



GOVERNOR Margaret Wood Hassan
 CHAIRMAN Debra M. Douglas
 COMMISSIONER Paul J. Holloway
 COMMISSIONER David L. Gelfinas
 EXECUTIVE DIRECTOR Charles R. McIntyre

May 26, 2015

Her Excellency, Governor Margaret Wood Hassan
 and the Honorable Council
 State House
 Concord, New Hampshire 03301

REQUESTED ACTION

The New Hampshire Lottery Commission requests authorization to amend its contract, for instant ticket printing and related services with Scientific Games International, Inc. of Alpharetta, Georgia (vendor number 175862), by exercising the one (1) two (2) year renewal option from July 1, 2015 to June 30, 2017 in an amount not to exceed \$4,600,000; effective upon Governor and Council approval. The original contract was approved by Governor and Council on July 11, 2012. 100% Lottery Funds

Funding for FY 2016 in the amount of \$2,300,000 will be available from account number 06-083-083-10290000, Class 106, Goods for Resale, subject to legislative approval of the next biennial budget.

Funding for FY 2017 in the amount of \$2,300,000 will be available from account number 06-083-083-10290000, Class 106, Goods for Resale, subject to legislative approval of the next biennial budget.

EXPLANATION

The New Hampshire Lottery Commission issued a Request for Proposal (RFP) in January, 2012, soliciting bids for the purchase of instant tickets and related services for a period of three years, with one (1) two year renewal option. In addition to Scientific Games International, Inc., proposals were received from two other companies. Following review of the proposals, the evaluation committee recommended to the Commission that Scientific Games International be awarded the contract, based on low bid.

The Commission is pleased with the services provided by Scientific Games International, Inc. Instant ticket sales account for approximately 70% of the Lottery's gross revenue. The Commission respectfully requests approval of the two year contract renewal option to purchase instant ticket printing and related services from Scientific Games International, Inc. We appreciate the Governor and Council's continued support as the Lottery strives to maximize profit for Education.

Respectfully submitted,

Charles R. McIntyre
 Executive Director

CM:dc



Live Free or Die

New Hampshire Lottery Commission 14 Integra Drive Concord, New Hampshire 03301
 TEL 603.271.3391 FAX 603.271.1160 TDD 1.800.735.2964 www.nhlottery.com

EXERCISE OF OPTION TO EXTEND INSTANT TICKET CONTRACT SERVICES

DATED July 11, 2012

This Agreement, dated this 1 day of ~~April~~^{May}, 2015 by and between the State of New Hampshire, New Hampshire Lottery Commission (hereinafter referred to as the "Commission") and Scientific Games International, Inc. (hereinafter referred to as "SGI"), Vendor Number 175862 and jointly referred to as the "parties," is an Exercise of the Commission's Option to Extend the Contract between the parties dated July 11, 2012.

WHEREAS, pursuant to an agreement (hereinafter called the "Agreement") dated July 11, 2012, Governor and Council Item #192, SGI agreed to perform certain services upon the terms and conditions specified in the Agreement and in consideration of payment by the Commission of certain sums as specified therein;

WHEREAS, pursuant to the provