301 USA	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE <i>Aon Risk Services Northeast Inc</i>
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Holder Identifier : Certificate No : 570066531486


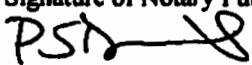

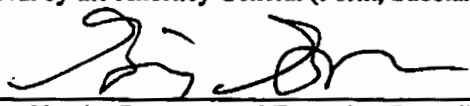
Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name New Hampshire Lottery Commission		1.2 State Agency Address 14 Integra Drive Concord, NH 03301	
1.3 Contractor Name IGT Global Solutions Corporation		1.4 Contractor Address 10 Memorial Blvd Providence RI 02903	
1.5 Contractor Phone Number 401-392-7530	1.6 Account Number	1.7 Completion Date June 30, 2021	1.8 Price Limitation \$2,116,000
1.9 Contracting Officer for State Agency Charles R. McIntyre, Executive Director		1.10 State Agency Telephone Number 603-271-3391	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Michael Chambrello President and Chief Executive Officer	
1.13 Acknowledgement: State of <i>Rhode Island</i> , County of <i>Providence</i> On <i>May 24, 2017</i> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace  [Seal]			
Peter Sheriff Daniels Notary Public State of Rhode Island Commission Number 758698 My Commission Expires 1/15/20			
1.13.2 Name and Title of Notary or Justice of the Peace Peter S. Daniels			
1.14 State Agency Signature  Date: <i>5/25/17</i>		1.15 Name and Title of State Agency Signatory Charles M. McIntyre, Executive Director	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By:  On: <i>6/5/17</i>			
1.18 Approval by the Governor and Executive Council (if applicable) By: _____ On: _____			

2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.18, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.14 ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. This may include the requirement to utilize auxiliary aids and services to ensure that persons with communication disabilities, including vision, hearing and speech, can communicate with, receive information from, and convey information to the Contractor. In addition, the Contractor shall comply with all applicable copyright laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this

Contractor Initials 
Date 5-24-17

Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

10. **TERMINATION.** In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

11. **CONTRACTOR'S RELATION TO THE STATE.** In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. **ASSIGNMENT/DELEGATION/SUBCONTRACTS.** The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice and consent of the State. None of the Services shall be subcontracted by the Contractor without the prior written notice and consent of the State.

13. **INDEMNIFICATION.** The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate; and

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than thirty (30) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than thirty (30) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A (*Workers' Compensation*).

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. WAIVER OF BREACH. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

17. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no

such approval is required under the circumstances pursuant to State law, rule or policy.

19. CONSTRUCTION OF AGREEMENT AND TERMS.

This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.

EXHIBIT A
SCOPE OF SERVICES

The scope of services is as set forth in the following documents, which are hereby incorporated by the reference into this agreement:

- A. This Agreement.
- B. The "Request for Proposals for Instant Ticket Printing and Related Services" dated January 3, 2017 (hereinafter "RFP"), and amended February 21, 2017 resulting from RFP clarification questions (Attachment 1 hereto).
- C. Vendor questions and New Hampshire Lottery responses (Attachments 2 and 3 hereto).
- D. The Proposal dated March 6, 2017, submitted by IGT Global Solutions (hereinafter "IGT") in response to the RFP. A copy of the Proposal is on file with the New Hampshire Lottery Commission (hereinafter referred to as "Commission").

In the event of a conflict in language between any of the above-mentioned documents, the provisions and requirements set forth or reference in the RFP and its amendments and the contract form P-37 shall govern. In the event that an issue is addressed in the Proposal that is not addressed in the RFP, no conflict in language shall be deemed to occur.

In the event of a conflict in language between any of the above-mentioned documents other than the RFP (as amended and clarified) and this Agreement, the provisions and requirements set forth or referenced in this Agreement shall govern. In the event that an issue is not addressed in this Agreement, no conflict of language shall be deemed to occur.

EXHIBIT B
PAYMENT SCHEDULE

The Commission shall make payment for tickets and services at the prices set forth in, and otherwise in accordance with, the Proposal. Payment is due upon delivery and within thirty days of receipt of invoice. Tickets are shipped F.O.B. to the New Hampshire Lottery Commission at 14 Integra Drive, Concord, New Hampshire or to a location as designated by the New Hampshire Lottery Commission.

EXHIBIT C
SPECIAL PROVISIONS

1. The Commission has the option to renew this contract for two (2) periods of one (1) year, with the written consent of both parties, subject to approved funding. The Commission shall notify the Contractor no later than June 30, 2020 whether or not the Commission intends to exercise this option.
2. The Contractor agrees to maintain, and the New Hampshire Lottery Commission agrees to accept general liability insurance in the amount of \$1,000,000 per occurrence, together with an excess/umbrella liability amount of \$2,000,000.

Corporate Resolution

I, **Michael K. Prescott**, hereby certify that I am the duly elected **Secretary of IGT Global Solutions Corporation** (the "Corporatin").

I hereby certify that the following is a true copy of the resolution adopted by the Board of Director on May 17, 2017:

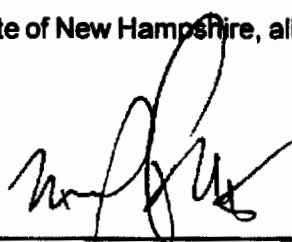
"RESOLVED: That the Corporation is authorized to prepare and submit a proposal in response to the public procurement "Request for Proposal for Instant Ticket Printing and Related Services" (the "RFP") issued by the New Hampshire Lottery Commission, and, in the event that the bid proposal is accepted, the Corporation is authorized to enter into an agreement concerning the subject of the RFP.

RESOLVED: That, Michael R. Chambrello, President and CEO of the Corporation, is authorized and empowered, acting individually, on behalf of the Corporation, to do all things and to authorize, execute and deliver all submissions, applications, forms, agreements, instruments, certificates, statements, powers of attorney, and any other documents deemed to be necessary or advisable to accomplish the intent of the previous resolution subject to the policies of the Corporation, including the IGT Approval Authority Matrix, as modified from time to time."

I hereby certify that said resolution has not been amended or repealed and remains in full force and effect as of the date of the contract to which this certificate is attached. I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence that the person listed above currently occupies the position indicated and that he has full authority to bind the Corporation. To the extent that there are any limits on the authority of any listed individual to bind the Corporation in contracts with the State of New Hampshire, all such limitations are expressly stated herein.

Dated: May 18, 2017

ATTEST: _____



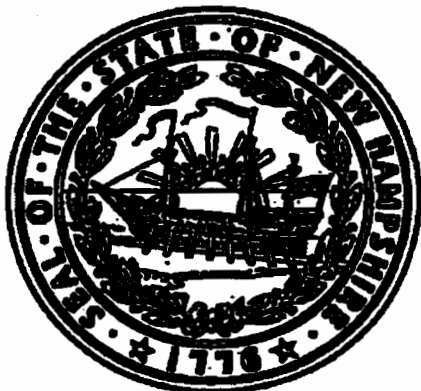
**Michael K. Prescott,
Senior Vice President and
Secretary**

State of New Hampshire
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that IGT GLOBAL SOLUTIONS CORPORATION is a Delaware Profit Corporation registered to transact business in New Hampshire on March 07, 1994. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 220713



IN TESTIMONY WHEREOF,
I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 17th day of May A.D. 2017.

A handwritten signature in black ink, appearing to read "Wm Gardner".

William M. Gardner
Secretary of State



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
02/16/2017

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PRODUCER Willis of Massachusetts, Inc. c/o 26 Century Blvd. P. O. Box 305191 Nashville, TN 37230-5191	CONTACT NAME: PHONE (A/C NO. EXT): 877-945-7378 FAX (A/C NO.): 888-467-2378 E-MAIL ADDRESS: certificates@willis.com	
	INSURER(S) AFFORDING COVERAGE NAIC#	
INSURED IGT Global Solutions Corporation Atten: David Wilmet 10 Memorial Boulevard Providence, RI 02903	INSURER A: Federal Insurance Company 20281-001	
	INSURER B: Travelers Property Casualty Company of Am 25674-003	
	INSURER C: National Union Fire Insurance Company of 19445-001	
	INSURER D: The Charter Oak Fire Insurance Company 25615-001	
	INSURER E: XL Specialty Insurance Company 37885-902	
INSURER F:		

COVERAGES **CERTIFICATE NUMBER: 25220541** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBS WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			36032755	6/30/2016	6/30/2017	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (EA OCCURRENCE) \$ 2,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
B	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			TC2JCAP-101D7011-16	6/30/2016	6/30/2017	COMBINED SINGLE LIMIT (EA ACCIDENT) \$ 2,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
C	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$			19086956	6/30/2016	6/30/2017	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 10,000,000 \$
D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY <input type="checkbox"/> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y/N <small>(Mandatory in NH if yes, describe under DESCRIPTION OF OPERATIONS below)</small>		N/A	TC2OUB-101D6794-16	6/30/2016	6/30/2017	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER
B				TRJUB-100D9705-16	6/30/2016	6/30/2017	E.L. EACH ACCIDENT \$ 1,000,000
B				TWXJUB-101D6930-16	6/30/2016	6/30/2017	E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
							E.L. DISEASE - POLICY LIMIT \$ 1,000,000
E	Crime/Fidelity Bond			US00072050BL16A	6/30/2016	6/30/2017	\$5,000,000 Employe
C	Errors & Omissions			42854577	6/30/2016	6/30/2017	\$10,000,000 Limit

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Re: Instant Ticket Printing and Related Services

See attached for additional coverage.

CERTIFICATE HOLDER New Hampshire Lottery Commission 14 Integra Drive Concord, NH 03301	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE



ADDITIONAL REMARKS SCHEDULE

AGENCY Willis of Massachusetts, Inc.		NAMED INSURED IGT Global Solutions Corporation Atten: David Wilmot 10 Memorial Boulevard Providence, RI 02903	
POLICY NUMBER See First Page		EFFECTIVE DATE: See First Page	
CARRIER See First Page	NAIC CODE		

ADDITIONAL REMARKS

**THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
 FORM NUMBER: 25 FORM TITLE: CERTIFICATE OF LIABILITY INSURANCE**

All Risk Property
 Carrier: Factory Mutual Insurance Company
 Policy # 1015661
 Term: 6/30/2016-6/30/2017
 Replacement Cost

Ocean Cargo/Transit
 Carrier: Affiliated FM Insurance Company
 Policy # OCP/OCWP-41134
 Term: 6/30/2016-6/30/2017
 Land Conveyance: \$7,500,000 Limit
 Vessel Conveyance: \$7,500,000 Limit
 Air Conveyance: \$7,500,000 Limit

Note as respects Errors & Omissions Coverage -
 Over-redemption is not excluded. The professional liability arising from Technology
 Products/Technology Services, Telecommunications Services, Internet Professional Services and
 Printing Professional Services, does apply to Instant Ticket Games, per the terms and conditions of
 the policy.



NH Lottery

Nearly \$2 Billion and Counting for our Schools

**State of New Hampshire
Lottery Commission**

REQUEST FOR PROPOSAL
FOR
Instant Ticket Printing and Related Services
January 3, 2017

Amended February 21, 2017
A summary of amendments is listed on the following page

SUMMARY OF AMENDMENTS

All amendments to the RFP are written in red throughout the document. Below is a summary of amendments. Note that previous amendments are now absorbed into the document and only new amendments are in bold red:

- **3.3.2 Minimum Ticket Specification i. (p38):** the NHLC updated the bar code information and requirements.
- **3.4.14 Interactive Games (p44):** item added per detail in 1.6 Scope m.

TABLE OF CONTENTS

PART 1 - PROPOSAL SUBMISSION	5
1.0 INTRODUCTION	5
1.1 NHLC OBJECTIVES	7
1.2 OVERVIEW OF RFP	7
1.3 CONTRACTING OFFICER	7
1.4 RESTRICTIONS ON COMMUNICATIONS WITH NHLC STAFF	8
1.5 TERM OF CONTRACT	8
1.6 SCOPE	8
1.7 SCHEDULE	10
1.8 INTENT TO BID	10
1.9 RFP CLARIFICATION QUESTIONS AND ORAL PRESENTATION	11
1.10 MODIFICATION OR WITHDRAWAL OF RESPONSES	12
1.11 INFORMATION FROM OTHER SOURCES	12
1.12 PROPOSAL CLARIFICATION PROCESS	12
1.13 LATE PROPOSALS	13
1.14 PROPOSAL FORM	13
1.15 LITIGATION AND INVESTIGATIONS	14
1.16 CHANGE OF FINANCIAL CONDITION	15
1.17 PROPOSAL CONTENTS	15
1.18 PROPOSAL DISCLOSURE PROHIBITION	15
1.19 PUBLIC DISCLOSURE AND NOTICE OF AWARD	15
1.20 MULTIPLE PROPOSALS FROM ONE VENDOR NOT ALLOWED	17
1.21 COSTS ASSOCIATED WITH PROPOSAL	17
1.22 REJECTION OR SELECTION OF PROPOSALS	17
1.23 NONMATERIAL AND MATERIAL DEVIATIONS	18
1.24 BACKGROUND INVESTIGATIONS DURING PROPOSAL EVALUATION	18
1.25 INDEPENDENT PRICE DETERMINATION	18
PART 2 - TERMS AND CONDITIONS	19
2.0 INTRODUCTION	19
2.1 GOVERNING LAW	19
2.2 CONTRACT ELEMENTS	19
2.3 TERM OF CONTRACT	20
2.4 PRIME CONTRACTOR RESPONSIBILITIES	20
2.5 ASSIGNMENT	20
2.6 TERMINATION OTHER THAN DEFAULT	21
2.7 TERMINATION FOR DEFAULT	22
2.8 COVENANT AGAINST CONTINGENT FEES	22
2.9 ACCOUNTING RECORDS	23
2.10 AUTHORITY OF THE NHLC	23

TABLE OF CONTENTS

2.11	COOPERATION OF THE PARTIES	23
2.12	INDEMNIFICATION.....	23
2.13	INSURANCES/BUSINESS CONTINUITY PLAN.....	25
2.14	LIQUIDATED DAMAGES PROVISIONS	26
2.15	FORCE MAJEURE	30
2.16	DISASTER RECOVERY PLAN.....	31
2.17	SECURITY REPORTING.....	31
2.18	TAXES, FEES AND ASSESSMENTS	32
2.19	NEWS RELEASES	32
2.20	ADVERTISING.....	32
2.21	NHLC APPROVAL OF STAFFING	32
2.22	COMPENSATION DURING CONTRACT	32
2.23	TICKET PURCHASE AND PRIZE PAYMENT RESTRICTIONS.....	33
2.24	VENDOR ETHICS AND INTEGRITY	33
2.25	CONFIDENTIALITY.....	33
2.26	NOTICE.....	33
2.27	DISPUTES UNDER THE CONTRACT	34
PART 3 – SPECIFICATIONS		35
3.0	INTRODUCTION	35
3.1	MANDATORY AND DESIRABLE	35
3.2	DESCRIPTION OF GAME DESIGNS	35
3.3	TICKET SPECIFICATIONS AND PRODUCTION REQUIREMENTS.....	35
3.4	VENDOR SERVICES.....	40
3.5	INSURANCE.....	44
3.6	STATE SERVICE AGREEMENT P-37	44
3.7	MARKETING SERVICES.....	44
3.8	SECURITY PRESENTATION	45
3.9	ADDITIONAL REQUIREMENTS	45
PART 4 - PRICING		47
4.0	PRICING SPECIFICATIONS.....	47
4.1	PRICING OPTIONS.....	47
PART 5 - PROPOSAL EVALUATION AND AWARD NOTIFICATION		51
5.0	PROPOSAL EVALUATION AND AWARD NOTIFICATION.....	51
5.1	EVALUATION	51
5.2	EVALUATION OF TECHNICAL AND PRICE PROPOSALS.....	52
5.3	EVALUATION OF OPTIONS.....	53
5.4	EVALUATION COMMITTEE RECOMMENDATION.....	53
APPENDIX A		54
APPENDIX B		59

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PART 1 - PROPOSAL SUBMISSION

1.0 INTRODUCTION

The New Hampshire Lottery Commission (hereinafter referred to as "NHLC") is issuing this Request for Proposals (RFP) to invite interested Bidders to submit proposals for instant ticket production, game design and related services for a period of four (4) years; the NHLC reserves the right to extend the contract at its sole discretion for two additional one (1) year periods, which can be enacted separately or combined. The NHLC is looking for an instant ticket vendor to identify opportunities for growth. Given that the vendor community has more exposure and access to best practices as well as new technologies, the NHLC encourages the chosen vendor to work collaboratively as a business partner.

Bidders submitting proposals under this RFP must have experience in the design, manufacture, administration and marketing of instant games with on-line validation bar codes, PDF417 bar codes and UPC coding. Vendors must have a minimum of three years of related lottery experience and have current printing experience with at least two (2) lotteries in the Continental United States of America who are members of the North American Association of State and Provincial Lotteries (NASPL).

The NHLC is the oldest legal lottery in modern times in the U.S., selling its first ticket in 1964. Instant tickets were introduced to its product line in 1975. To provide Bidders with background knowledge of the NHLC business, instant ticket sales over the past 7 years are summarized below –

Table 1
Gross Total Instant Sales in Millions

FY	2010	2011	2012	2013	2014	2015	2016
\$1	\$13.80	\$13.20	\$13.90	\$11.90	\$12	\$13.30	\$13.90
\$2	\$26.90	\$30.10	\$28.90	\$31.90	\$30	\$31.60	\$31.50
\$3	\$23.90	\$22.40	\$25.20	\$25.80	\$20.80	\$22.20	\$23.60
\$5	\$46.60	\$50.50	\$50.70	\$57.90	\$62.60	\$63.80	\$63.80
\$10	\$37.40	\$35.30	\$50.50	\$49.40	\$46.70	\$52	\$52.80
\$20	\$14.90	\$14.10	\$16.30	\$23.30	\$15.70	\$17	\$15.70
\$25	\$0	\$0	\$0	\$0	\$14.10	\$16.50	\$24.10
\$30	\$4.50	\$2.90	\$2.97	\$0	\$0	\$0	\$0
TOTAL	\$168	\$168.50	\$185.79	\$200.20	\$201.9	\$216.40	\$225.4

The number of games by price point and tickets issued since FY 2010 is shown in the following table (the Money Puzzle (\$3 MP) crossword game and \$3 Bingo are shown separately as versions of these are in continual release):

**Table 2
New Instant Games Issued**

FY	2010	Tickets Issued	2011	Tickets Issued	2012	Tickets Issued	2013	Tickets Issued	2014	Tickets Issued	2015	Tickets Issued	2016	Tickets Issued
\$1	10	18.00	14	14.79	8	12.89	7	10.90	9	11.70	13	12.88	12	11.40
\$2	13	13.00	14	17.52	9	11.89	14	18.60	11	14.80	13	15.88	14	16.32
\$3 MP	3	3.00	3	4.00	2	4.00	2	4.0	2	4.0	1	2.0	2	4.0
\$5	17	9.50	14	11.00	9	9.00	13	13.90	11	11.30	12	12.86	12	14.0
\$20	3	0.90	2	1.30	2	1.40	2	1.40	-	-	2	1.84	1	1.44
\$25	-	-	-	-	-	-	-	-	1	1.28	-	-	1	1.44
\$30	1	0.30	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	60	48.35	54	56.17	43	46.89	50	57.18	45	53.93	52	55.63	52	61.96

The NHLC has no plans to issue new \$30 games.

The following table shows the games that are planned for FY 17, with the number of tickets ordered shown in parenthesis. Note that new games are usually shipped for delivery on the first Monday of every month; exceptions are made for holidays and other special occasions.

**Table 3
Provisional Game Launch Schedule FY 17*
(Tickets ordered in millions)**

June 27, 2016	October 3, 2016	January 2, 2017	April 3, 2017
\$2- Triple Play (1.20)	\$1 Fast \$50's (1.8)	\$1 The \$599 (0.9)	\$1 \$1 Lottery Ticket (1.2)
\$3- Frogger** (1.0)	\$2 Hunting for Hundreds (1.2)	\$2 Tiny House, Big Money (1.2)	\$2 Pinball Payout (1.2)
\$5- 7 (1.0)	\$3 Bingo (1.0)	\$5 High Roller (1.0)	\$3 Tetris** (1.0)
\$10- \$500,000 Fortune (5.0)	\$5 Trucks and Bucks (1.0)		\$5 Boost Your Bucks (1.0)
	\$10 Franklin's Fortunes (0.72)		
August 1, 2016	October 31, 2016	January 30, 2017	May 1, 2017
\$1- 7-11-21 (0.9)	\$1 Holly Jolly \$100's (1.7)	\$1 Lucky Horseshoe (0.9)	\$1 Gold Rush (0.9)
\$5- High 5 (1.0)	\$2 Winter Winnings (1.2)	\$2 Four Leaf Clover (1.2)	\$2 Gold Rush (1.2)
\$3- Granite State Money Puzzle (4.0)	\$2 Ice Queen Riches (1.2)	\$5 Pot O' Gold (1.0)	\$5 Gold Rush (1.0)
\$10- \$200,000 Instant Jackpot (.72)	\$3 Super 7's Slingo** (1.0)	\$10 Ultimate Vegas Getaway (.72)	\$10 Gold Rush (.72)
	\$5 Jingle Bell Bucks (1.0)		\$25 Granite State Gold (1.4)
	\$10 Red (0.72)		
August 29, 2016	December 5, 2016	February 27, 2017	June 5, 2017
\$1- Blackjack Bonus (0.9)	\$1 \$1,000 Jackpot (1.2)	\$2 Joker's Wild (1.2)	\$2 Game (1.2)
\$2- Monster Money Madness (0.9)	\$2 \$20,000 Jackpot (1.2)	\$5 Double Sided Dollars (1.0)	\$5 Gold Castle (0.5)
\$2- Granite Getaway (1.2)	\$3 Twisted Bingo (1.0)	\$10 Money Madness (.72)	\$10 50x the Cash (.72)
\$5- Patriots 2016 (1.25)	\$5 \$100,000 Jackpot (1.25)		
\$5- Ruby Red Riches (1.0)	\$10 \$250,000 Jackpot (.72)		
\$10- Sapphire Deluxe (.72)	\$20 Mega Cash (1.44)		

*Subject to change

**Denotes interactive component for free and fun

1.1 NHLC OBJECTIVES

The NHLC has the following objectives for issuing this RFP and entering into a contract for the design and manufacturing of instant tickets:

- a. Utilize a secure and efficient, cost-effective process to produce and manage instant products as a means to maximize revenue. Growth of this product line is essential to the NHLC and the State of New Hampshire. Therefore, the NHLC is in search of a vendor who can provide insight and strategies to increase sales and maximize revenues of instant tickets in a responsible way, based on demonstrated results and best practices in the industry;
- b. Obtain instant tickets that will lead to high retailer satisfaction for quality and performance including:
 1. Colorful, attractive artwork;
 2. Varied play style;
 3. Use of quality materials; and
 4. Innovation and integration with technology;
- c. Maintain public confidence in the integrity and security of the instant game;
- d. Provide maximum marketability of the instant game tickets;
- e. Ensure that all proposed services are in operation no later than July 1, 2017, with the exception of Invited Options. Upon choosing a Vendor the NHLC and the successful Vendor will agree to a rollout timeline of Invited Options;
- f. Maximize instant tickets proceeds for the State of New Hampshire; and
- g. Provide options for ease of use from a sales, inventory, and financial perspective within the retail setting.

1.2 OVERVIEW OF RFP

This RFP endeavors to provide the information necessary for a prospective Vendor to submit proposals, consistent with the objectives stated above. The NHLC is cognizant that it may have omitted details or factors, which would be important to consider and would enhance the instant ticket program for the State of New Hampshire. Given that, the NHLC welcomes compliant submissions which are broader than the scope of this RFP.

1.3 CONTRACTING OFFICER

The Contracting Officer, acting on the NHLC's behalf, is the sole point of contact with regard to all procurement and contractual matters relating to the goods and services described herein. The NHLC is the only entity authorized, and hereby reserves the right to clarify, change, modify, amend, alter, withdraw, etc., the specifications, terms, and conditions of this RFP and any contract awarded as a result of the RFP.

The written agreement resulting from this RFP will become binding and effective after approval by the Governor and Executive Council. The apparent successful Bidder(s) is expected to enter into a written agreement with the NHLC within sixty (60) days after notification that it is the apparent successful Bidder(s).

All communications concerning this procurement must be addressed in writing only to the Contracting Officer:

Ms. Candy Burke
New Hampshire Lottery Commission
14 Integra Drive
Concord, New Hampshire 03301
FAX: (603) 271-7116
E-mail: Candy.Burke@lottery.nh.gov

1.4 RESTRICTIONS ON COMMUNICATIONS WITH NHLC STAFF

Other than the Contracting Officer, potential Bidders shall make **no contact with any NHLC personnel**, or agency designee, regarding this RFP. Prior to the award of a contract, Vendors shall not represent themselves to NHLC staff or retailers as having the endorsement of the NHLC, nor as the NHLC's next supplier of gaming products and services. Vendors who are currently doing business with the NHLC may continue to do so; however, any communication regarding this RFP is prohibited. Extraordinary requests for exceptions to this prohibition against contact with NHLC personnel may be directed to the Contracting Officer identified in RFP Section 1.3. Any potential Bidder causing or attempting to cause a violation of this ethical standard will, at the sole discretion of the NHLC, be disqualified from further consideration.

1.5 TERM OF CONTRACT

The contract resulting from this RFP is expected to be in effect as of the contract effective date, for a four (4) year term of operation. The contract may be extended at the discretion of the NHLC for two additional one (1) year periods, which can be enacted separately.

1.6 SCOPE

The Scope of Work for this RFP is instant ticket printing, marketing support and related services.

The successful instant ticket Vendor will be the supplier of instant tickets, marketing support and related services; however, the NHLC at its own discretion may also engage with secondary instant ticket Vendor(s) to print instant tickets on an as-needed basis. If the NHLC determines that multiple Vendors will be chosen, a primary Vendor will be awarded at least eighty (80) percent of the contract. However, the NHLC reserves the right to choose one Vendor exclusively. Note: the NHLC will not permit Bidders to propose separate price matrices for primary and secondary contracts.

An overview of required services is as follows:

- a. The Vendor will provide the expertise, services, and supplies necessary to assist the NHLC in the planning, design, implementation, and measurement of an instant ticket product line.**
- b. The Vendor will be responsible for the instant ticket production, security of the process and tickets, and secure delivery to the NHLC warehouse in Concord, NH.**
- c. The Vendor will work collaboratively with the NHLC in the design of instant ticket games, in accordance with a schedule set by the NHLC in conjunction with the Vendor, to make possible the winning of an immediately payable prize and/or provide for the possibility of winning future prizes or prize opportunities, such as entries into second chance prize drawings.**
- d. The Vendor will, upon request when the NHLC orders instant games, provide second chance barcodes for second chance prizes, which can be validated by the NHLC to draw against a game's liability.**
- e. If requested, the Vendor will provide the NHLC with a second chance drawing website where players can enter their non-winning tickets for games which provide second chance prizes. The Vendor will provide this site, as well as drawing services, tax services, and prize fulfillment at no additional cost to the NHLC beyond the licensed property fee.**
- f. The Vendor will print and supply tickets containing licensed products from third party vendors, subject to contractual agreement between the NHLC and the third party.**
- g. The Vendor will purchase non-cash prizes, either merchandise or annuities (either fixed period or lifetime), from third parties, as needed to fulfill elements of game prize structure, for the benefit of the NHLC. The Vendor will submit evidence of either prior facilitation of such fulfillment on behalf of another Lottery, or the capability of same.**
- h. The Vendor will coordinate with other NHLC vendors and the NHLC to ensure system integration and compatibility with the NHLC online gaming system.**
- i. The Vendor will provide access to the same technology and product options the Vendor may develop during the life of the Contract, and/or offer to its other instant game customers.**
- j. The Vendor will present new technology-based product options to the NHLC on a regular basis; emphasis should be on stable, proven services the Vendor can support with at least the same level as similar products or services already described in the RFP.**
- k. The Vendor is encouraged to submit options for a third party application as designated by the NHLC to provide NHLC sales force automation.**
- l. The Vendor will procure instant ticket dispensers, menu boards, and accompanying equipment on behalf of the NHLC for use by the retailer network.**

- m. The Vendor will provide interactive and augmented reality games that are integrated with the instant ticket games, or complementary. Games must be playable on all web platforms. If the Vendor does not have the capability to provide such games themselves, they will contract with mutually agreed upon third parties to do so.
- n. The Vendor will assist with enhancing corporate account connections, and provide sales force training and seminars for retailers based on best practices. If the Vendor is unable to provide these services, they will contract with mutually agreed upon third parties to do so.

1.7 SCHEDULE

The following dates are for informational and planning purposes; in particular the later dates on this schedule are tentative. The NHLC reserves the right to change any of the dates; if changes are made, those Bidders who submit Intent to Bid Letters in response to this RFP will be contacted.

<u>EVENT</u>	<u>DATE</u>
RFP Issued	January 3, 2017
Intent to Bid Letter Due*	January 10, 2017*
Vendors' Written Questions-Round 1*	January 23, 2017*
NHLC Written Responses	January 30, 2017
Vendors' Written Questions-Round 2*	February 13, 2017*
NHLC Written Responses	February 21, 2017
Proposal Submission Deadline*	March 6, 2017*
Vendor Presentations	March 27-31, 2017
Evaluation Committee Recommendation	April 7, 2017
Contract Signing by Lottery Commission	April Commission Meeting
Governor and Executive Council Approval	April or May
Contract Effective	July 1, 2017

**Required documents must be submitted to the NHLC by 4:00 p.m. Eastern Standard Time according to the clock on the NHLC security system.*

1.8 INTENT TO BID

Bidders must submit a written Letter of Intent to bid on this RFP (via e-mail, in person or USPS) to the NHLC Contracting Officer, identified in Section 1.3, by the date and time specified in Section 1.7, in order to receive any further communications regarding this RFP. If submitted by email the potential Bidder is responsible for successful e-mail transmission. NHLC will provide confirmation of the Letter of Intent if the name and e-mail address of a person to receive such confirmation is provided by the Bidder. Submitting Bidders should provide contact information, and mailing addresses (email or USPS). If a written Letter of Intent is not received by the NHLC by the date and time specified in Section 1.7, a bid may still be submitted pursuant to the schedule in Section 1.7, however, any further notices and

responses to questions issued by the NHLC will only be sent to potential Bidders who have submitted a timely written Letter of Intent.

The NHLC reserves the right to amend this RFP, as it deems appropriate prior to the Proposal Submission Deadline on its own initiative or in responses to issues raised through Bidder questions. In the event of an amendment to the RFP, NHLC, at its sole discretion, may extend the Proposal Submission Deadline. Bidders who submitted a Letter of Intent will receive notification of the amendment, and the amended language will be posted on the NHLC website.

1.9 RFP CLARIFICATION QUESTIONS AND ORAL PRESENTATION

This inquiry procedure provides the only means by which a Bidder may request additional information on the business, contractual, procedural, and technical requirements of this procurement.

1.9.1 Clarification Questions

Questions relevant to this RFP must be received by the NHLC before the deadline specified in Section 1.7. Questions may be mailed or e-mailed to the Contracting Officer at the addresses found in Section 1.3. When submitting by e-mail and an e-mail REPLY from the Contracting Officer is not received within 24 hours, excluding weekends and holidays, the Bidder should submit their clarification questions in an alternative form.

The NHLC will not respond to telephone inquiries or visitations by Bidders or their representatives relating to this RFP. All questions about this RFP, including but not limited to request for clarification, additional information or any changes to the RFP must be made in writing, citing the RFP page number and part of subpart, and submitted to the Contracting Officer identified in Section 1.3.

Bidders are cautioned that an RFP inquiry shall be written in generic terms and **MUST NOT CONTAIN COST DATA**. The inclusion of specific cost information in an inquiry may result in the Bidder's disqualification.

Bidders must observe the time schedule for submitting questions. This schedule will ensure that the NHLC has adequate time to respond to all questions and that the responses will be provided to Bidders in time to be incorporated into their proposals.

A copy of all questions and the NHLC's responses will be provided to each Bidder who received a copy of this RFP and has an Intent to Bid letter on file with the NHLC. The specific Bidders making the inquiries shall not be identified in the NHLC's responses. As noted in Section 1.7, two opportunities exist to submit questions. It is the NHLC's intent to respond to questions by the dates noted in Section 1.7, but those dates are subject to change depending on the complexity of the question(s).

Any changes in the RFP resulting from such requests will be communicated via published responses and/or RFP amendments.

1.9.2 Oral Presentation

The NHLC reserves the right to require some or all Bidders to make oral presentation of their proposal. Any and all costs associated with an oral presentation shall be borne entirely by the Bidder. Bidders may be requested to provide demonstrations of proposed printing techniques, interactive and augmented reality games, data analytics, automated sales force applications, and more. An oral presentation does not provide Bidders an opportunity to change, extend, or otherwise amend its proposal in intent or substance. The oral presentation is permitted and requested to further elaborate on certain aspects of the proposal and to answer questions that the NHLC may have.

1.10 MODIFICATION OR WITHDRAWAL OF RESPONSES

Any changes, amendments, or modifications to a proposal must be made in writing, submitted in the same manner as the original response, and conspicuously labeled as a change, amendment or modification to a previously submitted proposal. Changes, amendments, or modifications to proposals will not be accepted or considered after the hour and date specified as the Proposal Submission Deadline.

1.11 INFORMATION FROM OTHER SOURCES

The NHLC reserves the right to obtain, from sources other than the Bidder, information concerning a Bidder, the Bidder's capabilities and the Bidder's performance, which the NHLC considers relevant to this RFP and to consider such information in evaluating the Bidder's proposal.

1.12 PROPOSAL CLARIFICATION PROCESS

Clarifications from Bidders may be requested by the NHLC for the purpose of resolving ambiguities or questioning information presented in the proposals. Clarifications may occur throughout the proposal evaluation process. Clarification responses must be in writing and will address only the information requested. Responses will be submitted to the Contracting Officer of the NHLC within the time stipulated in Section 1.7.

Clarifications are for the purpose of resolving ambiguities and improving the understanding of the NHLC regarding a proposal. In no case does the clarification process permit a Bidder with an opportunity to change, extend or otherwise amend its proposal in intent or substance.

1.13 LATE PROPOSALS

Proposals pursuant to this RFP must be submitted and received by the Contracting Officer of the NHLC as of the date and time shown in the schedule Section 1.7. Failure of the Bidder to submit the proposal in a timely manner will result in rejection.

Late proposals, which are rejected, will be returned unopened to the Bidder.

1.14 PROPOSAL FORM

The proposal must be submitted in two (2) volumes and mailed or hand delivered to the Contracting Officer. All responses must be in a sealed packages and identified on the outside by the Bidder's full name and address, and be specifically addressed to the Contracting Officer. The Contracting Officer will confirm delivery of any proposal based on a telephone and email address provided on the enclosure. **Note the mandatory separation of the Technical vs. Price proposals.**

1.14.1 VOLUME I - Technical (Non-Price) Proposal

The Technical Proposal must include descriptive and technical matter to the exclusion of price or cost details and be appropriately labeled on the exterior of the enclosure. The Technical Proposal pages shall be numbered sequentially, commencing at page 1 and continuing with no breaks. Within clearly delineated sections, Bidders are encouraged to number pages starting at page 1, continuing sequentially. Pre-printed marketing materials and original signed documents with or without page numbers will be permitted.

One (1) original plus four (4) copies of this part are to be delivered. The delivery must be before 4:00pm. Eastern Time, March 6, 2017.

The Technical Proposal is also to be submitted on a CD ROM or flash drive using either a recent version of MS Word or PDF format. Additionally, submission of the full redacted proposal, protecting any trade secrets, on flash drive or CD ROM is encouraged to be included due to public disclosure laws; see Section 1.19 for further information.

The contents of the technical (non-price) volume must follow this outline:

- a. Transmittal letter;
- b. Disclosure of litigation (if any) and other information (See Section 1.15, below);
- c. Agreement to comply with all Terms and Conditions (See Part 2, below); exceptions must be noted;
- d. Proposal requirements that the Bidder acknowledges it does not meet (See Section 1.17, below);
- e. Response to Specifications, in identical order as the subsections laid out in Part 3, below;

- f. **Response to Invited Options, in identical order as the subsections laid out in Part 4, below. Note: pricing for Invited Options must be submitted in the Price Proposal.**

1.14.2 VOLUME II - Price Proposal

One (1) original Volume II Price Proposal plus one (1) copy to be delivered at the same time as VOLUME I Technical (Non-Price) Proposal.

The Volume II is to include only the cost information and be so identified on a separate enclosure. The Price Proposal must be signed in ink by an individual authorized to legally bind the Bidder.

The Bidder must include all costs from initial game design to delivery of finished tickets. Unless otherwise specified, all products and services shall be Free on Board Destination to the NHLC in Concord, New Hampshire. The NHLC will not assume any separate freight, mileage, travel time or any other associated charges in addition to the bid price. Any charges of this nature must be included in the bid price.

The contents of the pricing volume must follow this outline:

- a. **Transmittal letter**
- b. **Base ticket price as set forth in Part 3 of this RFP**
- c. **Pricing for Options**
- d. **Pricing for Invited Options**

The response for the base ticket price must be in the form designated in RFP Part 3 and Appendix B. Pricing for Options and Invited Options must be in identical order as the subsections laid out in Part 3 and Part 4, respectively.

1.15 LITIGATION AND INVESTIGATIONS

Since the NHLC has a strong interest in the successful Bidder's current and continuing ability to produce secure, high quality products and services, Bidders must list and summarize pending or threatened litigation, administrative or regulatory proceedings or similar matters that could affect the ability to produce and/or deliver the desired product or services. Vendors must also state whether they or any owners of 5% or more shares in the company, officers, or primary partners have ever been convicted of a felony.

Failure to disclose such matters may result in rejection of the response or in termination of any subsequent contract. This is a continuing disclosure requirement; any such matter commencing after submission of a proposal and, with respect to the successful Bidder(s) after the execution of a contract, must be disclosed in a timely manner in a written statement to the Executive Director of the NHLC.

1.16 CHANGE OF FINANCIAL CONDITION

If a Bidder who has submitted a proposal in response to this RFP experiences a substantial change in financial condition prior to the award of a contract pursuant to this RFP, or if the successful Bidder experiences a substantial change in financial condition during the term of a contract with the NHLC, the Executive Director of the NHLC must be notified in writing at the time the change occurs or is identified. A "substantial change" in financial condition is defined as any event which, following generally accepted accounting principles, would require a footnote disclosure in the annual report of a publicly traded United States corporation. In the case the successful Bidder is a private Canadian Corporation a "substantial change" would be defined as an occurrence that a Chartered Accountant would disclose in a financial report. Failure to notify the NHLC of such a change may result in the rejection of a Bidder's proposal or termination of the contract.

1.17 PROPOSAL CONTENTS

Each Bidder is expected to provide the NHLC with information, evidence and demonstrations which make possible the selection of the Bidder to be awarded the contract in a manner that best serves the stated interests of the State of New Hampshire.

Bidders are given wide latitude in the degree of detail they offer or the extent to which they reveal plans, designs, systems, processes, and procedures. At a minimum, proposals must be fully responsive to the specific requirements stated in this RFP.

Each proposal must identify any requirement of this RFP the Bidder cannot satisfy.

1.18 PROPOSAL DISCLOSURE PROHIBITION

Disclosure by a Bidder or agent of the Bidder of proposal contents prior to the award of a contract under this RFP may result in rejection of the proposal. A proposal must remain confidential until the Governor and Executive Council have approved a contract as result of this RFP. A Bidder's disclosure or distribution of proposals other than to the NHLC will be grounds for disqualification. The content of each Bidder's proposal and addenda will become public information once the Governor and Executive Council approve a contract.

1.19 PUBLIC DISCLOSURE AND NOTICE OF AWARD

1.19.1. Public Disclosure

Bids and proposals (including all materials submitted in connection with them, such as attachments, exhibits and addenda) become public information upon the effective date of a resulting contract or purchase order. However, to the extent consistent with applicable state and federal laws and regulations, as determined by the State, including, but not limited to, RSA Chapter 91-A (the "Right-to-Know" Law), the State shall attempt to maintain the confidentiality of portions of a bid that are clearly and properly marked by a Bidder as confidential. Any and all information contained in or connected to a bid

or proposal that a Bidder considers confidential must be clearly designated in a manner that draws attention to the designation. The State shall have no obligation to maintain the confidentiality of any portion of a bid, proposal or related material, which is not so marked. Marking an entire bid, proposal, attachment or sections thereof confidential without taking into consideration the public's right to know shall neither be accepted nor honored by the State. Notwithstanding any provision of this RFP to the contrary, pricing shall be subject to public disclosure upon the effective date of all resulting contracts or purchase orders, regardless of whether or not marked as confidential. When submitting the proposal, the NHLC requests a redacted version of the RFP to protect each Bidder's confidential information. This should be submitted on a flash drive or CD ROM.

If a bid or proposal results in a purchase order or contract, whether or not subject to approval by the Governor and Executive Council, all material contained, in, made part of, or submitted with the contract or purchase order, including the proposal, shall be subject to public disclosure. As provided by RSA 21-I:13-a, any contract resulting from this RFP shall become a public document, in its entirety, upon submission to the New Hampshire Governor and Executive Council for approval. Subsequently, upon receipt of any Right-to-Know request, (RSA 91-A), the State shall release the contract in its entirety.

If a Right-to-Know request is made to the State by any person or entity to view or receive copies of any portion of a bid or proposal, the State may, upon submitting a contract to Governor and Executive Council for approval, as provided by RSA 21-I:13-a, disclose any and all portions of the bid, proposal or related materials not marked as confidential. In the case of bids, proposals or related materials that contain portions marked confidential, the State shall assess whether it believes any of the information is subject to release pursuant to RSA 91-A. The State shall notify the Vendor that the request has been made; indicate what, if any, portions of the bid, proposal or related material shall not be released; and notify the Vendor of the date it plans to release the materials.

By submitting a bid or proposal, the Vendor agrees that unless it obtains and provides to the State, prior to the date specified in the notice described in the paragraph above, a court order valid and enforceable in the State of New Hampshire, at its sole expense, enjoining the release of the requested information, the State may release the information on the date specified in the notice without any liability to the Vendor. The State is not obligated to comply with a Vendor's designation regarding confidentiality.

1.19.2. Notification and Award of Contracts

The NHLC shall provide written notification to a Bidder who is selected for contract award relative to this RFP. If a Bidder(s) is selected, the NHLC will notify the successful Bidder(s) in writing of their selection and the NHLC's desire to enter into contract negotiations with the selected Bidder(s). Until the NHLC successfully completes negotiations with the selected Bidders(s), all submitted proposals remain eligible for

selection by the State for 90 days after July 1, 2017. In the event contract negotiations are unsuccessful with the selected Bidder(s), the Evaluation Team may recommend another Bidder(s).

Upon award, public announcements or news releases pertaining to any contract(s) awarded shall not be made without the written permission of the NHLC.

1.20 MULTIPLE PROPOSALS FROM ONE VENDOR NOT ALLOWED

A Bidder may submit a single proposal only. Within the single proposal the Bidder may identify Invited Options, including unsolicited products, services, features, or substitutions, which the Vendor believes may be appealing and useful to the NHLC. The NHLC strongly encourages potential Bidders to provide new ideas to stimulate sales and revenue through existing and new avenues, as permitted by the State of New Hampshire. The NHLC acknowledges that the Invited Options is not an exhaustive list of all industry options, given the changing climate. Therefore, submitting additional relevant Invited Options not listed is requested.

1.21 COSTS ASSOCIATED WITH PROPOSAL

By submitting a Letter of Intent to submit a proposal in response to this RFP, the Bidder agrees that in no event shall the NHLC or the State of New Hampshire be either responsible for or held liable for any of the costs incurred by a Bidder in preparing or submitting a proposal, including expenses associated with any demonstrations or presentations, or for work performed prior to the effective date of a resulting contract.

The NHLC may, at its sole discretion, at any time prior to contract award, conduct a site visit at the Bidder's location or at any other location deemed appropriate by the NHLC, in order to determine the Bidders' capacity to satisfy the terms of the RFP.

1.22 REJECTION OR SELECTION OF PROPOSALS

Notwithstanding any other provision of this RFP, this RFP does not commit NHLC to award a contract. The NHLC reserves the right to reject any or all proposals or any portion thereof, to cancel this RFP and solicit new proposals under a new bid process, to arrange to receive or itself perform and obtain the services and goods to be obtained hereunder, or to otherwise abandon the need for such goods and services. Bidders will be held to the terms submitted in their proposals but may be required to reduce costs depending upon aspects of the proposed program which may be determined by the NHLC to be unnecessary. Failure to meet obligations may result in cancellation of any award.

Bidders who submit a proposal in response to this RFP but who are not awarded the Contract will be notified in writing.

The acceptance of a proposal shall not diminish the NHLC's right to negotiate specific contract terms, including price, with the apparent successful Bidder(s).

1.23 NONMATERIAL AND MATERIAL DEVIATIONS

The right is reserved to waive or permit cure of non-material deviations, both in the proposal form and in the proposal's contents, if in the judgment of the NHLC the best interests of the State will be served and such waiver or cure will not be prejudicial to competition. The NHLC's waiver or permitting cure of a non-material deviation shall in no way excuse the proposing Bidder from full compliance with the contract requirements if the proposing Bidder is awarded the contract. The materiality of a deviation is the sole discretion of the NHLC. A proposal may be rejected for a material deviation.

1.24 BACKGROUND INVESTIGATIONS DURING PROPOSAL EVALUATION

Subsequent to proposal submission, the NHLC or its designee may initiate investigations into the backgrounds of the potential Bidders and individuals or entities related to any officers, directors, members, principals, investors, owners, subcontractors, employees, or any other individuals or entities related to the Bidders as the NHLC deems appropriate. Such background investigations may include fingerprint identification by the New Hampshire Attorney General, the Federal Bureau of Investigation, or the appropriate non-U.S. equivalent.

The cost of conducting background investigations will be borne by the NHLC.

The NHLC may reject a proposal based upon the results of these background checks. The Bidder is advised that any person who knowingly provides false or intentionally misleading information in connection with any investigation by the NHLC or its designee may cause the proposal to be rejected, or a subsequent Contract to be terminated.

1.25 INDEPENDENT PRICE DETERMINATION

By submission of a proposal, the Vendor certifies that, in connection with this proposal:

- a. The prices in the proposal have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition as to any matter relating to such prices with any other vendor or with any competitor;
- b. Unless otherwise required by law, the prices which have been quoted in the proposal have not been knowingly disclosed by the Vendor and will not knowingly be disclosed by the Vendor prior to award directly or indirectly to any other Vendor or to any competitor; and
- c. No attempt has been made or will be made by the Vendor to induce any other person or entity to submit or not submit a proposal for the purpose of restricting competition.

PART 2 - TERMS AND CONDITIONS

2.0 INTRODUCTION

This section describes the terms and conditions that apply to the procurement process and which will become part of the contract executed pursuant to this RFP. Additional terms and conditions and qualifications are shown in Appendix A: New Hampshire Form Number P-37.

2.1 GOVERNING LAW

With respect to any and all legal actions or proceedings arising under this RFP or any Contract resulting hereunder, a Bidder, by submission of a proposal, consents to the venue and jurisdiction of the courts of the State of New Hampshire.

2.2 CONTRACT ELEMENTS

The contract negotiated between the NHLC and the successful Bidder will also include:

- a. This RFP;**
- b. Amendments to this RFP; and**
- c. The successful Bidder's proposal.**

In the event of a conflict in language between any of the above-mentioned documents, the provisions and requirements set forth or referenced in the RFP and its amendments will govern. In the event that an issue is addressed in the proposal that is not addressed in the RFP, no conflict in language will be deemed to occur.

In the event of a conflict in language between any of the above mentioned documents and the Contract, the provisions and requirements of or referenced in the Contract will govern. In the event that an issue is not addressed in the Contract, no conflict in language will be deemed to occur.

The failure of a party to insist upon strict adherence to any term of a Contract resulting from this RFP will not be considered a waiver or deprive the party of the right thereafter to insist upon strict adherence to that term, or any other term, of the Contract.

Any Contract term resulting from this RFP may not be modified or augmented, except in writing executed by the parties hereto, and any breach or default by a party shall not be waived or released other than in writing and signed by the other party and approved by the Governor and Executive Council as required.

Each provision of the Contract is considered severable from all other provisions of the Contract and, if one or more of the provisions of the contract is declared invalid, the remaining provisions of the contract will remain in full force and effect.

2.3 TERM OF CONTRACT

With Governor and Executive Council approval the contract resulting from this RFP will be in effect from the contract effective date for a period of four (4) years, or such shorter period as the NHLC may determine due to causes such as contract termination or loss of statutory authority by the NHLC.

The NHLC reserves the right to extend the contract, in consultation with the successful Bidder, henceforth to be referred to as the Vendor, up to a maximum of two (2) years, either separately or combined, provided that any such option to extend is exercised by the NHLC at least ninety (90) days prior to the end of the initial contract period, or any extension thereof, or at a time mutually agreed upon by both parties.

2.3.1 Emergency Extension

The NHLC reserves the right to reactivate or further extend the initial contract, or any extension thereof, at the rates and upon the terms and conditions then in effect on thirty (30) days' notice for one (1) or more ninety (90) day periods.

Exercising these rights will not be construed as obligating the NHLC to repeat the procurement process for any subsequent contract or conferring any right or expectation for the Vendor to continue operations after the expiration of any such ninety (90) day period.

2.4 PRIME CONTRACTOR RESPONSIBILITIES

The Vendor may have subcontractors; however, the Vendor must accept full responsibility for and will be liable to the NHLC for subcontractor's performance. The NHLC will consider the Vendor to be the sole point of contact with regard to all contractual matters, including payment of any and all charges resulting from the contract.

2.5 ASSIGNMENT

The contract may not be assigned, transferred, conveyed, sublet, or otherwise disposed of without previous written approval of the NHLC, and the Governor and Executive Council as required. Any purported assignment in violation of this Section shall be null and void. Further, the Vendor may not assign the right to receive moneys due under the contract without the prior written consent of the NHLC.

2.6 TERMINATION OTHER THAN DEFAULT

2.6.1 Immediate Termination (without Notice)

The NHLC may immediately terminate, without notice, any contract issued as a result of this RFP for any of the following reasons by providing written notice to the Vendor:

- a. If the Vendor furnished any statement, representation, warranty, or certification in connection with this RFP or the resultant contract which is materially false, incorrect, or incomplete;
- b. If the Vendor becomes financially unstable or is otherwise not able to perform the contract;
- c. If the Vendor or subcontractor, or an officer or owner of a 5% or greater share of either, is convicted of a criminal offense incident to the application for or performance of any contract or subcontract whether in this jurisdiction or in another jurisdiction, or is convicted of a criminal offense which at the sole discretion of the NHLC reflects on the Vendor's integrity;
- d. If any officer or employee of the Vendor or agents engaged by the Vendor in connection with the contract issued as a result of the RFP, purchases a ticket or attempts to claim a prize in any New Hampshire Lottery game.
- e. If the Vendor commits an ethics or integrity violation as defined in the Contract and Section 2.25 of this RFP.

The NHLC and the State of New Hampshire shall not be liable for any costs incurred if termination is for any of the causes stated above.

2.6.2 Termination with Notice

The NHLC may terminate any contract issued as a result of this RFP upon giving the Vendor thirty (30) days prior written notice for any of the following reasons:

- a. In the event the NHLC or the State can no longer use the services or products specified in the contract because of change in law or regulation;
- b. If funds for the purposes specified under the contract are not appropriated by the State. The Vendor acknowledges that continuation of this contract is subject to appropriation of funds for the purposes specified in the contract. If funds to enable the NHLC to effect continued payment under this contract are not appropriated or otherwise made available, the NHLC shall have the right to terminate the contract without penalty at the end of the last period for which funds have been made available. Written notice of termination under this section shall be given within thirty (30) days after it is determined that there is non-appropriation.
- c. In the event that prices proposed for contract modification or for additional services requested by the NHLC cannot be mutually agreed upon by the Vendor and the NHLC.

If the contract is terminated for one of the reasons stated in this section and it is determined that the Vendor is due compensation for costs incurred prior to termination, prior outstanding compensation will be limited to reasonable expenses for products, materials, supplies, and services rendered, for which the Vendor has not been compensated. The NHLC will make no payments for unfurnished work, work in progress, or raw materials acquired unnecessarily in advance, in excess of the NHLC's delivery requirements, or initiated after receipt by the Vendor of notice of termination.

2.7 TERMINATION FOR DEFAULT

The NHLC reserves the right to terminate the contract and to pursue any and all legal remedies provided at law, in equity, in this RFP or in the contract for breach or nonperformance of a contract or other infractions, whether or not such default results in the termination of a contract executed pursuant to this RFP. Default is defined as the failure of the Vendor to fulfill the obligations of the quotation or Contract. In the event of default, the NHLC shall notify the Vendor of its nonperformance and the Vendor will have a cure period of up to 30 days to remedy the default. If the Vendor is still in default after the cure period of 30 days, the NHLC and the State may immediately and/or upon 30 days prior written notice to the Vendor, terminate the Contract without further liability to the State, its departments, divisions, agencies, sections, commissions, officers, agents and employees, and procure the services from other sources, and hold the Vendor responsible for any excess costs incurred due to the Vendor's default.

In addition to the remedy of contract termination and all other remedies available to the NHLC hereunder, in the contract, at law or in equity, the NHLC may at its sole discretion accept partial, incomplete or otherwise non-complying performance, and may deduct from the price to be paid under the contract a sum which in the NHLC's determination reasonably reflects the difference in value between the contract as it was to have been performed and as it was actually performed.

2.8 COVENANT AGAINST CONTINGENT FEES

The Vendor warrants that no person or selling agency has been employed or retained to solicit or secure an agreement pursuant to this RFP upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies retained by the Vendor for the purpose of securing business. For breach or violation of this warranty, the NHLC shall have the right to terminate any contract or agreement in accordance with the termination clause, and at its sole discretion, to deduct from any contract or agreement any price or consideration or otherwise recover the full amount of any such commission, percentage, brokerage or contingent fee.

2.9 ACCOUNTING RECORDS

The Vendor is required to maintain its books, records and all other evidence pertaining to the contract in accordance with generally accepted accounting principles and other procedures specified by the NHLC. These records will be available to the NHLC, its internal auditors or external auditors (and other designees) and the New Hampshire Office of Legislative Budget Assistant at all times during the contract period and any extension thereof, and for three (3) full years from the expiration date and/or final payment on the contract or extension thereof, whichever is later.

Bidders must include in their proposal an audited financial statement concerning their operations for the previous two (2) complete fiscal years and an un-audited financial statement covering the interim period since the close of the most recent fiscal year. Audited financial statements may be submitted in PDF format and can be provided on a CD or flash drive. These statements shall include, but not necessarily be limited to:

- a. Statements of Net Assets;
- b. Statements of Revenues, Expenses and Changes in Fund Net Assets; and
- c. Statement of Cash Flows prepared in accordance with generally accepted accounting principles.

2.10 AUTHORITY OF THE NHLC

On all questions concerning the interpretation of specifications, the acceptability and quality of material furnished and/or work performed, the classification of material, the execution of the work, the assessment of liquidated damages, and the determination of payment due or to become due, the decision of the NHLC shall be final and binding.

2.11 COOPERATION OF THE PARTIES

The Vendor and the NHLC agree to cooperate fully, to work in good faith and to mutually assist each other in the performance of the Contract. In this connection, the parties will meet to resolve problems associated with the Contract. Neither party will unreasonably withhold its approval of any act or request of the other to which its approval is necessary or desirable.

2.12 INDEMNIFICATION

2.12.1 General Indemnification

The Vendor shall indemnify, defend and hold harmless the NHLC, State of New Hampshire, its officers and employees from and against all losses, liabilities, penalties, fines, damages and claims (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties), arising from or in connection with any of the following:

- a. Any claim, demand, action, citation or legal proceeding against the State, its officers and employees arising out of or resulting from (i) the product provided or (ii) performance of the work, duties, responsibilities, actions or omissions of the Vendor or any of its subcontractors under this contract;
- b. Any claim, demand, action, citation or legal proceeding against the State, its officers, and employees arising out of or resulting from a breach by the Vendor of any representation or warranty made by the Vendor in the contract;
- c. Any claim, demand, action, citation or legal proceeding against the State, its officers, and employees arising out of or related to occurrences that the Vendor is required to insure against as provided for in this contract;
- d. Any claim, demand, action, citation or legal proceeding against the State, its officers, and employees arising out of or resulting from the death or bodily injury of any person, or the damage, loss or destruction of any real or tangible personal property, in connection with the performance of services by the Vendor, by any of its subcontractors, by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable; provided, however, that this indemnification obligation shall not apply to the extent, if any, that such death, bodily injury or property damage is caused solely by the negligence or reckless or intentional wrongful conduct of the State;
- e. Any claim, demand, action, citation or legal proceeding against the State, its officers, and employees which results from an act or omission of the Vendor or any of its subcontractors in its or their capacity as an employer of a person.

2.12.2 Patent/Copyright/ Trademark Infringement Indemnification

The Vendor shall indemnify, defend and hold harmless the NHLC, State of New Hampshire, its officers and employees from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State to the extent that such action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the Vendor or its subcontractors, or the operation of such equipment, software, commodity or service, or the use or reproduction of any documentation provided with such equipment, software, commodity or service infringes any United States or foreign patent, copyright, trade secret or other proprietary right of any person or entity, which right is enforceable under the laws of the United States.

The NHLC shall observe all existing federal and state copyrights and trademarks; however, the NHLC reserves the right to select game designs that have been, in whole or in part, originated by the NHLC, originated by another lottery, originated by the vendor, or originated by another vendor.

The Vendor shall indemnify all tickets it prints, regardless of which party designed the ticket. For all tickets printed by the Vendor, a thorough search of potential trademark and related infringements, as detailed above, is necessary.

2.13 INSURANCES/BUSINESS CONTINUITY PLAN

2.13.1 Insurance

The Vendor shall purchase and maintain insurance for claims set forth below which may arise out of or result from the Vendor's operations under the contract, whether such operations be by the Vendor or by any subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

- a. Claims under workers' disability compensation, disability benefit and other similar employee benefit acts.
- b. Claims for damages because of bodily injury, occupational sickness or disease, or death of the Vendor's employees.
- c. Claims for damages because of bodily injury, sickness or disease, or death of any person other than the Vendor employees.
- d. Claims for damages because of injury to or destruction of tangible property, including loss of use resulting there from.
- e. Errors and Omissions Insurance with limits of not less than \$1,000,000 per claim, to be in force and effect at all times, which will indemnify the Vendor and the NHLC for direct loss which may be incurred due to any error caused by the Vendor, its officers, employees, agents, subcontractors or assigns regardless of negligence.

Statement of self-insurance to cover the above requirements shall be considered non-responsive.

Errors and Omissions Insurance must continue until one year past the term of the Contract. All other insurance covered by this section must be effective when performance commences under the Contract and continue through the life of the Contract and any authorized extensions.

Certificates of insurance must be furnished to the Contract Administrator on date of contract execution.

The required insurance coverage shall be written for not less than any limits of liability specified herein, or as specified in New Hampshire Form Number P-37, Paragraph 14 (attached as Appendix A), or as required by law, whichever is greater, and shall include contractual liability as applicable to the Vendor's obligations under the Indemnification clause of the contract.

2.13.2 Fidelity Bond

Prior to contract execution, the Vendor will be required to obtain a Fidelity Bond in the amount of one million dollars (\$1,000,000) covering any loss to the State due to any fraudulent or dishonest act on the part of the Vendor's officers, employees, agents or subcontractors.

If the Vendor utilizes agents and subcontractors who are not covered by the Fidelity Bond, it is the responsibility of the Vendor to ensure those agents and subcontractors maintain coverage of the same. If the agents or subcontractors are found guilty of fraudulent or dishonest acts regarding the terms of this contract and they do not have Fidelity Bond coverage, the Vendor will be held liable to cover any loss associated with incident to the State of New Hampshire.

2.13.3 Business Continuity Plan

Prior to the contract execution, the successful Bidder must provide the NHLC with their proposed Business Continuity Plan to be used in the event that the successful Bidder's primary place of business is rendered inoperable due to acts of terrorism, forces of nature or other unforeseen events.

This backup plan may consist of an alternate printing site owned by the successful Bidder, or a written agreement with another party stating that they agree to perform the functions of this contract on behalf of the successful Bidder until such time as deemed necessary by the NHLC.

2.14 LIQUIDATED DAMAGES PROVISIONS

In all the below liquidated damages sections, the NHLC and the Vendor agree that it will be extremely impractical and difficult to determine actual damages which the NHLC will sustain. If the goods and services to be provided under the contract are not readily available on the open market, any breach by the Vendor will delay and disrupt the NHLC's operations and will lead to damages. Therefore, the parties agree that the liquidated damages as specified in all the sections below are reasonable.

In no case shall liquidated damages be measured in terms of potential lost revenue or potential lost net profit to the NHLC, unless and to the extent that the NHLC determines, or alternatively, that a court of competent jurisdiction determines that actual loss can be measured precisely and that the written liquidated damages provision is unreasonable and/or unenforceable as a matter of law.

It is not the NHLC's intent to assess liquidated damages. Rather the NHLC wants to create a business partnership with the Vendor(s) and work through challenges to find reasonable business solutions. Liquidated damages will be used as a last resort when other remedial actions fail, or when the Vendor is non-responsive.

Assessment of liquidated damages shall be in addition to, and not in lieu of, such other remedies as may be available to the NHLC. Except and to the extent expressly provided herein, the NHLC shall be entitled to recover liquidated damages under each section applicable to any given incident.

In all the following liquidated damages sections, there shall be no pro-ration of damages for partial periods (e.g., partial days); for example, if penalties are five hundred dollars (\$500) per calendar day and the penalty period is one (1) hour, the penalty shall be five hundred dollars (\$500). For purposes of this Section, "day" or "calendar day" shall be defined as a twenty-four (24)-hour period, commencing at 12:00 a.m. and ending at 11:59 p.m.

2.14.1 Notification of Liquidated Damages

All assessments of liquidated damages shall be made by the Executive Director of the NHLC. Upon determination that liquidated damages are to, or may, be assessed, the NHLC shall notify the Vendor of the potential assessment in writing.

2.14.2 Conditions for Termination of Liquidated Damages

As determined appropriate by the Executive Director of the NHLC, the following are the conditions under which the Vendor may obtain relief from the continued assessment of liquidated damages which have been imposed.

- a. Except as waived in writing by the Executive Director of the NHLC, no liquidated damages imposed shall be terminated or suspended until the Vendor issues a written notice verifying the correction of the condition(s) for which liquidated damages were imposed, and all the Vendor corrections have been subjected to verification at the discretion of the Executive Director.
- b. The Vendor shall conduct testing of any correction as the Executive Director of the NHLC deems necessary. Such testing shall be developed jointly by the NHLC and the Vendor, and approved by the NHLC, including the test script, test environment, and test result.
- c. The documentation required for verification and approval shall be determined by the Executive Director of the NHLC. The Executive Director shall be the sole judge of the accuracy of any documentation provided.
- d. A Vendor notice of correction will not be accepted until the correction is verified by the NHLC.

2.14.3 Severability of Individual Liquidated Damages

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

2.14.4 Waivers of Liquidated Damages

It is expressly agreed that the waiver of any liquidated damages due the NHLC shall constitute a waiver only as to such liquidated damages and not a waiver of any future liquidated damages. Failure to demand payment of liquidated damages within any period of time shall not constitute a waiver of such claim by the NHLC.

2.14.5 Payment of Liquidated Damages

All assessed liquidated damages will be deducted from any moneys owed the Vendor by the NHLC and in the event the amount due the Vendor is not sufficient to satisfy the amount of the liquidated damages, the Vendor shall pay the balance to the NHLC within thirty (30) calendar days of written notification. If the amount due is not paid in full the balance will be deducted from subsequent payments to the Vendor.

2.14.6 Applicability of Liquidated Damages

The Vendor shall not be required to pay liquidated damages for delays solely due to matters as enumerated in the section entitled "Force Majeure" or for time delays specifically approved by the NHLC. Additionally, the Vendor is not required to pay liquidated damages for delays caused by the acts or omissions of the NHLC or other vendors.

2.14.7 Timely and Accurate Reports and Files

a. Conditions

The Vendor fails to provide timely, sufficient and accurate computer files within the specified time frames and descriptions in the contract.

b. Damages

For each late, insufficient or inaccurate computer file required by this contract, the Executive Director of the NHLC may impose liquidated damages in the amount of \$5,000 per day per file, until the required accurate file is provided to the NHLC.

2.14.8 Tickets

a. Condition

Tickets issued by the Vendor and presented for redemption are not identified as valid, winning saleable tickets on the validation files furnished to the NHLC and its online vendor by the Vendor, for which the NHLC becomes liable for payment under the laws of the State of New Hampshire.

b. Damages

For each ticket presented as such, the Vendor will be liable for the prize amount awarded.

2.14.9 Delivery of Tickets

a. **Condition**

Instant tickets are not delivered to the NHLC warehouse on a timely basis that is consistent with the delivery date set in the Executed Working Papers.

b. **Damages**

If the Vendor does not deliver the tickets to the NHLC warehouse by the date specified in the Executed Working Papers, and a delay to the scheduled start of game sales results, the Executive Director of the NHLC may impose liquidated damages of fifteen thousand dollars (\$15,000) per calendar day for each day that delivery is delayed beyond the time specified.

2.14.10 Misprinted Tickets that Require Removal from the Market

a. **Condition**

Printing errors or omissions on the ticket that requires the sale of the game be suspended and the game removed from the market. *Note: Removal of a game from the market for printing errors will be at the sole discretion of the Executive Director of the NHLC.*

b. **Damages**

Damages equal to 1/120 of the overall game's expected maximum revenue will be assessed for each day, starting from the day the game is announced to be removed from sale up to and including the day prior to the date of first sales for another replacement game of the same price point.

2.14.11 Poor Quality Tickets that Require Removal from the Market

a. **Condition**

The quality and scratchability of an instant ticket is compromised and adversely impacts the sale of the ticket and forces the premature removal of the game from the market. *Note: Removal of a game from the market for quality/scratchability issues will be at the sole discretion of the Executive Director of the NHLC.*

b. **Damages**

Damages equal to 1/120 of the overall game's expected maximum revenue will be assessed for each day, starting from the day the game is announced to be removed from sale up to and including the day prior to the date of first sales for another replacement game of the same price point.

2.14.12 Missing/Incomplete Trademark Search

a. **Condition**

The Trademark search or certification specified in Section 3.4.6 is inadequate, incomplete or incorrect, resulting in trademark violations for a game currently on sale. *Note: Removal of a game from the market for trademark violations will be at the sole discretion of the Executive Director of the NHLC.*

b. **Damages**

The Vendor will pay the NHLC fifteen thousand dollars (\$15,000) per day from the date of cancellation of the game until a replacement game is received by the NHLC. Vendor must provide and deliver a replacement game specified by the NHLC within fourteen (14) calendar days at no charge to the NHLC. If a game is not on sale but has been delivered to the NHLC, any charges paid by the NHLC to the Vendor shall be credited to the NHLC account.

2.14.13 Warranty on High Tier Prizes

a. **Condition**

The exact number of high tier prizes (\$1,000 or more) in a game approved by the NHLC is exceeded.

b. **Damages**

Damages equal to the value of claimed additional high tier prize tickets not approved by the NHLC per occurrence in the game will be assessed.

2.14.14 Warranty on Unique Validation Numbers

a. **Condition**

Erroneous validation numbers are within a game, which may result in incorrect prizes being paid.

b. **Damages**

Damages in the amount of \$1,000 per game plus actual losses for any prizes paid will be assessed.

2.15 FORCE MAJEURE

A Force Majeure occurrence is an event or effect that cannot be reasonably anticipated or controlled and without the fault or negligence of the non-performing party. As herein used, Force Majeure means acts of war; terrorism; action of the elements; governmental interference; rationing; or any other cause which is beyond the control of the party affected and which, by the exercise of reasonable diligence, said party is unable to prevent delays arising as a result thereof or to predict and through advance planning avoid such delays.

Neither the Vendor nor the NHLC shall be liable to the other for any delay in or failure of performance under the contract resulting from this RFP due to a Force Majeure occurrence.

Any such delay in or failure of performance shall not in and of itself give rise to any liability for damages; however, the NHLC may elect to terminate the contract for cause should its operations, in its sole judgment, be materially threatened by reason of extended delay or failure of performance.

Force Majeure shall extend the period for the Vendor's performance to such extent as determined by the Executive Director of the NHLC to be necessary to enable complete performance by the Vendor if reasonable diligence is exercised after the cause of delay or failure has been removed.

2.16 DISASTER RECOVERY PLAN

The successful vendor shall provide the NHLC with an adequate Disaster Recovery Plan no later than two months after commencement of the contract. This is in addition to the Business Continuity Plan described in section 2.13.3 of this RFP, which Business Continuity Plan may be incorporated in the Disaster Recovery Plan.

2.17 SECURITY REPORTING

The Vendor agrees to immediately report any security procedural violation, violation of law (e.g. theft), or disappearance of any instant tickets, validation files or other equipment, software or material used or to be used in the performance of this contract. The report will be delivered personally or by telephone, followed by a letter addressed to the Executive Director of the NHLC.

The Vendor agrees to report any change in, addition to, or deletion from, the information disclosed to the NHLC. The report will be in the form of a letter addressed to the Executive Director of the NHLC and will be delivered within thirty (30) days of the effective date of the change, addition, or deletion.

In particular the Vendor must report the involvement of any of the Vendor's employees, owners, or agents in any known criminal arrest (exclusive of minor traffic violations) or investigation, or any such action or event, should it be reasonably able to construe that event as having some relationship to the security, integrity, and image of the NHLC.

2.17.1 Additional Security Measures

In an effort to ensure security and integrity of the games, the NHLC, the State of New Hampshire, the retailer network, and the players, the Vendor will maintain a Security Plan, which it uses to produce instant tickets, including game ticket construction security, anti-counterfeiting and validation security, redemption security, game design security and anything that may compromise security. Validation security shall include a description of the Vendor's method for creating files of unique random numbers; the NHLC reserves the right to review a sample file.

The Vendor must fully describe protective measures against unauthorized manipulation of a ticket's integrity by any means. The Vendor must disclose to the NHLC Director of Security any documented or known security breaches that have occurred with the Vendor.

The NHLC reserves the right to require at any time further and additional security measures as it may, in its sole discretion, deem necessary or appropriate to ensure the integrity of the System or of the games.

2.18 TAXES, FEES AND ASSESSMENTS

The Vendor shall pay all taxes, fees and assessments, however designated, levied or based. The State of New Hampshire is exempt from State and local sales and use taxes on the services provided pursuant to this contract.

2.19 NEWS RELEASES

News releases pertaining to this RFP or the services, study, data, or project to which it relates cannot not be made public without prior written NHLC approval, and then only in accordance with the explicit written instructions from the NHLC. No results of the program are to be released without prior approval of the NHLC and then only to persons designated.

2.20 ADVERTISING

Each Bidder agrees not to use the NHLC name, logos, images, nor any data or results arising from this procurement without prior written approval by the NHLC.

2.21 NHLC APPROVAL OF STAFFING

The NHLC reserves the right to disapprove of any employee of the Vendor who is assigned to the NHLC contract, either at contract inception or during the term.

2.22 COMPENSATION DURING CONTRACT

The submitted invoices will be confirmed by the NHLC based on management and accounting reports. Confirmed invoices will be paid within thirty (30) days of receipt. All invoices for a fiscal year must be provided to the NHLC before the end of that fiscal year so year-end inventory and reconciling can be accurate.

The State fiscal year is July 1st through June 30th. Payments to the Vendor from the NHLC in any given fiscal year are contingent upon enactment of legislation.

2.23 TICKET PURCHASE AND PRIZE PAYMENT RESTRICTIONS

No Vendor, subcontractor or related entity, or officer, director, partner, employee, or owner of the Vendor or of any current subcontractor or related entity, and no spouse, child, brother, sister, or parent residing in the household in the principal place of abode of any such individual shall purchase a New Hampshire Lottery ticket or be paid a prize in any New Hampshire Lottery game. The Vendor shall ensure that this requirement is made known to each affected individual.

2.24 VENDOR ETHICS AND INTEGRITY

The Vendor is obligated to meet high standards for ethics and integrity under this Contract:

- a. The Vendor and employees shall not offer or give any gift, gratuity, favor, entertainment, loan, or any other thing of material monetary value to any NHLC employee.
- b. The Vendor and employees of the Vendor shall not disclose any business sensitive or confidential information gained by virtue of this Contract to any party without the consent of the Executive Director of the NHLC.
- c. The Vendor and employees shall take no action in the performance of this Contract to create an unfair, unethical, or illegal competitive advantage for itself or others.

For violation of the above provisions, the NHLC may terminate the contract, receive restitution from the Vendor, debar the Vendor, or take any other appropriate actions against the Vendor.

2.25 CONFIDENTIALITY

The Vendor, its officers, employees, agents, representatives, and subcontractors, will not disclose to any other person or entity any information pertaining to the NHLC's methods, systems, programs, procedures, or operations at any time without prior written approval of the NHLC, except as may be necessary in its performance of this Contract.

2.26 NOTICE

All notices and communications will be in writing and will be effective when received by the addressee. Until notified otherwise, notices and communications concerning an awarded Contract must be addressed as follows:

**Charles McIntyre
Executive Director
New Hampshire Lottery Commission
14 Integra Drive
Concord, New Hampshire 03301**

2.27 DISPUTES UNDER THE CONTRACT

In the event that any dispute arises between the parties with respect to the performance required of the Vendor under the Contract, the Executive Director of the NHLC will make a determination in writing and send same to the Vendor. That interpretation shall be final and conclusive in all respects, unless the Vendor within thirty (30) days of receipt of said writings delivers to the Executive Director or duly authorized designee, a written appeal. The decision of the Executive Director on any such appeal shall be made within thirty (30) days and shall be final and conclusive and the Vendor shall thereafter with good faith and due diligence render such performance as the Executive Director has determined is required of it. The Vendor's options with respect to any such decision on appeal shall be whether 1) to accept the determination of the Executive Director as a correct and binding interpretation of the Contract, or 2) to make such claims as it may desire before the appropriate court of competent jurisdiction.

Pending a final judicial resolution of any such claim, the Vendor shall proceed diligently and in good faith with the performance of the Contract as interpreted by the Executive Director and the NHLC shall compensate the Vendor pursuant to the terms of the Contract.

PART 3 – SPECIFICATIONS

3.0 INTRODUCTION

This section describes the service specifications for the Lottery Instant Scratch Games (instant tickets).

3.1 MANDATORY AND DESIRABLE

Specifications in the RFP shall be regarded by the Vendor as mandatory--as denoted by terms such as "must," "will," and "shall."

3.2 DESCRIPTION OF GAME DESIGNS

The NHLC uses the guaranteed low-end prize structure (GLEPS). Each pack of tickets in the lottery game shall be programmed to contain a pre-specified dollar, constant total value of low-end prizes. There shall be different combinations of numbers or occurrences of such low-end winners in order to provide a variety of mixes in the game.

The NHLC may elect to use the GLEPS or not in future game designs.

3.3 TICKET SPECIFICATIONS AND PRODUCTION REQUIREMENTS

In order to maintain public confidence in the integrity and security of the instant games, and to provide maximum marketability of the instant game tickets, the NHLC requires that the tickets be printed to the highest quality standards.

3.3.1 Unacceptable Characteristics

A pack of tickets with any of the following characteristics would not be considered acceptable to the NHLC.

- a. Scratches across the latex covering on a ticket expose portions of hidden play symbols or may tend to make the consumer believe the ticket was tampered with, even if no portion of the play symbols are exposed.
- b. Rough, uneven latex coverings do not readily reveal attempts to compromise the ticket by "pin-pricking or "microsurgery" techniques.
- c. Latex coverings have holes that expose portions of hidden play symbols or may tend to make the consumer believe the ticket was tampered with, even if no portion of the play symbol is exposed.
- d. Latex coverings "drip" into the display printing.
- e. Latex coverings smear or fail to come off when scratched.
- f. Overprint designs are not clear and crisply printed.

- g. Perforations between tickets cause tickets to unintentionally separate with regular handling or in Instant Ticket Vending Machines (ITVM). Or in contrast, perforations between tickets prevent tickets from separating with or without damage to the ticket or consistently jamming the ITVM.
- h. Tickets out of order within a pack or tickets from more than one book in one pack.
- i. Packs are wider or longer than specified in the Working Papers for each game.
- j. Lottery play symbols are "clipped" or "incomplete."
- k. Offsetting of inks on latex coverings from one ticket to another.
- l. Latex coverings are off-register.
- m. Play symbols "peek-out" from under the latex covering.
- n. Play symbols smear with slight moisture or normal handling.
- o. Play symbols fail to smear with solvents.
- p. Play symbols are obliterated during normal removal of the latex.
- q. Tickets are not trimmed straight.
- r. Ticket packs contain large amounts of paper shavings (i.e., "snow") that fall out when the pack is opened.
- s. Tickets are printed with unapproved art on either the front or the back of the ticket.
- t. Display print designs are not clearly and crisply printed.
- u. Captions are not clear or do not correctly describe the lottery play symbol.
- v. The ability to differentiate a non-winning ticket or a winning ticket prior to the latex being removed from ticket.
- w. Latex coverings require excessive pressure and scratching to remove.

3.3.2. Minimum Ticket Specification

a. ALGORITHM

The Vendor shall develop and test an instant ticket algorithm for the use of the NHLC, under license agreement for as long as the Vendor's instant tickets are available for sale and validation in the state of New Hampshire.

b. TICKET SIZE

ALL TICKETS – The following are approximate sizes. Alternate sizes may be bid, however, the sizes listed below or the approximate equivalents are required sizes:

- 2.25" x 4.0"
- 4.0" x 4.0"
- 4.0" x 6.0"
- 4.0" x 8.0"
- 4.0" x 10.0".

c. FOLD

All Games - Continuously fan-folded. The pre-cut and stacked tickets shall be delivered in books/packs of 30, 50, 100, 150 or 300.

d. PERFORATION

All Games – deep perforation between tickets. The perforations shall be 10 teeth per inch or perforations that perform best in dispensers and ITVM's.

e. TICKET ARTWORK

To be designed by vendor, with direction provided by NHLC. Final approved artwork shall be provided to the NHLC via email or via a password protected file sharing site, in a format agreed upon by the NHLC and the Vendor. Artwork also may be provided by NHLC contractors, such as the NHLC marketing company, local artists, or other vendors with licensed properties. The Vendor will work with the NHLC and other contractors to ensure the ticket artwork and associated graphics, such as the creation of QR Codes, is successful.

f. TICKET COLOR AND STOCK

Five (5) color faces or four (4) color process, play area security tint, overprint three (3) colors over two (2) layers of white, solid and screened. One (1) of the five (5) colors must have the ability to be a full bleed at no additional cost.

Ticket stock: Standard ten (10) points, coated one side, foil free, recyclable card stock. The NHLC also requests pricing on cost per 1,000 tickets for the Vendor to utilize recycled card stock.

If Bidders suggest other printing techniques and combinations that are of equal or better quality than indicated above, please suggest and detail those options in the proposal.

The back of the ticket, unless it is a double sided ticket, is printed in only black and white with gray scale. Bidders are invited to also provide pricing on four color process printing for the back of the ticket.

g. TICKET NUMBERING

On the reverse of each ticket within a pack there will be displayed a unique 13 plus 3 digit sequential number. The numbers will represent a 4-digit game number, a 6-digit pack or book number, a 3-digit ticket number, plus a 3 digit number representing the number of tickets remaining in the pack. The NHLC uses a reverse-numbered ticket accounting system that enables some lottery retailers to conduct ticket inventories who commence selling from the end of a pack.

The first ticket in a pack will be numbered "000" and ticket numbers will be consecutive and no omissions will be permitted within any pack.

h. BOOK/PACK SIZE

Subject to the ticket size and price point, book size will be 30, 50, 100, 150, 250, or 300 tickets, with optional pricing for alternate sizes.

i. BAR CODING

The NHLC uses bar code validation of all prize levels. The bar code shall be printed on the back of tickets and will include human readable numbers below the bar code. Game, book number, and ticket number shall be printed on the back of ticket. The ticket number shall be printed on front of ticket. The bar code is interleaved two-of-five symbology. It contains 24 digits, starting with the game number, and includes the three boxed digits on the ticket front within the validation number under the over-print.

The Vendor shall provide unique secure PDF-417 compressed barcodes under the latex on the fronts of tickets.

The NHLC currently uses the Scientific Games International, Inc., security process/feature of FailSafe™ in its processing and verification of instant tickets. Bidders' proposals must describe the processes and features to secure instant tickets and must provide the cost to the NHLC per 1,000 printed tickets of such processes and features, if applicable.

Bidders must be able to produce bar codes of commercial quality that meet American National Standards Institute/International Organization for Standardization (ANSI/ISO) standards. The quality of all barcodes shall enable readers to achieve a first pass read rate of 99% or higher.

Bidders shall provide bar code encoding solutions established as North American Association of State and Provincial Lotteries (NASPL) best practices or standards.

Note: all Bidders must supply sample tickets from at least three games they have printed for NASPL member lotteries, from each printing press used during the past year. Failure to do so shall render the Bidder non-responsive.

j. UPC

A unique UPC bar code will be supplied by the Vendor at the vendor's expense for each game, and printed on the back of all instant tickets. The current NHLC

code information is 7 66099 0GGGG C, where GGGG is the 4-digit game number and C is the check code digit.

k. AGENT VALIDATION CODES

The NHLC does not currently use agent sight-validation codes; the NHLC may or may not choose to continue with this practice in the future.

l. VALIDATION NUMBER

Each ticket must contain a unique keyless 12-digit validation number printed on the front of the ticket, covered by a latex coating. There will be a 4-digit game number, an 8-digit validation number and a 1-digit check code. Three digits will be boxed, signifying the security digits, and the box will float among the 8-digit validation number, varying from ticket to ticket.

The validation number will be covered by scratchable latex covering, imprinted with the words "SCRATCH TO CASH."

m. AGENT SAMPLES

Ten thousand (10,000) actual non-winning sample tickets in actual pack size shall be delivered with each game. Validation number and security code will be all zeroes (0). Tickets submitted shall be machine-made and not handmade or contrived samples. All sample tickets will have the word "void" or "sample" printed on the back.

As an option, Bidders are invited to provide the cost for ten thousand (10,000) actual non-winning sample tickets separated, rather than in actual packs.

n. ITVM CARDS

The Vendor shall supply 4"x 4" cards for use in ticket displays and ITVM's for each game printed. These cards display modified artwork to highlight the main features of the ticket and its cost.

- Quantity: 6,000 cards delivered with Agent Samples.
- Stock: 10 pts stock coated on one side.
- Color: 4/C Process one side.
- Attributes: When the NHLC orders games with non-standard printing techniques, such as metallic or fluorescent inks or on non-standard paper, such as foil or holographic, the Vendor will provide ITVM cards utilizing the same non-standard inks or papers at no additional cost to the NHLC.

In addition, the Vendor will email the artwork for the ITVM cards to the NHLC in Adobe Illustrator 10 format, or such other format acceptable to the NHLC.

o. WORKING PAPERS

Working Papers will be generated by the Vendor in conjunction with the NHLC for each instant game and will include the specific information for that game.

One set of bound Working Papers will be delivered to the NHLC no less than three (3) weeks prior to start of production.

p. **ONLINE VENDOR**

For each game produced, the Vendor will be responsible for coordinating with the NHLC's full-service online lottery system vendor (currently Intralot USA) in a timely manner to ensure that tickets will dispense easily from the ITVM's (Intralot Winstations). The NHLC will provide sample tickets to the online vendor for testing purposes at each size to ensure that bursting occurs in a proper manner.

The online vendor or the NHLC will provide the Vendor with ITVM specifications as well as system requirements for instant tickets.

Additionally, the Vendor will provide a Secure File Transfer Protocol (SFTP) server with game files, game images containing, but not limited to the following information, per the final EOPPS of each individual instant game at least two business days before instant game delivery:

- a. Pack inventory including each book, pack, and ticket number;
- b. Low-tier, mid-tier and high-tier prize validation information;
- c. Any other essential information necessary in order to successfully validate instant tickets; and
- d. Any other essential information necessary for the NHLC to find detailed game, pack and ticket information in the current and future on-line vendor's back office system.

3.4 VENDOR SERVICES

The Vendor shall provide the below services at no additional cost to the NHLC.

3.4.1 Non-Winning Ticket Information

The Vendor will provide individual secure internet files for non-winning tickets containing non-winning ticket validation information in accordance with the final prize structure after printing. Following the printing of a game, non-winning validation files will be sent to the NHLC's designated vendor(s) for its rewards program or second chance internet drawings, per the technical requirements of the NHLC and its designated vendor(s).

3.4.2 End of Production Prize Structure

An "End of Production Prize Structure" (EOPPS) will be provided which accurately states the total number of tickets, total number of winning tickets, by prize type, for all prizes contained in the tickets delivered to the NHLC, as well as the revised payout and odds at each prize level. The EOPPS will be provided, as specified in 3.3.2 p), to the NHLC's online vendor, as well as the NHLC designated persons at least two business days before instant game delivery.

3.4.3 Shipping Requirements

a) **WRAP**

All books or packs of tickets shall be individually shrink-wrapped using a clear plastic film which must not obscure the barcode.

b) **PALLET**

All games - Shrink wrapped 40 x 48. Cases will be on a pallet, which allows for four way (front, back & sides) fork-lift entry.

Each pallet will have labels that list the customer name (New Hampshire Lottery), game name, game number, carton number range from and to, pallet number (numbered 1 of total number, 2 of total number, and so on).

c) **LOT PER CARTON**

All games - 15 to 100 packs (depending on book size) in numeric sequence, labeled to show omissions, if any, and a bar code for use in shipping of full cartons. Each full carton shall weigh less than 40 lbs. and shall be 275-lb. test quality.

Each carton must have the following statement printed or stamped on it: "This box contains materials that are registered by number which will become void if stolen." Each carton must have a label affixed to the short end indicating the game number, carton number, the game name, the range of pack numbers, the number of packs in the box, and the number of omitted packs, if any. In between each layer of cartons must be a chipboard divider to prevent slipping.

Upon Contract award, the Vendor(s) will be advised of preferred pallet stacking for ease of use in the NHLC Shipping Department.

d) **GAME DELIVERY**

The Vendor will be responsible for delivering tickets to the NHLC Warehouse and will be responsible for freight and insurance charges. Tickets will be shipped by exclusive-use trucks contracted to the Vendor and the cargo area shall be locked and sealed; the seal will be broken at the NHLC Warehouse in the presence of a Lottery representative.

Pallets will be arranged in the cargo area with the highest numbered located at the front and the lowest number towards the exit door.

e) **SHIPPING MANIFEST**

The Vendor will provide a Shipping Manifest detailing:

1. Which cartons are included in the shipment;
2. Which packs are in which carton;
3. Which packs were omitted from which carton; and
4. Which cartons are on each pallet.

A summary report listing:

1. The gross number of tickets;
2. Number of omitted tickets;
3. Net number of tickets;
4. The range of pack numbers and the range of carton numbers; and
5. The seal number of the shipment shall appear on the report in addition to appearing on the Bill of Lading.

3.4.4 Reconstruction Services

The Vendor will provide full reconstruction services of damaged tickets, as requested by the NHLC.

Upon termination of the Contract, the Vendor shall provide reconstruction services for a period of not less than one year after the announced end of the game by the NHLC, for all games produced and supplied by the Vendor during the term of the Contract.

3.4.5 NHLC Site Inspections

The Vendor will be required to pay for all expenses (including airfare, hotel accommodation and meals) for up to two (2) representatives of the NHLC to conduct a site inspection of the Vendor's printing facility annually or cumulatively the NHLC can accrue unused trips over the term of the Contract.

As determined by the NHLC's Executive Director and the Director of Security, the Vendor will fully comply with and be subject to annual unannounced security inspections to determine the effectiveness of the Vendor's Security Plan. The cost of travel, lodging and expenses will be borne by the Vendor.

3.4.6 Patent and Trademark Search

The Vendor will conduct a search regarding the right of the NHLC to use proposed marks for instant tickets and services. The search shall include, but not be limited to, the latest available information from the records of the United States Patent and Trademark Office and trademark registers of the states.

3.4.7 Prize Merchandise Purchase and Fulfillment

The Vendor will contract with a company to purchase prize merchandise and fulfillment of prize merchandise. Price is to be negotiated between the Vendor and NHLC.

3.4.8 Warehousing of Printed Tickets

The Vendor will supply secured warehousing at the Vendor's site of printed tickets, at no additional charge, for up to four months from finished production date.

3.4.9 Dispensers, Menu Boards, and Play Stations

The Vendor, at the request of the NHLC, will purchase instant ticket dispensers and accompanying equipment such as bases, as well as menu boards and play stations for use by NHLC retailers. The type and quantity is to be determined on a biannual basis by the NHLC.

3.4.10 Validation Files

The Vendor will provide second chance drawing barcodes as requested for games with second chance drawings. These second chance barcodes will be the validation codes for the second chance prizes included in the prize structure. All files will be sent via a secured site or password protected PDF with limited time for download to designated NHLC staff.

3.4.11 Professional Development

The Vendor will annually or cumulatively be required to pay for all expenses (including airfare, hotel accommodation and meals) for up to two (2) representatives of the NHLC to participate in professional development conferences and/or classes to assist in continued education within the lottery industry.

3.4.12 Ticket Proof

The Vendor must provide to the NHLC a color proof that matches the ticket that will be printed, front and back images. The Vendor must provide a "drawdown" of the exact ink colors that will be used in the actual production of the ticket.

3.4.13 Game Library

The Vendor will supply internet access to an online library of instant games with game images and index, which the Vendor has printed for other lotteries or has created as a concept. The library will enable the NHLC to save games to a favorites list.

3.4.14 Interactive Games

The Vendor will provide interactive online games, which may include augmented reality games and other options as the technology develops. Currently the NHLC is only permitted to offer games for free and for fun. These games may be integrated with the instant ticket games, or complementary. Games must be playable on all web platforms. If the Vendor does not have the capability to provide such games themselves, they will contract with mutually agreed upon third parties to do so. The cost for these services is to be negotiated, in addition to the base price.

3.5 INSURANCE

Due to the high liability nature of the lottery business, the Vendor shall detail all insurance coverage included in the standard price per thousand for lottery tickets. This shall include, but not be limited to, Fidelity Bonds, over redemption, game insurance and any other area which the Vendor shall indemnify the NHLC. For all insurance requirements see Section 2.13.

3.6 STATE SERVICE AGREEMENT P-37

Any contract awarded shall contain the provisions of the standard State Service Agreement (Appendix A: New Hampshire Form Number P-37).

3.7 MARKETING SERVICES

The Vendor shall develop a marketing plan and shall implement initial market research that will address game development and player attitudes, with regular updates. The research shall include, but is not limited to, player surveys and segmentation studies for the purpose of seeking information about player satisfaction, attitudes about the NHLC and its products and awareness and recall of advertising and the games offered by the NHLC.

Bidders should indicate any other research services that may be provided to the NHLC.

At least once every six (6) months, the Vendor shall provide the NHLC with an instant ticket/game analysis, which shall include variables including game design, price points, prize structures, play styles, themes, and recommendations.

On at least an annual basis, the Vendor shall make a presentation to NHLC staff and present:

- a. A "State of the Industry" analysis of trends, game designs, production, distribution, new technologies and products, marketing strategies, and comparative sales information.
- b. An analysis of past year performance of the NHLC instant games, focusing on lessons learned and needed improvements.

- c. Recommendations for new or modified strategies that can be used by the NHLC to increase sales and net revenues.
- d. Any security or other issues that threaten the integrity of the NHLC and the products it offers.

3.8 SECURITY PRESENTATION

Within three (3) months of the commencement of the Contract, and as needed during the term of the contract, the Vendor shall make a presentation to NHLC personnel describing the security issues and methods to overcome same as they relate to the instant ticket product, its design, production and distribution, with particular emphasis on any factors which may threaten the integrity of the NHLC and the products it offers. The NHLC may request that this presentation be expanded to include personnel from other lotteries in the Tri-State Lottery Commission.

3.9 ADDITIONAL REQUIREMENTS

The following are also required:

- a. Vendors shall describe their relationship with cross-promotion companies in the following areas:
 - Beverage;
 - Snack Food;
 - Airlines;
 - Sports and Entertainment (TV, internet, subscriber based video, movies); and
 - Any other national or international brand and how the NHLC might take advantage of this relationship or learn from their experiences in marketing, sales, planning, product development, merchandising, and branding.
- b. List and describe capabilities, qualifications, and experience with research and development of the instant product, and how this will help the NHLC in the future.
- c. Provide disclosure on all persons or companies that hold 5% or more interest in your company.
- d. Provide brief (no more than one page) resumes of key personnel.
- e. Provide the names and functions of the specific individuals who will be assigned to the NHLC.
- f. As noted in Section 1.6, the Vendor will purchase non-cash prizes, either merchandise or annuities (either fixed period or lifetime), from third parties, as needed to fulfill elements of game prize structure, for the benefit of the NHLC. The Vendor will submit evidence of either prior facilitation of such fulfillment on behalf of another lottery, or the capability of same.

The account team proposed to be assigned to this contract must be described including resume, and the percent of time dedicated to the account. Also indicate the proposed number of meetings per year with NHLC staff at NHLC Headquarters.

PART 4 - PRICING

4.0 PRICING SPECIFICATIONS

One original plus one copy of pricing shall be presented in the format attached as Appendix B. All costs from initial game design to delivery of finished tickets to the NHLC should be reflected in one all-inclusive price as its "Basic Ticket Price". The "Basic Ticket Price" includes all ticket specifications in the proposal as production requirements.

- a. Price quoted should be in a matrix for the following ticket sizes: 2.25" x 4.0"; 4.0" x 4.0"; 4.0" x 6.0"; 4.0" x 8.0"; and 4.0" x 10.0", showing cost per thousand tickets ordered. Each size should be in a matrix showing prices for 0.72, 0.90, 1.0, 1.20, 1.44, 1.75, 2.0, 2.50, 3.0, 4.0, and 5.0 million ticket orders. For other quantities detail what formula will be used. Matrix should also show cost savings for running 2, 3, or 4 games simultaneously, delivered Free on Board to the New Hampshire Lottery Commission, 14 Integra Drive, Concord, New Hampshire 03301.
- b. The NHLC reserves the right to select quantities, ticket sizes and options that are in the best interest of the NHLC.
- c. Please include costs of printing on recyclable paper with a secondary cost option for recycled paper. Costs should be per 1,000 tickets ordered.
- d. **Important Note:** The pricing portion only of the response must be sealed in an envelope and further sealed in a manila envelope, but not sealed with the technical proposal. **Price proposals included in the technical proposal will be rejected.**
- e. A minimum of four (4) copies of vendor's proposal specifying conditions other than pricing, shall be sent, but not sealed with the bid.

4.1 PRICING OPTIONS

Vendors are required to provide the following ticket enhancement options –

- a. Additional Scene
- b. Pulsed Tickets
- c. Additional Colors
- d. High Gloss Coating
- e. Fluorescent Colors – as replacement color
- f. Fluorescent Colors – as additional color
- g. Dual Imaging
- h. Metallic Inks
- i. Simulated Foil
- j. Holographic Paper
- k. Matte Finish

- l. Scented Inks**
- m. Velvet Touch**
- n. Back Scratch Tickets**
- o. Integrated Printing**
- p. Marking System**
- q. Die-Cut Tickets**
- r. Alternate Pack Sizes**
- s. Unusual or Additional Programming**
- t. Pack Inserts – within packs**
- u. Licensed Products**
- v. Protective Coatings, as may be used for extended play games**

The NHLC acknowledges that the above list is not a full list of all possible ticket enhancements or game options. The NHLC encourages Bidders to provide a full list of all ticket enhancements and game options with pricing for each. As new enhancements and options are developed the NHLC expects the selected Vendor(s) to demonstrate new features.

Licensed Products – Describe the range of licensed properties offered and their relevance to the NHLC. Please include the cost of just the licensed property as well as costs inclusive of a second chance entry site, draw management, prize fulfillment and tax processing.

Where Options are included in the Technical Proposal, then the Vendor must also submit prices as separate line items. Any item for which there is no additional price (i.e., it is included in the base price) must be shown as No Charge (N/C).

4.1.1. Options

Vendors are encouraged to propose options regarding innovative functions, features, services, and solutions. Optional items must be presented as separate line items in the Technical Proposal and pricing in the Price Proposal. Unless clearly identified as priced at an additional cost, all options will be considered to be included as part of the base price.

Invited Options are required to be deliverable products and/or services during the term of the Contract upon determination of the NHLC to exercise the invited Options. Pricing Options, from Section 4.1 are expected to be ready upon commencement of the Contract.

4.1.2. Invited Options

- a. Preparation and layout design in conjunction with NHLC staff and its advertising agency, and printing of a 6-page quarterly newsletter for distribution to approximately 1,250 NHLC retailers. Bidders submitting a price for this Option are encouraged to supply examples of sample newsletters.**
- b. Bidders are invited to submit proposals to securely transport and destroy returned instant tickets of closed games at a secure facility approved by the NHLC. During fiscal 2016, the NHLC destroyed approximately 31,000 pounds of unused tickets. The Vendor will provide proof of successful certification in a format to be approved by the NHLC Security Director.**
- c. For each game produced, Bidders are invited to supply 1,500 Promotional (POS) 8.5 x 11 inch sheets, printed both sides with 4-color process on 10 point, CIS. Artwork may be prepared by the NHLC advertising agency and finished pieces to be delivered at time of game delivery.**
- d. Bidders are invited to offer support for the launch and/or promotion of up to 4 "special" games per year (licensed properties, extended play games, etc.) in the form of promotional items or financial credit applied to the cost of the game. For instance, \$3,000 credit has been applied in the past to the NHLC toward the cost of a licensed property for promotional items identified with the game.**
- e. NHLC strives to achieve a high level of retailer rapport in order to maximize lottery sales and also revenues to its network of retailers. The Bidders will be expected to support this endeavor by submitting proposals to enhance retailer relations by means of promotions, innovative programs and other means.**

Bidders are invited to submit proposals for an annual presentation to NHLC Management and Sales Staff, and select retailers to demonstrate different methods of positioning Lottery within Retailer establishments of different types with a view to improving Lottery presence and sales. This Option will include suggestions for Point of Sale Items, advertising, signage, etc. and also include case studies for specific sites.

- f. The Bidders are invited to submit proposals for a series of annual training courses for the NHLC sales force of approximately 15 personnel. It is envisioned that these courses would be held on a regular basis (e.g., 4 times over the course of 12 months) and will demonstrate to Sales Representatives ways to improve Lottery presence in retail establishments, promote lottery, introduce lottery to new outlets, increase sales, etc. This will also include an option for NHLC branded retailer makeovers, based on merchandising best practices.**
- g. Bidders are invited to submit system details and pricing on a Retailer Inventory Management System to electronically and automatically track inventory within the retail setting. The system will have the ability to connect and upload quantity sold vs. on hand for all instant ticket products so the retailer does not have to manually track sales to balance their books.**
- h. Bidders are invited to submit program details and costs for a Lottery Rewards program. Bidders shall detail the rewards program, entry requirements, points**

system, communication options, program management, prize acquisition and fulfillment, data/player analytics and reporting, and promotional programs. The price for this option shall be clearly delineated. Bidders shall list other lotteries or companies for whom the vendor is managing a rewards program.

- i. Bidders are invited to provide an automation application for iPads and a PC dashboard for use by the sales team to streamline and track workflow at retailers, pull reports remotely on a mobile device from the central system, organize field routes, track retailer inventory, retailer history, lottery equipment and assets, retailer sales, among other capabilities.
- j. Bidders are invited to submit program details and costs for Cooperative Services Program for management of the instant ticket game category (analysis, planning, and development), warehouse and distribution, retailer ticket ordering services, and Lottery Sales Representative services and management, among other services and options each Bidder possesses.
- k. Bidders are invited to submit technical details and costs for a software program which, at a minimum, can:
 - a. Track weekly instant ticket sales for each game and provide a weekly index against the same fiscal year tickets at the same price point, as well as other fiscal years as the user selects. Tracking each game's ten (10) week index is also desired.
 - b. Track weekly sales of the NHLC and select key accounts by game (online) and each instant price point, as well as select individual game categories, such as Money Puzzle and Bingo. It is desired that the software have the ability to track week over week comparisons as well as fiscal year over year comparisons with total sales and percentage increase and decrease for the whole as well as each individual game and price point.
 - c. Track cases of instant tickets sold by week, per each game, to project sell-out rates by date to assist with game planning. This should be an automatic update of existing games in the market pulled from the real-time data of the warehouse inventory, as well as manual entry based on games planned for future launches.

All software files must be Excel exportable as well as formatted for printable PDFs.

4.1.3 Additional Extension Option Package:

All bids shall reflect the following option:

The NHLC shall have the option to exercise two (2) one (1) year extensions, at the bid price, at any time during the contract for the benefit of the NHLC. Bidders are encouraged to provide pricing for the contract extensions if individually exercised or if combined.

PART 5 – PROPOSAL EVALUATION AND AWARD NOTIFICATION

5.0 PROPOSAL EVALUATION AND AWARD NOTIFICATION

This section describes the evaluation process that will be used to determine which proposal provides the greatest benefits to the NHLC.

An evaluation committee will be appointed by the Executive Director of the NHLC prior to the receipt of proposals. The Evaluation Committee will be comprised of NHLC officials and may include employees of other lotteries or entities.

5.1 EVALUATION

The evaluation and award process will comprise all of the following:

- a. Review of proposals to assess compliance with proposal submission requirements, terms and conditions, and mandatory requirements.**

Proposals are required to meet all submission requirements as stated in Part 1; to signify compliance with (applicable) terms and conditions noted in Part 2 and Appendix A; to meet all technical mandatory requirements identified in Part 3; and to provide costs in the format specified in Part 4 and Appendix B. Proposals which fail to do so may be rejected.

The NHLC reserves the right to waive or permit cure of nonmaterial deviations when the NHLC determines, in its sole discretion, such action to be in its best interests and when such waiver or cure is not prejudicial to competition.

- b. Proposals will be evaluated based on price, graphics, print quality, capability, delivery time, security, past history of the Bidder, its financial resources, and experience in providing a guaranteed and secure ticket.**
- c. The NHLC reserves the right to obtain from any and all sources information concerning a Bidder, which it deems pertinent to this RFP, and to consider such information in evaluating the Bidder's proposal.**
- d. The award will be made to the most responsive and responsible Bidder who, in the opinion of the NHLC, best meets the specifications, terms and conditions of the RFP, and whose proposal is the most advantageous to the NHLC per the RFP requirements and evaluation criteria.**

5.2 EVALUATION OF TECHNICAL AND PRICE PROPOSALS

Proposals which are not rejected will be evaluated and weighted as follows:

EVALUATION CRITERIA	POINTS	%
Vendor experience and qualifications, expertise, references, and financial condition	50	10
Technical capabilities	75	15
Marketing and retailer support	50	10
Product quality	125	25
Game design and creativity	50	10
Options	50	10
TOTAL TECHNICAL EVALUATION	400	80
Price	100	20
TOTAL POINTS	500	100

5.2.1 Minimum Scores for Evaluation

A total technical evaluation of less than 70% (i.e. less than 280 of the available 400 points) will render the proposal ineligible for further consideration and the Vendor's Pricing Proposal will be returned unopened.

5.2.2 Price Evaluation

Evaluation of the Price Proposals will take place only after the Technical Proposal evaluation is finalized and only proposals considered acceptable based on the requirements of Section 5.1 will be evaluated for price. The NHLC reserves the right to request Best & Final Offers from the Bidders.

The Evaluation Committee will then award up to 100 points for price based on a ratio of the proposal being evaluated versus the lowest-cost acceptable proposal. The formula for any proposal being evaluated is:

$$\text{Price Points} = 100 \times (\text{Lowest Cost} / \text{Proposal Cost})$$

Under the above formula, the lowest cost acceptable proposal receives all 100 available price points and a proposal twice as expensive as the lowest cost proposal earns half as many, or 50 points.

5.3 EVALUATION OF OPTIONS

Options will be evaluated according to the Evaluation Committee's opinion of each option, which Options provide the best value to the NHLC and are the most relevant to the NHLC and its needs in growing sales and net revenue. Evaluation of Options will not obligate the NHLC to exercise the Options.

5.4 EVALUATION COMMITTEE RECOMMENDATION

Upon proposal review completion, the Evaluation Committee will recommend to the Commissioners of the NHLC that the NHLC should begin negotiations for a contract for providing Instant Scratch Tickets and related services with the Bidder who submitted a qualifying proposal that best meets the requirements of the RFP.

The Commissioners, if in concurrence with the evaluation process and its results, will provide approval of the NHLC to issue a Notice of Contract Award and begin Contract negotiations with the Vendor(s). Contract negotiations will not address material changes to terms and conditions, services, products, or pricing for the performance of the Contract, but may address options and variations for the benefit of the NHLC.

If the NHLC is unable to reach agreement with the apparent Vendor, the NHLC shall undertake negotiations with the second most preferred Vendor, and so on. This process shall continue until the NHLC has a satisfactory Contract to submit for the consideration of the Governor and Executive Council or all proposals are rejected.

As noted in Section 1.6, if the NHLC determines that multiple Vendors will be chosen, a primary Vendor will be awarded eighty (80) percent of the contract. However, the NHLC reserves the right to choose one Vendor exclusively.

Approval of the submitted Contract by the Governor and Executive Council permits the Contract to be signed and the implementation to begin.

**APPENDIX A
NEW HAMPSHIRE FORM NUMBER P-37**

GENERAL PROVISIONS

The State of New Hampshire and the Contractor hereby mutually agree as follows:

1. IDENTIFICATION.

1.1 State Agency Name		1.2 State Agency Address	
1.3 Contractor Name		1.4 Contractor Address	
1.5 Contractor Phone Number	1.6 Account Number	1.7 Completion Date	1.8 Price Limitation
1.9 Contracting Officer for State Agency, Purchasing Agent		1.10 State Agency Telephone Number	
1.11 Contractor Signature		1.12 Name and Title of Contractor Signatory	
1.13 Acknowledgement: State of _____, County of _____ On _____, before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace [Seal]			
1.13.2 Name and Title of Notary or Justice of the Peace			
1.14 State Agency Signature		1.15 Name and Title of State Agency Signatory	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____, Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By: _____ On: _____			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			

2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT. Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Contractor shall comply with all applicable copyright laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/ PRESERVATION.

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

10. TERMINATION. In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

11. CONTRACTOR'S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS. The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the N.H. Department of Administrative Services. None of the Services shall be subcontracted by the Contractor without the prior written consent of the State.

13. INDEMNIFICATION. The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$2,000,000 per occurrence; and

14.1.2 fire and extended coverage insurance covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("Workers' Compensation").

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. WAIVER OF BREACH. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

17. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire.

19. CONSTRUCTION OF AGREEMENT AND TERMS. This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. None to note.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.

APPENDIX B
PRICE PER 1,000 TICKETS

Ticket Size Height X Width	Fan Folded In	Pack Size	Number Games Run	0.72 million	0.90 million	1.00 million	1.20 million	1.44 million	1.75 million	2.00 million	2.50 million	3.00 million	4.00 million	5.00 million	
2.25" X 4.0"	5's	150	1												
			2												
			3												
			4												
2.25" X 4.0"	5's	300	1												
			2												
			3												
			4												
4.0" X 4.0"	2's	150	1												
			2												
			3												
			4												
6.0" X 4.0"	1's	100	1												
			2												
			3												
			4												
8.0" X 4.0"	1's	30	1												
			2												
			3												
			4												

**APPENDIX B - Continued
PRICE PER 1000 TICKETS**

Ticket Size Height X Width	Fan Folded In	Pack Size	Number Games Run	0.72 million	0.90 million	1.00 million	1.20 million	1.44 million	1.75 million	2.00 million	2.50 million	3.00 million	4.00 million	5.00 million	
8.0" X 4.0"	1's	50	1												
			2												
			3												
			4												
8.0" X 4.0"	1's	100	1												
			2												
			3												
			4												
10.0" X 4.0"	1's	30	1												
			2												
			3												
			4												

NHLC INSTANT TICKET AND RELATED SERVICES RFP – ROUND 1 ANSWERS

Question	Answer
Section 1	
<p>1.1.e and 4.1.1: Paragraph 1.1.e under “NHLC Objectives” states that all proposed services must be in operation no later than July 1, 2017. The second paragraph under Section 4.1.1, “Options,” states that options are required to be deliverable products and/or services during the term of the contract.</p> <p>Will the NHLC please clarify whether Invited Options that are proposed must be in operation by July 1, 2017, or if they are to be in operation at a time during the term of the contract?</p>	<p>Instant ticket printing per the NHLC requirements outlined in the RFP must be in operation no later than July 1, 2017. The Invited Options, if exercised, will have a timeline negotiated between the Vendor and the NHLC. The NHLC reserves the right to exercise these options any time during the contract period.</p>
<p>1.6 Scope: Would the NHLC please provide expectations for sales force training for retailers on best practices. What has been done historically and please provide examples?</p>	<p>Most recently a select group of retailers were invited to learn best practices from Jeff Sinacori of Sci Games. Based on Jeff’s experience as a high volume and successful lottery retailer in New York, he communicated best practices he learned along the way, with insight from working in the Lottery industry, and was able to convey the message appropriately as a third party, to retailers. Mr. Sinacori also met with a variety of retailers at their locations so he could provide feedback on opportunities he saw within their locations to build lottery sales. Additional LSR trainings have occurred over the past 1-5 years by Jan Kessinger and Skill Path.</p>
<p>1.6 Scope: Given that the potential exists for a secondary vendor to be engaged by the NHLC, with less than 20% of the contract, will the NHLC permit vendors to propose separate pricing matrices for Primary and Secondary contracts?</p>	<p>No.</p>
<p>1.7 Schedule: The schedule provided for informational and planning purposes, denotes that Vendor Presentations are scheduled for March 27-31, 2017. Due to scheduling conflicts, some members of our senior management team that we feel strongly it would be important and worthwhile for you to meet are not available on the days currently scheduled for Vendor Presentations. Would the NHLC consider allowing Vendors to propose alternative dates, within reason, to conduct the presentation?</p>	<p>The NHLC is willing to extend the Vendor Presentations to include March 23, 24, the original time period of March 27-31, as well as April 3-7.</p>

NHLC INSTANT TICKET AND RELATED SERVICES RFP – ROUND 1 ANSWERS

<p>1.14.1 Volume I – Technical (Non-Price) Proposal: Can the NHLC please confirm that the presence of trade secrets contained in Bidder’s proposal is not the sole basis for affording confidential treatment to selected portions of a Bidder’s proposal?</p>	<p>The NHLC can confirm this.</p>
<p>1.14.1 Volume I – Technical (Non-Price) Proposal: This section specifies the outline of the contents of the technical (non-price) volume. However, there does not appear to be a place within the technical response to provide explanations in response to 4.1.2. Invited Options.</p>	<p>This has been amended in the RFP.</p>
<p>1.14.1 Volume I – Technical (Non-Price) Proposal: Given that Options are an evaluated criteria (per 5.2 Evaluation of Technical and Price Proposals) and to give the NHLC a clear and thorough understanding of our optional offerings, are Bidders permitted to add an addition section to their Technical Proposal that would be would allow for responses to 4.1.2 Invited Options? (Note the no pricing information would be included in the Technical Proposal in response to these questions, as required, but rather a detailed response outlining our approach to satisfy each requirement).</p>	<p>This has been amended in the RFP.</p>
<p>1.14.1 Volume I – Technical (Non-Price) Proposal: The NHLC asks that the Proposal be submitted using “a recent release of MS Word.” Is MS Word 2013 that is part of Microsoft Office Standard 2013 acceptable?</p>	<p>Yes, this is acceptable.</p>

NHLC INSTANT TICKET AND RELATED SERVICES RFP – ROUND 1 ANSWERS

<p>1.14.1 Volume I – Technical (Non-Price) Proposal: The RFP section states: “In addition, the technical Proposal is to be submitted on a CD ROM or flash drive using a recent release of MS Word format.”</p> <p>The final RFP response is typically a large file due to the large quantity of written material required to fully respond to the NHLC’s requirements. The generated Word files may become unstable and can tend to crash the program or cannot be opened. Would the NHLC consider allowing vendors to respond in a PDF format?</p>	<p>Yes, a PDF is acceptable. This has been amended in the RFP.</p>
<p>1.14.1 Volume I – Technical (Non-Price) Proposal: The RFP states that “the technical Proposal pages shall be numbered sequentially, commencing at page 1 and continuing with no breaks or new pages numbered “1” for subsequent sections.”</p> <p>If a Vendor is to include pre-printed marketing collateral and original/signed documents with its proposal, will it be acceptable for these items to be exempt from the sequential numbering requirement?</p> <p>In addition, would the Lottery consider allowing respondents to number pages sequentially <i>within sections</i> (i.e., 1. Transmittal letter, 2. Disclosure of litigation, etc,) and have each new section start with page “1”?</p>	<p>This has been amended in the RFP.</p>
<p>1.14.2 Volume II–Price Proposal and Section 4.0 Pricing Specifications: Section 4.0 says that one copy of pricing shall be presented in the form of Appendix B. However, on Page 12, Section 1.14.2 says one original volume II Price Proposal, plus one copy to be delivered. Will the Lottery kindly clarify its preference regarding submission of the Price Proposal?</p>	<p>This has been amended in the RFP.</p>
<p>1.19.2 Notification and Award of Contracts: Will the NHLC please clarify if the bidder should indicate the length of time the proposal will remain valid after the due date, i.e., 180 calendar days?</p>	<p>This has been amended in the RFP.</p>
<p>1.24 Background Investigations During Proposal Evaluation: Will the NHLC please identify the party that will be responsible for expenses related to background investigations?</p>	<p>The NHLC will be responsible for this cost.</p>

NHLC INSTANT TICKET AND RELATED SERVICES RFP – ROUND 1 ANSWERS

Section 2	
<p>2.6.2 Termination with Notice: Will the NHLC consider the following revisions to Section 2.6.2 (c):</p> <p>“The NHLC may terminate any contract issued as a result of this RFP upon giving the Vendor thirty (30) days prior written notice for any of the following reasons:</p> <p>.....</p> <p>e. In the event that prices proposed for contract modification or additional services requested by the NHLC cannot be mutually agreed upon by the Vendor and the NHLC.”</p>	<p>No.</p>
<p>2.9 Accounting Records: If the Vendor does not prepare its own audited financial statements, would the NHLC accept the audited financial statements of its parent company?</p>	<p>Yes.</p>
<p>2.9 Accounting Records: Would the NHLC consider allowing vendors to submit financial information electronically only?</p>	<p>Yes. This is acceptable.</p>
<p>2.12.1 General Indemnification: RFP Requirement: <i>“a. Any claim, demand, action, citation or legal proceeding against the State, its officers and employees arising out of or resulting from (i) the product provided or (ii) performance of the work, duties, responsibilities, actions or omissions of the Vendor or any of its subcontractors under this contract;”</i></p> <p>With the exception of any claim for damages alleged by a third party to have been proximately caused by the negligence or willful misconduct of the Vendor or any of its subcontractors, can the NHLC confirm that the indemnification of the NHLC by the Vendor against third party claims shall not be required when the product provided or the performance of the work, duties or responsibilities of the Vendor or any of its subcontractors under the contract are provided or rendered in full and complete compliance with the terms, conditions, specifications and requirements of the contract?</p>	<p>Yes.</p>

NHLC INSTANT TICKET AND RELATED SERVICES RFP – ROUND 1 ANSWERS

<p>2.12.1 General Indemnification: RFP Requirement: <i>“d. Any claim, demand, action, citation or legal proceeding against the State, its officers, and employees arising out of or resulting from the death or bodily injury of any person, or the damage, loss or destruction of any real or tangible personal property, in connection with the performance of services by the Vendor, by any of its subcontractors, by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable; provided, however, that this indemnification obligation shall not apply to the extent, if any, that such death, bodily injury or property damage is caused solely by the negligence or reckless or intentional wrongful conduct of the State.”</i></p> <p>Will the Lottery please confirm that the Vendor will not be obligated under Section 2.12.1(d) of the RFP to indemnify the State, its officers, or employees against any harm or damage to the extent to which such harm or damage results from the State’s, its officers’, or employees’ own negligence, willful misconduct or breach of the contract?</p>	<p>The NHLC will confirm that is the understanding.</p>
<p>2.12.1 General Indemnification and Appendix A, Section 13: Will the NHLC please confirm that the Vendor’s indemnification obligations set forth in Section 2.12 and Appendix A, Section 13, apply to third party claims only?</p>	<p>Correct.</p>
<p>2.12.1 General Indemnification: Please confirm that the NHLC will agree to mutual indemnification provisions.</p>	<p>No, the NHLC will not agree to mutual indemnification.</p>

NHLC INSTANT TICKET AND RELATED SERVICES RFP – ROUND 1 ANSWERS

<p>2.12.1 General Indemnification: With the exception of any claim for damages alleged by a third party to have been proximately caused by the negligence or willful misconduct of the Vendor or any of its subcontractors, can the NHLC confirm that the indemnification of the NHCL [sic] by the Vendor against third party claims shall not be required when the product provided or the performance of the work, duties or responsibilities of the Vendor or any of its subcontractors under the contract are provided or rendered in full and complete compliance with the terms, conditions, specifications and requirements of the contract?</p>	<p>Yes.</p>
<p>2.12.1.d General Indemnification: Will the Lottery please confirm that the Vendor will not be obligated under Section 2.12.1(d) of the RFP to indemnify the State, its officers, or employees against any harm or damage to the extent to which such harm or damage results from the State's, its officers', or employees' own negligence, willful misconduct or breach of the contract?</p>	<p>The NHLC can confirm this.</p>
<p>2.12.2 and 2.13: Will the NHLC please confirm that it will agree to exclude game designs originated by the NHLC, another lottery or another vendor, from a Vendor's indemnification obligations set forth in Section 2.1.2?</p>	<p>No, the NHLC will not confirm this. Please see the amended RFP for details.</p>
<p>2.13.2 Fidelity Bond: The Fidelity Requirement states that we are to cover "agents and subcontractors." Because a crime policy or fidelity bond is designed to protect the insured from losses from their employees, it is therefore not designed to cover the employees of other entities, i.e., subcontractors or assignees. Will the Lottery please consider deleting the words "agent or subcontractor of the contractor?" In the alternative, we would respectfully suggest that the NHLC require subcontractors and assignees to provide evidence of their own coverage.</p>	<p>Please see amended RFP for further detail.</p>

NHLC INSTANT TICKET AND RELATED SERVICES RFP – ROUND 1 ANSWERS

<p>2.14.6 Will the NHLC please confirm that it will modify Section 2.14.6 to clarify that Vendors are not required to pay liquidated damages for delays caused by the acts or omissions of the NHLC or its vendors?</p>	<p>The NHLC can confirm this. Please see amended RFP for more information.</p>
<p>2.14.8.a Will the NHLC consider the following revisions to Section 2.14.8 (a):</p> <p>“Tickets issued by the Vendor and presented for redemption are not identified as valid, winning saleable tickets on the validation files furnished to the NHLC and its online vendor by the Vendor, for which the NHLC becomes liable for payment <u>under the laws of the State of New Hampshire.</u>”</p>	<p>This been amended in the RFP.</p>
<p>Section 3</p>	
<p>3.3.1.o Unacceptable Characteristics: <i>Play symbols fail to smear with solvents</i></p> <p>Question: Variably imaged play symbols are usually protected in a manner to prevent alteration via any chemical attack, whether water or solvent. Does the NHLC intend that the play spots on the overprint (the scratch-off surface) should smear with solvents to indicate tamper evidence?</p>	<p>The NHLC intends for this to be interpreted as the NHLC needing to be able to detect malfeasance, whether this be the overprint, the symbols under, or the paper.</p>
<p>3.3.1.v Unacceptable Characteristics: There appears to be two item v.'s: v. <i>The ability to differentiate a non-winning ticket or a winning ticket prior to the latex being removed from ticket</i> and v. <i>Latex coverings require excessive pressure and scratching to remove.</i> For convenience, may we refer to these as v. <i>The ability to differentiate a non-winning ticket or a winning ticket prior to the latex being removed from ticket</i> and w. <i>Latex coverings require excessive pressure and scratching to remove?</i></p>	<p>This has been corrected as requested.</p>
<p>3.3.2.b Ticket Size: If a Vendor would like to propose an alternate ticket size, would it be acceptable to simply substitute the proposed ticket size with the required ticket size from Appendix B?</p>	<p>No, a Bidder may not substitute a ticket size. However, if a Bidder would like to provide pricing on other ticket sizes, those can be provided in addition to the list required and must be in the same format.</p>

NHLC INSTANT TICKET AND RELATED SERVICES RFP – ROUND 1 ANSWERS

<p>3.3.2.c Fold: All Games - Continuously fan-folded. The pre-cut and stacked tickets shall be delivered in books/packs of 30, 50, 100, 150, 250, or 300.</p> <p>The 250 pack size is not included in the pricing matrix (amendment B). Which is correct?</p>	<p>The pack size of 250 has been removed from the RFP Section 3.3.2.c.</p>
<p>3.3.2.c Fold: All Games - Continuously fan-folded. The pre-cut and stacked tickets shall be delivered in books/packs of 30, 50, 100, 150, 250, or 300.</p> <p>Amendment B includes a pack size of 25 that is not indicated in 3.3.2.c. Which is correct?</p>	<p>The pack size of 25 is changed to 30.</p>
<p>3.3.2.f Ticket Color and Stock: The required number of colors on the ticket back is not specified; will the NHLC please confirm that only one color is required on the ticket back?</p>	<p>Unless the game is a double sided game, the back of the ticket is black and white with gray scale. However, Bidders may provide pricing for four color process printing on the back of tickets.</p>
<p>3.3.2.f Ticket Color and Stock: Will the Lottery please confirm the 10pt.C-2-S specification? This would be a change from the 10pt.C-1-S stock currently used.</p>	<p>This has been amended in the RFP.</p>
<p>3.3.2.i Bar Coding: This section requires Bidders to supply sample tickets from at least three games they have printed for NASPL member lotteries, from each printing press used during the past year. Can the NHLC please specify the number of tickets required for each game?</p>	<p>Please provide one book of each game.</p>
<p>3.3.2.n ITVM Cards: Will the Lottery please specify how many non-standard games that would require special inks on ITVM cards it expects to print in a year?</p>	<p>Approximately 20%.</p>
<p>3.3.2.o Working Papers: Will the NHLC please provide a sample Working Paper production schedule, including timelines from game initialization to delivery?</p>	<p>The NHLC will provide each Bidder who submitted a Letter of Intent an electronic version of the current Working Papers.</p>
<p>3.3.2.p Online Vendor: This section requires the Vendor to supply sample tickets for testing purposes to the NHLC's online system Vendor. How many tickets are required of each size?</p>	<p>This has been changed in the RFP. The NHLC will provide sample tickets to the online vendor.</p>

NHLC INSTANT TICKET AND RELATED SERVICES RFP – ROUND 1 ANSWERS

<p>3.3.2p Online Vendor: Will the NHLC please specify whether Vendors would be liable for tickets that are unable to be dispensed due to performance issues with its online lottery system vendor's ITVMs?</p>	<p>The Vendor will not be liable for tickets that are unable to be dispensed due to performance issues with its online lottery systems vendor's ITVMs. However, when issues with tickets dispensing correctly from ITVMs are brought to the Vendor's attention, it is expected that the Vendor will be responsive in assisting with a viable solution.</p>
<p>3.3.2p Online Vendor: Will the NHLC be willing to consider modifying Section 3.3.2 to require its online lottery system vendor to provide the Vendor with the applicable ITVM specifications?</p>	<p>No change to existing language will be made. However, the requested information has been added to the applicable section within the RFP. In order for the NHLC to be successful, it is imperative that the online vendor and the Vendor(s) work collaboratively with each other and with the NHLC to provide information needed in a timely manner and to work collaboratively to provide solutions to business challenges.</p>
<p>3.4.5 NHLC Site Inspections: Would the NHLC please convey whether a secondary instant ticket Vendor would be required to pay for trips or accrued unused trips, as described in this section, over the term of the contract?</p>	<p>The secondary Vendor(s) would only be required to pay for site inspection trips; which, at most, would be two trips per year to the printing facility.</p>
<p>3.4.9 Dispensers, Menu Boards, and Play Stations: Will the Lottery please specify the current number of retailers?</p>	<p>Approximately 1,250 including 17 seasonal retailers.</p>
<p>3.4.9 Dispensers, Menu Boards, and Play Stations: Will the Lottery please specify the kind of ticket dispensers currently used?</p>	<p>The majority of the instant ticket dispensers used, and the last purchase was for the Schafer Systems Inc. Dual 5" Adjustable Snap-together Modular Mini. There are some in counter and some back counter displays, but the Lottery encourages all retailers to use our standard dispenser.</p>
<p>3.4.9 Dispensers, Menu Boards, and Play Stations: Will the Lottery please confirm that menu boards, dispensers and play stations purchased by the Vendor will be reimbursed by the NHLC?</p>	<p>Yes. The NHLC will reimburse through the contract the cost of dispensers and accompanying equipment, menu boards and play stations, at cost.</p>
<p>3.4.9 Dispensers, Menu Boards, and Play Stations: Will the NHLC provide information of the percentage of on-counter vs. in-counter dispensers?</p>	<p>Approximately 10 % of our retailers have in counter displays. It should be noted that many of the stores with in counter displays also supplement with on counter displays. Approximately 95 % have on counter displays. 5% utilize both on-counter and in-counter displays.</p>
<p>3.4.9 Dispensers, Menu Boards, and Play Stations: Does the NHLC currently use four bin modular dispensers? If so, many retailers feature a four bin modular dispenser separate from their main dispenser?</p>	<p>No.</p>
<p>3.4.9 Dispensers, Menu Boards, and Play Stations: Will the NHLC please provide its annual budget for dispensers over the last three (3) fiscal years?</p>	<p>The average is between \$15,000-\$25,000 depending on need and availability of funds.</p>

NHLC INSTANT TICKET AND RELATED SERVICES RFP – ROUND 1 ANSWERS

<p>3.4.9 Dispensers, Menu Boards, and Play Stations: Is the NHLC looking to transition to new dispensers over the course of the upcoming contract? If so, can the NHLC provide any detail on what type of dispensers will be used?</p>	<p>No, the NHLC likes the dispensers in place and has invested significant funds into outfitting the majority of stores to be standard. However, based on best practices the NHLC is open to suggestions for small point of sale dispensers or dispensers compatible with the Dual 5" Modular Mini.</p>
<p>3.4.9 Dispensers, Menu Boards, and Play Stations: Will the NHLC provide information on the percentage of retailers currently using menu boards? As well, what type of menu boards are currently in use?</p>	<p>Approximately 10-15% of our retailers across the State utilize menu boards in their locations. A majority of these are our State Liquor stores. The majority of menu boards are from Shafer and LD Plastics that sit on counter (mostly 12 and 16 game menu boards).</p>
<p>3.4.9 Dispensers, Menu Boards, and Play Stations: Will the NHLC please provide its annual budget for menu boards over the last three (3) fiscal years?</p>	<p>The average budget over the last three fiscal years was \$20,000.</p>
<p>3.4.9 Dispensers, Menu Boards, and Play Stations: Is the NHLC looking to transition to new menu boards over the course of the upcoming contract? If so, can the NHLC provide any detail on what type of menu boards will be used?</p>	<p>No, the NHLC is content with the current menu boards.</p>
<p>3.4.9 Dispensers, Menu Boards, and Play Stations: Will the NHLC please provide its annual budget for play stations over the last three (3) fiscal years?</p>	<p>The average budget over the last three fiscal years was \$20,000 but no play stations were purchased during that time.</p>
<p>3.4.9 Dispensers, Menu Boards, and Play Stations: Is the NHLC looking to transition to new play stations over the course of the upcoming contract? If so, can the NHLC provide any detail on what type of play stations will be used?</p>	<p>Yes, the NHLC is looking to transition to new play stations but does not yet know which ones. It will be based on quality of durable materials, ability to change marketing posters with ease, ability to clean it easily, and cost.</p>
<p>3.4.12 Ticket Proof: This section requires Vendors to provide a color proof that matches the ticket to be printed, front and back images. Will the NHLC please confirm that if the ticket back is printed using only black ink, a PDF proof will suffice?</p>	<p>All ticket proofs must be physical proofs, mailed to the NHLC for approval. The proof must have the front and back of the ticket included. PDF proofs will not suffice.</p>
<p>3.5 Insurance: Will the NHLC please confirm that the insurance coverage set forth in Section 2.13 meet the requirements set forth in Section 3.5?</p>	<p>The insurance levels set forth in 2.13 and 3.5 are the minimum level of insurance required. The NHLC invites Bidders to secure additional insurance as they see fit, which may include Cyber Liability and surety.</p>
<p>3.7 Marketing Services: Can the NHLC please clarify whether the primary Vendor is required to pay the cost of outsourcing player surveys and segmentation studies to primary research suppliers?</p>	<p>The Vendor is required to pay the cost of such studies with reimbursement through the contract, at cost.</p>
<p>3.7 Marketing Services: Can the NHLC please provide primary research studies conducted over the past three (3) years, including any recent player surveys and segmentation studies, as well as the name of the research company that conducted the studies?</p>	<p>On occasion and as needed the NHLC conducts surveys through Social Sphere of Cambridge, MA. Attached are the two most recent reports. The NHLC is open to other avenues of acquiring data and insights.</p>

NHLC INSTANT TICKET AND RELATED SERVICES RFP – ROUND 1 ANSWERS

<p>3.7 Marketing Services: Can the NHLC please provide samples of current prize structures for each price point?</p>	<p>Yes, see attached.</p>
<p>3.7 Marketing Services: Does the NHLC currently utilize any special strategies for promoting families of games, such as special dispensers, displays, etc.?</p>	<p>The NHLC encourages retailers to merchandise families of games vertically but no special dispensers or displays exist or are used at standard business practices.</p>
<p>3.7 Marketing Services: Will the NHLC please describe its annual planning process as well as the process for sign-off on marketing support initiatives?</p>	<p>The planning process for marketing services stems from the development schedule for instant tickets. As tickets are identified to need extra support, it is requested to the Vendor. The NHLC is open to a more collaborative approach.</p> <p>As for signing off on marketing support initiatives, the Vendor and the NHLC meet to review the findings and determine what opportunities exist for growth and positive change.</p>
<p>3.9 Additional Requirements: Can the NHLC please describe your expectation with cross-promotional companies?</p>	<p>Yes. The NHLC acknowledges that there are opportunities to learn best practices in sales, marketing, branding, distribution, planning, retail relations and more from other industries. Though there may be opportunities for cross promotions, there is opportunity as well for learning. Gaining access to experts in other fields will help the NHLC fine tune its business.</p>
<p>Section 4</p>	
<p>4.0 Will the NHLC please describe the requirements associated with prize balancing?</p>	<p>Prize balancing is ensuring that the prizes within the printed game match the prizes in the prize structure and are within the allowed tolerances for tickets printed, payout, and odds as approved in the working papers.</p>
<p>4.1 Pricing Options: Certain options may be considered proprietary and, as such, owned by a Vendor. In such cases, will the Lottery permit a “No Bid” response to Section 4.1, Pricing Options?</p>	<p>Yes, if the Bidder does not have an option similar to what is listed, a “No Bid” response is acceptable. Note that the options listed are what the NHLC is familiar with. If Bidders have other options that are not listed they are encouraged to include them.</p>
<p>4.1.m Velvet Touch: Would the NHLC please provide samples and detailed description of Velvet Touch?</p>	<p>The NHLC will mail each Bidder who submitted a Letter of Intent one sample of a game printed with velvet touch. Velvet touch, which may not be an industry term, is a printing technique that gives a soft-to-the-touch feel to the ticket. It also enriches the color to provide more depth.</p>
<p>4.1 Pricing Options, n. Back Scratch Tickets (p45): Would the NHLC please confirm Back Scratch are instant tickets that have overprint on both sides of ticket? If this is not the case, can the NHLC please provide samples and a detail description of Back Scratch Tickets?</p>	<p>Yes, Back Scratch tickets have overprint on both sides of the ticket.</p>
<p>4.1.v Protective Coating, as may be used for extended play games: Would the NHLC please provide samples and a detail description of Protective Coating, as may be used for extended play games?</p>	<p>Yes, the NHLC will provide samples of extended play games.</p>

NHLC INSTANT TICKET AND RELATED SERVICES RFP – ROUND 1 ANSWERS

<p>4.1.v Protective Coating Would the NHLC please elaborate on the option “Protective Coatings” as they relate to extended play games and how it differs from requirement “p” Marking Systems?</p>	<p>This could be an additional overprint of color for the extended play area and/or could be additional primer under the scratch off material for added security. Bidders are invited to submit options that offer added security.</p>
<p>4.1.t Pack Inserts-within packs: Would the Lottery be willing to provide the specifications for pack inserts within packs (stock, size, number of colors front and back, perforations, and if the pack inserts have numbers that have to match the pack numbers in which they are inserted in)?</p>	<p>The NHLC does not currently utilize pack inserts and requests that Bidders recommend, based on best practices and knowing that the NHLC must be responsible stewards of funds, the specifications of the pack insert. However, the base standard is that the pack insert should have the game number and pack number on it. The price for this can be listed as negotiable.</p>
<p>4.1.1 Options: The NHLC encourages Vendors to propose options regarding innovative functions, features, services, and solutions. Prices for certain options proposed by the Vendor can vary quite significantly based on the scope and specifications required by the NHLC. As such, will the NHLC accept prices stated as ‘to be negotiated’ for certain options?</p>	<p>Yes.</p>
<p>4.1.2 Invited Options: Will the Lottery please confirm that a bidder can include in its Proposal its technical capabilities with respect to the Invited Options set forth in Section 4.1.2 without a firm price? For certain Invited Options, Bidders are unable to calculate accurate pricing without more detailed information from the NHLC concerning the final requirements for such options. If required to price such Invited Options, given the lack of detailed information, such pricing would not yield meaningful comparisons between Bidders on which a proper evaluation can be made.</p>	<p>Yes.</p>
<p>4.1.2 Invited Options: Since all vendors will not be able to supply all Invited Options, how will this section be scored as part of the 50 points allocated to Options?</p>	<p>Please refer to Section 5.3 for more detail.</p>
<p>4.1.2 Invited Options: Given that the printing contract(s) will be awarded to a primary and possibly one or more secondary printers, could the NHLC please describe the methodology that it would use to award the invited options g, h, i, j, and k in a situation in which multiple printing contracts are awarded?</p>	<p>There is the possibility that some of the Invited Options in Section 4.1.2 could be awarded to the primary or secondary Vendor(s). Each Invited Option will be evaluated against each of the same for each Bidder who submits a proposal for it. For example, if each Bidder submits a proposal for a Retailer Inventory Management System, each proposal would be evaluated and scored against the other for that specific function.</p>
<p>4.1.2 Invited Options: Could the NHLC kindly provide a good-faith estimate as to when it would plan to have operational the invited options requested in 4.1.2.g, h, i, j and k?</p>	<p>The NHLC estimates that any Invited Option will be operational within 180 days from the commencement of the contract.</p>

NHLC INSTANT TICKET AND RELATED SERVICES RFP – ROUND 1 ANSWERS

<p>4.1.2.a Invited Options: Will the NHLC please provide samples of its current quarterly newsletter for reference?</p>	<p>Yes, each Bidder will receive 4 samples of the NHLC retailer newsletter.</p>
<p>4.1.2.a Invited Options: Will the NHLC please provide further detail on the role and responsibilities of the Vendor for completing the newsletter? For example, will the Vendor be responsible for sourcing and writing content, final design and layout, etc.?</p>	<p>The Vendor would only be responsible for printing the newsletter and delivering it to the NHLC, shrink wrapped in stacks of 100. OR if the Vendor outsources it, the company they outsource to would be responsible for the same.</p>
<p>4.1.2.b Invited Options: Can the NHLC please provide samples of its 8.5 x 11 POS sheets for reference?</p>	<p>Yes.</p>
<p>4.1.2.b Invited Options: The same requirement in 2012 stated that only 3,000 pounds of unused tickets needed to be destroyed. Will the Lottery please confirm the amount is now 31,000 pounds?</p>	<p>Yes, the amount of 31,000 pounds is accurate.</p>
<p>4.1.2.c Invited Options: Can the NHLC please provide samples of its 8.5 x 11 POS sheets for reference?</p>	<p>Yes, all Bidders who submitted a Letter of Intent will receive samples.</p>
<p>4.1.2.c Invited Options: Will these be shipped directly to the NHLC or placed on pallet from vendor's warehouse?</p>	<p>These will be shipped directly to the NHLC as indicated above.</p>
<p>4.1.2.c Invited Options: Does the NHLC require POS to be shrink wrapped or packed loose? If shrink wrapped, how many?</p>	<p>Shrink wrapped in stacks of 100.</p>
<p>4.1.2.d Invited Options: Would the NHLC please describe past promotional support received under this requirement in the last 2 fiscal years?</p>	<p>The NHLC received gift cards in denominations of \$10 or \$25 to award retailers who demonstrated a significant increase in sales over a measurable period of time for a specific licensed property. Opportunities existed for incentives for having the supported game full and with a face card upon inspection from the LSR.</p>
<p>4.1.2.e Invited Options: Will the NHLC please provide information on the retailer promotions utilized in the last two years?</p>	<p>LSRs conduct retailer promotions, mostly from April through October. Attached is the retailer promotion sheet for FY16-17. Similar promotions were held during FY15-16.</p>
<p>4.1.2.e Invited Options: Does the NHLC have a separate retailer incentive budget for retailer promotions, and if so, what is the budget?</p>	<p>No, this is a moving target based on budgetary availability.</p>
<p>4.1.2.e Invited Options: How often are retailers visited by NHLC field representatives? Does the NHLC use a tiered lottery field rep call schedule, That is, visiting high volume retailers more frequently than lower volume retailers? If so, what is the format for this tiered call schedule?</p>	<p>The NHLC field representatives are tasked with visiting each retailer within their territory on a three to four week rotation. They independently determine their routes and schedules based on the unique needs of their retailers. Some of the high volume retailers may require more frequent visits on a weekly or bi-weekly basis.</p>

NHLC INSTANT TICKET AND RELATED SERVICES RFP – ROUND 1 ANSWERS

<p>4.1.2.e Invited Options: Does the NHLC track retailer activation percentages of new games after launch? If so, what percentage of retailers are activating new games within 3 days of launch or within the timeframe that the NHLC tracks?</p>	<p>No, the NHLC does not regularly track this.</p>
<p>4.1.2.e Invited Options: Will the NHLC please provide information on book settlement parameters, percentage of validations and/or days from activation?</p>	<p>Our book settlement parameters are auto settle at 180 days or 70% sold.</p>
<p>4.1.2.e Invited Options: Will the NHLC please provide information on the average number of dispenser facings for all instant selling NHLC retailers?</p>	<p>25 is the average number of facings across the state.</p>
<p>4.1.2.e Invited Options: Will the NHLC please provide information of the percentage of corporate vs. independent retailers?</p>	<p>61% Independent retailers and 39% Corporate retailers.</p>
<p>4.1.2.e Invited Options: Has the NHLC ever run a co-promotion with a New Hampshire corporate chain? If so, will the NHLC please provide the details of the co-promotion?</p>	<p>Yes, the NHLC ran a joint promotion with 21 select New Hampshire Liquor Stores two years ago for the Escape to Margaritaville ticket. Deal: purchase (1) 1.75L Margaritaville gold tequila and (2) Escape to Margaritaville instant tickets; receive third Escape to Margaritaville ticket for free. Timeline: March 1-31. Supported by liquor distributor with shelf talkers, point of sale signage, bottleneck coupons. 6 events at select NH Liquor Stores were held as well.</p>
<p>4.1.2.f Invited Options: Will the NHLC please convey how often its Lottery Sales Representatives visit their retailers? Also, how many retailers, on average, is each LSR assigned?</p>	<p>The NHLC field representatives are tasked with visiting each retailer within their territory on a three to four week rotation. They independently determine their routes and schedules based on the unique needs of their retailers. Some of the high volume retailers may require more frequent visits on a weekly or bi-weekly basis. The LSRs have approximately 100 retailers each.</p>
<p>4.1.2.f Invited Options: Will the NHLC kindly convey how retailer training is currently being handled?</p>	<p>Upon ADA verification, retailers must attend a 3 hour retailer training course to learn how to operate the terminal, sell lottery, balance daily, and more. 10 days after opening, the LSR is to verify retailer ability to sell and understand lottery. Addition training done on site if retailer has ITVM machine.</p>
<p>4.1.2.f Invited Options: Does the NHLC and its retailers currently rely on POGs? If so, could the NHLC please provide us with a description of the bin configuration(s) it currently utilizes for instant ticket game facings by price point and plans for various sizes of bin facings? For instance, please provide us with the average number of facings each retailer dedicates to instant products, and the sizes of those facings. Also, if applicable, please describe any notable bin configurations that deviate from this average bin configuration but are still important to the NHLC.</p>	<p>All NH Liquor Stores rely on planograms. They vary between 8 and 12 facings. Attached is a sample planogram. A couple of other corporate accounts are leaning towards planograms.</p>

NHLC INSTANT TICKET AND RELATED SERVICES RFP – ROUND 1 ANSWERS

<p>4.1.2.g Invited Options: Does the Lottery currently have a Retailer Inventory Management System or is this a new requirement?</p>	<p>Currently retailers balance by hand. See attached daily balancing sheet for details.</p>
<p>4.1.2.g Invited Options: Is the NHLC looking for the system to record sales on a ticket by ticket basis in real-time (i.e. ticket activation) or for retailers to manually upload sales to the system to track how much inventory is sold vs. how much is on hand?</p>	<p>Yes, the Lottery is interested in a system that can record sales on a ticket by ticket basis in real-time. However, not knowing what is available for inventory management systems within the lottery industry, the NHLC is open to all options besides the current manual process.</p>
<p>4.1.2.h Invited Options: Can the Lottery please clarify what is meant by the “rewards system”? Is this intended to mean the platform on which the Lottery Rewards program is supported?</p>	<p>The rewards “system” should read rewards “program.” The change is made in the RFP.</p>
<p>4.1.2.h Invited Options: Is the rewards program meant to replace the http://www.nhlotteryreplay.com/ site? If so, does the program need to also provide the email and alert communications components or does the NHLC have a separate vendor for that? Also, how many registered and active players does the lottery currently have on its program?</p>	<p>Yes, the rewards program is meant to replace nhlotteryreplay. The NHLC does not have email and alert communications components. Some details on current membership:</p> <ul style="list-style-type: none"> • 306,452 all-time registrants • 36,606 users replayed a ticket in the last 1 year • 51,592 users replayed a ticket in the last 2 years • 63,519 users replayed a ticket in the last 3 years
<p>4.1.2.h Invited Options: For the NHLC’s current lottery rewards program, is the player database managed by the NHLC or a third party?</p>	<p>It is mostly managed by the NH Lottery marketing agency of record. However, two NHLC staff answer member questions, reset passwords, manage many mailings, etc.</p>
<p>4.1.2.h Invited Options: For the lottery rewards website, would the NHLC require single sign-on?</p>	<p>The NHLC is open to single sign on.</p>
<p>4.1.2.h Invited Options: Can the Lottery please clarify what is meant by “entry requirements”? Is this intended to mean program registration requirements for players and/or ticket entry requirements?</p>	<p>Yes, currently the ticket entry requirement is manual. The NHLC is open to non-manual options in the rewards program.</p>
<p>4.1.2.h Invited Options: Can the Lottery please clarify what is meant by “communication options”? Is this intended to mean options for communicating with players (i.e. email, SMS, push notifications etc.)? Or is this intended to mean customer service communications? Or something else?</p>	<p>Yes, communications options are intended to mean options for communicating with players.</p>
<p>4.1.2.i Invited Options: Could the NHLC please specify if, for this option, a vendor is required to supply the devices (iPads, PCs) and data plans?</p>	<p>Currently the LSRs have iPads and data plans.</p>
<p>4.1.2.j Invited Options: Will the NHLC kindly provide us with information on the warehousing, distribution, and retailer ticket ordering systems currently being utilized so that we can build an accurate understanding of needs and appropriate costs?</p>	<p>The current system being used is Intralot’s back office system. The NHLC runs the warehouse and shipping but relies on Intralots system to push ordering information. Orders are entered by Intralots three Tel Sell representatives. Each retailer receives a call every one to two weeks.</p>

NHLC INSTANT TICKET AND RELATED SERVICES RFP – ROUND 1 ANSWERS

<p>4.1.2.k Invited Options: Could the NHLC kindly provide us with sample reporting for tracking of weekly instant ticket sales and cases of instant tickets sold by week and by game, and projected sell-out rates?</p>	<p>Attached is a sample of tracking ticket sales per week with index. The Instant Game Sales Breakdown PDF (attached) is used to calculate sales. Also attached is a sample Instant Game Schedule from 2014. The Warehouse Dashboard Monitor is used to calculate number of cases sold per week.</p>
<p>4.1.2.k Invited Options: Will the Lottery please provide instant sales by game by week as well as sales by retailer code?</p>	<p>For instant sales by game by week, please see attached Instant Games Sales Breakdown for reference. For Sales by Retailer Code, currently the Liquor Sales are calculated based on the weekly sales report (attached).</p>
<p>5.2 Evaluation of Technical and Price Proposals: Will the NHLC please clarify whether the 50 points allocated to “options” references apply to only the options required under section 4.1.a-v, or are the options described in 4.1.2 also being considered?</p>	<p>Both sections will be reviewed and scored.</p>
<p>5.2 Evaluation of Technical and Price Proposals: Will the NHLC please confirm where the technical submissions to 4.1.2 should be included in the proposal? Should they be described in the technical proposal or included in the pricing envelope, as they are part of Section 4?</p>	<p>Answers and supporting documentation for 4.1.2 should be included in the technical proposal. Pricing for 4.1.2 should be in the price proposal.</p>
<p>Appendix A 9.1: Would the NHLC please consider making the following revision to the definition of “data” set forth in Section 9.1 of Appendix A: “As used in this Agreement, the word “data” shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, <u>exclusively for the benefit of the NHLC</u>, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.”</p>	<p>To the extent possible the NHLC will change this.</p>
<p>Appendix A 13: Will the NHLC please confirm that the indemnification obligations are limited to third-party claims?</p>	<p>Yes.</p>
<p>Appendix A-22 Special Provisions: states that that additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference. Will the NHLC be providing Exhibit C?</p>	<p>Bidders can ignore the reference to Exhibit C. That has been removed from the RFP.</p>

NHLC INSTANT TICKET AND RELATED SERVICES RFP – ROUND 1 ANSWERS

<p>Appendix B: Does the NHLC currently purchase games produced across the web? If so, please provide details of number across the web and number of games ordered historically in the last 2 years?</p>	<p>No, the NHLC does not purchase games across the web. However, the NHLC does provide an opportunity with certain games, generally our third \$3 game, to play an interactive portion for free and for fun, as was the case with Frogger last year and currently with Super 7's Slingo Treasure Hunt Challenge currently.</p>																								
<p>General Question: Will the NHLC please provide a book of sample tickets from two games at each of its price points?</p>	<p>The NHLC will provide each Bidder who submitted a Letter of Intent with one sample book of two games at each of its price points.</p>																								
<p>General Question: Who currently provides the NHLC with warehousing and distribution services?</p>	<p>The NHLC provides and manages these services.</p>																								
<p>General Question: Would the NHLC please provide us with their game launch schedules (including, game name, game theme, price point, pack size, game quantity, and weeks on the market) for the previous 3-5 years?</p>	<p>Attached are the FY16 and FY17 game launch schedules.</p>																								
<p>General Question: Could the NHLC please provide the marketing support calendar for specific games and/or promotions during the last two fiscal years, as well as what is planned for the current fiscal year?</p>	<p>Attached is information for the marketing support calendar.</p>																								
<p>General Question: Would the NHLC please supply ticket print quantities and prize structures/payout by price point?</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Price Point</th> <th style="text-align: center;">Normal Print Run</th> <th style="text-align: center;">Payout</th> </tr> </thead> <tbody> <tr> <td>\$1</td> <td style="text-align: center;">900,000-1.2 million</td> <td style="text-align: center;">62%</td> </tr> <tr> <td>\$2</td> <td style="text-align: center;">1.2 -1.44 million</td> <td style="text-align: center;">65.5%</td> </tr> <tr> <td>\$3</td> <td style="text-align: center;">1 million for bingo, 2 million for Money Puzzle</td> <td style="text-align: center;">63%</td> </tr> <tr> <td>\$5</td> <td style="text-align: center;">1 million</td> <td style="text-align: center;">68%</td> </tr> <tr> <td>\$10</td> <td style="text-align: center;">720,000</td> <td style="text-align: center;">72.5%</td> </tr> <tr> <td>\$20</td> <td style="text-align: center;">1.44 million</td> <td style="text-align: center;">74%</td> </tr> <tr> <td>\$25</td> <td style="text-align: center;">1.44 million</td> <td style="text-align: center;">80-82%</td> </tr> </tbody> </table>	Price Point	Normal Print Run	Payout	\$1	900,000-1.2 million	62%	\$2	1.2 -1.44 million	65.5%	\$3	1 million for bingo, 2 million for Money Puzzle	63%	\$5	1 million	68%	\$10	720,000	72.5%	\$20	1.44 million	74%	\$25	1.44 million	80-82%
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<p>General Question: Would the NHLC please supply the total activations and returns per game for fiscal years 2013, 2014, 2015 and 2016?</p>	<p>Attached are the activations and returns.</p>																								
<p>General Question: Would the NHLC please advise the size of the current warehouse?</p>	<p>6,250 square feet on the secure side of the warehouse where instant tickets are held and shipped.</p>																								
<p>General Question: Can the NHLC please provide warehouse and distribution staff levels, and details with respect to the employee's duties and responsibilities?</p>	<p>The NH Lottery warehouse staff packs the orders. The NH Lottery has a warehouse manager, one full time shipper, one part-time shipper, and one part-time initials shipper. The warehouse has the capacity for four shipping stations but currently only two are used for daily order fulfillment and one is used for initials. The warehouse/shipping manager receives all instant ticket shipments, sets up initials, processes returns, processes the destruction papers, organizes the warehouse, and manages communication with other departments.</p>																								

NHLC INSTANT TICKET AND RELATED SERVICES RFP – ROUND 1 ANSWERS

<p>General Question: If the NHLC performs the Tel-Sell function, can the NHLC please provide the average number of instant ticket distribution Tel-Sell telephone contacts made to retailers per week?</p>	<p>The NHLC does not manage the Tel Sell function. Intralot manages the Tel Sell function. Three Tel Sell representatives call all 1,250 retailers on an every week or every other week rotation.</p>												
<p>General Question: Can the NHLC provide a list of retail locations, including addresses and zip codes?</p>	<p>That list is attached.</p>												
<p>General Question: Would the NHLC please supply a breakdown of sales per channel per retailer per year?</p>	<p>Attached is a breakdown of sales per retail channel for FY15 and FY16.</p>												
<p>General Question: Could the NHLC please provide the percentage or value of annual instant sales that come from ITVM's?</p>	<table border="1" style="width: 100%; text-align: center;"> <thead> <tr> <th style="width: 10%;">FY</th> <th style="width: 20%;">ITVM Instant Sales</th> <th style="width: 20%;">Total Instant Sales</th> <th style="width: 10%;">% Sales ITVM</th> </tr> </thead> <tbody> <tr> <td>FY15</td> <td>\$40,416,483.00</td> <td>\$280,698,430.00</td> <td>14.40%</td> </tr> <tr> <td>FY16</td> <td>\$42,947,461.00</td> <td>\$307,323,165.00</td> <td>13.97%</td> </tr> </tbody> </table>	FY	ITVM Instant Sales	Total Instant Sales	% Sales ITVM	FY15	\$40,416,483.00	\$280,698,430.00	14.40%	FY16	\$42,947,461.00	\$307,323,165.00	13.97%
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<p>General Question: Can the NHLC please provide total number of instant ticket shipments from the warehouse to retailers in the last three fiscal years? Could the NHLC also provide the total number of return shipments from retailers to the warehouse for the last three fiscal years?</p>	<p>From July 2013 to June of 2016 we shipped approximately 159,000 packages containing 1.68 million books of tickets. During that same period we had around 350 packages returned to us because of damage, refusals, close outs, etc.</p>												
<p>General Question: Would the NHLC please provide current contractual vendor pricing including all amendments, for instants and instant ticket related services?</p>	<p>The pricing for the current contract will be sent to all Bidders who submitted a Letter of Intent.</p>												
<p>General Question: Would the NHLC please provide the number of games purchased from secondary suppliers in the last 2 years?</p>	<p>No games were printed by any other printer than Scientific Games. However, four licensed properties have been purchased from other vendors.</p>												
<p>General Question: Would the NHLC please detail the allowable deliver tolerance per game as it relates to the order quantity?</p>	<p>5% variation in number of tickets ordered.</p>												
<p>General Question: Would the NHLC please describe the +/- quantity and prize balancing tolerances and requirements?</p>	<p>5% variation in number of tickets ordered. All high tier prizes must be provided as described in prize structure. GLEPs must be guaranteed.</p>												
<p>General Question: Would the NHLC please confirm +/- tolerance with respect to end of game prize structure?</p>	<p>0.5% difference in overall prize payout allowed.</p>												

NHLC INSTANT TICKET AND RELATED SERVICES RFP – ROUND 1 ANSWERS

<p>General Question: Could the NHLC please outline its current planning process and calendar for instant tickets, showing key internal meetings and milestones? For example, could the NHLC show when and how the game plan and promotional plan for subsequent fiscal years are established?</p>	<p>This is a very fluid process and the NHLC is open to ideas from Vendors based on best practices from other lotteries of similar size and resources. Currently, the game schedule is based on when existing and planned games are projected to run out of the warehouse. The Director of Sales and Product Development reviews game needs, determines either games that are likely to resonate with NH players or finds game that have indexed well in other states. Seasonality as well as ensuring a mix of game themes is taken into consideration, as well as current product mix. Once to twice a year an internal team of stakeholders meets as well as external ones (representative from marketing company and instant printing company) to review possible games for the year. Following this, the Director of Sales and Product Development works with the liaison at Sci Games and develops games.</p>																										
<p>General Question: Please provide the list of countries that are eligible to participate in this tender.</p>	<p>All countries will be considered.</p>																										
<p>General Question: Could the NHLC kindly provide the number of retailers by trade style?</p>	<table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th style="text-align: left;">Retailers by Business Type</th> <th style="text-align: right;"># of Retailers</th> </tr> </thead> <tbody> <tr> <td>C-Store</td> <td style="text-align: right;">303</td> </tr> <tr> <td>Dog Track/Race Track</td> <td style="text-align: right;">1</td> </tr> <tr> <td>Drug/Conv Store</td> <td style="text-align: right;">69</td> </tr> <tr> <td>Gas C-Store</td> <td style="text-align: right;">534</td> </tr> <tr> <td>Kiosk</td> <td style="text-align: right;">2</td> </tr> <tr> <td>Liquor Store</td> <td style="text-align: right;">79</td> </tr> <tr> <td>Merchandise Store</td> <td style="text-align: right;">7</td> </tr> <tr> <td>Miscellaneous</td> <td style="text-align: right;">29</td> </tr> <tr> <td>Newsstand/Smoke</td> <td style="text-align: right;">22</td> </tr> <tr> <td>Restaurant /Bar</td> <td style="text-align: right;">19</td> </tr> <tr> <td>Supermarket</td> <td style="text-align: right;">141</td> </tr> <tr> <td>Total # of Retailers</td> <td style="text-align: right;">1206</td> </tr> </tbody> </table> <p>Note: the number of retailers does not show the seasonal retailers or temporarily closed retailers.</p>	Retailers by Business Type	# of Retailers	C-Store	303	Dog Track/Race Track	1	Drug/Conv Store	69	Gas C-Store	534	Kiosk	2	Liquor Store	79	Merchandise Store	7	Miscellaneous	29	Newsstand/Smoke	22	Restaurant /Bar	19	Supermarket	141	Total # of Retailers	1206
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NHLC INSTANT TICKET AND RELATED SERVICES RFP – ROUND 1 ANSWERS

<p>General Question: Could the NHLC please provide a listing of the ITVMs that are currently in place by location type and/or trade style, and what other lottery products are sold at these same locations?</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">WinStations by Business Type</th> <th style="text-align: center;">#</th> </tr> </thead> <tbody> <tr> <td>C-Store</td> <td style="text-align: center;">35</td> </tr> <tr> <td>Dog Track/Race Track</td> <td style="text-align: center;">2</td> </tr> <tr> <td>Drug/Conv Store</td> <td style="text-align: center;">65</td> </tr> <tr> <td>Gas C-Store</td> <td style="text-align: center;">65</td> </tr> <tr> <td>Liquor Store</td> <td style="text-align: center;">44</td> </tr> <tr> <td>Merchandise Store</td> <td style="text-align: center;">6</td> </tr> <tr> <td>Miscellaneous</td> <td style="text-align: center;">22</td> </tr> <tr> <td>Newsstand/Smoke</td> <td style="text-align: center;">2</td> </tr> <tr> <td>Restaurant /Bar</td> <td style="text-align: center;">13</td> </tr> <tr> <td>Supermarket</td> <td style="text-align: center;">125</td> </tr> <tr> <td>Total # of Retailers with WS</td> <td style="text-align: center;">379</td> </tr> <tr> <td colspan="2"><i>97.1% of retailers with ITVMs sell instant and online tickets on-counter as well.</i></td> </tr> </tbody> </table>	WinStations by Business Type	#	C-Store	35	Dog Track/Race Track	2	Drug/Conv Store	65	Gas C-Store	65	Liquor Store	44	Merchandise Store	6	Miscellaneous	22	Newsstand/Smoke	2	Restaurant /Bar	13	Supermarket	125	Total # of Retailers with WS	379	<i>97.1% of retailers with ITVMs sell instant and online tickets on-counter as well.</i>	
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NHLC INSTANT TICKET AND RELATED SERVICES RFP – ROUND 2 ANSWERS

Question	Answer
Section 1	
<p>1.6.e Scope: <i>If requested, the Vendor will provide the NHLC with a second chance drawing website where players can enter their non-winning tickets for games which provide second chance prizes. The Vendor will provide this site, as well as drawing services, tax services, and prize fulfillment at no additional cost to the NHLC beyond the licensed property fee.</i></p> <p>Please confirm that the requested second chance drawing website only applies to license property games.</p>	<p>Confirmed. The second chance drawing website is only for licensed properties.</p>
<p>1.6.m Scope: <i>The Vendor will provide interactive and augmented reality games that are integrated with the instant ticket games, or complementary. Games must be playable on all web platforms. If the Vendor does not have the capability to provide such games themselves, they will contract with mutually agreed upon third parties to do so.</i></p> <p>This requirement is not detailed anywhere else in the RFP. Where should bidders respond to 1.6.m in Section 3 of their response?</p>	<p>This has been added to the RFP. See 3.4.14 Interactive Games.</p> <p>The Vendor will provide interactive online games, which may include augmented reality games and other options as the technology develops. Currently the NHLC is only permitted to offer games for free and for fun. These games may be integrated with the instant ticket games, or complementary. Games must be playable on all web platforms. If the Vendor does not have the capability to provide such games themselves, they will contract with mutually agreed upon third parties to do so.</p>
Section 2	
<p>2.12.2 Patent/Copyright/Trademark Infringement Indemnification: Will the Lottery please confirm that that [sic] the indemnification obligations set forth in Section 2.12.2 shall not apply when the Vendor has a reasonable basis for believing that the trademarks or copyrights included in any ticket it prints may infringe upon an enforceable third-party intellectual property right and the Vendor notifies the Lottery accordingly?</p>	<p>The Lottery can confirm this.</p>
Section 3	
<p>3.3.2.i Bar Coding: <i>The NHLC uses bar code validation of all prize levels. The bar code shall be printed on the back of tickets and will include human readable numbers below the bar code. Game, book number, and ticket number shall be printed on the back of ticket. The ticket number shall be printed on front of ticket. The bar code is interleaved two-of-five symbology, and contains 20 digits plus a four-digit control number printed under the latex.</i></p> <p>We believe that the specifications of the interleaved two-of-five barcode described in this requirement does not align with the current barcode format. Would the NHLC please change this requirement to state, "The bar code is interleaved two-of-five symbology, and contains 24 digits plus three boxed digits on ticket front within the validation number"?</p>	<p>The NHLC will update this section to read as follows: The bar code is interleaved two-of-five symbology. It contains 24 digits, starting with the game number, and includes the three boxed digits on the ticket front within the validation number under the over-print.</p>

NHLC INSTANT TICKET AND RELATED SERVICES RFP – ROUND 2 ANSWERS

<p>3.4.12 Ticket Proof: This section requires Vendors to provide a color proof that matches the ticket to be printed, front and back images. Will a paper print of a ticket back printing a single color (black) suffice? Or must it be the same proofing system used for the ticket front?</p>	<p>The ticket back should be the same proofing system used for the ticket front.</p>
<p>Section 4</p>	
<p>4.0.e Pricing Specification: <i>RFP Requirement: e. A minimum of four (4) copies of vendor’s proposal specifying conditions other than pricing, shall be sent, but not sealed with the bid</i></p> <p>Is this requirement referring to the 4 required technical copies of Volume I? If not, can the Lottery please clarify what types of materials are being referred to in this requirement?</p>	<p>Yes, this is for the four technical copies, also termed Volume 1.</p>
<p>4.1.v Pricing Options: Would the NHLC please provide samples, as well as a detailed description of Protective Coatings, as may be used for extended play games?</p>	<p>The NHLC provided samples of extended play games in response to the Round 1 questions. Protective coatings are an extra layer of color to protect the integrity of the game.</p>
<p>4.1.2.b Invited Options: The NHLC states that in 2016 it destroyed approximately 31,000 pound of unused tickets. Can the Lottery please confirm the number of pick-ups in 2016?</p>	<p>There were 5 pick-ups by the destruction service in FY2016.</p>
<p>4.1.2.d Invited Options: <i>RFP Requirement: d. Bidders are invited to offer support for the launch and/or promotion of up to 4 “special” games per year (licensed properties, extended play games, etc.) in the form of promotional items or financial credit applied to the cost of the game. For instance, \$3,000 credit has been applied in the past to the NHLC toward the cost of a licensed property for promotional items identified with the game.</i></p> <p>The example in this requirement provides a monetary value. Are bidders allowed to say a price/credit in response to this requirement in the Technical Proposal?</p>	<p>The NHLC suggests not providing pricing information in the Technical proposal.</p>
<p>4.1.2 Invited Options: In response to the question “Could the NHLC kindly provide a good-faith estimate as to when it would plan to have operational the invited options requested in 4.1.2.g,h,i,j, and k?” The NHLC responded that “...any Invited Option will be operational within 180 days from the commencement of the contract”.</p> <p>Could the Lottery please clarify if “commencement of the contract” is the commencement date of the primary printing contract (July 1, 2017) or the commencement of any separate contract or amendment for the specific option?</p> <p>If it is the latter, when would the NHLC expect to begin discussions for the Invited Options?</p>	<p>The Invited Options, if exercised, will have a timeline negotiated between the Vendor and the NHLC. The NHLC reserves the right to exercise these options any time during the contract period.</p>
<p>4.1.2 f Invited Options: With respect to the series of annual training courses for the NHLC sales force of approximately 15 personnel, does the NHLC have the space available to hold these training sessions?</p>	<p>The NHLC has a conference room that can be used for sales team training sessions.</p>

NHLC INSTANT TICKET AND RELATED SERVICES RFP – ROUND 2 ANSWERS

Appendix	
Appendix B: Does the NHLC currently purchase number of games that are printed across the web? If so, please provide details of number across the web and number of games ordered historically in the last 2 years.	The numbers listed in Appendix B are listed for Bidders to provide potential price reductions for ordering more than one game at a time. For example, if the NHLC orders 3 games that are 2.25" X 4.0" with a million print run for each, what would the cost per 1,000 tickets be as opposed to the NHLC ordering one game of the same dimensions and the same print run? Is there a cost savings to the NHLC to plan ahead and order more games at once? As for details on how many times the NHLC ordered one game at a time versus 2, 3 or 4 games at a time, the NHLC does not have that information. However, for the last 2.5 years, the NHLC has strived to order more than one game at a time for each price point. For total games printed each year, the NHLC launches on average 50 games a fiscal year.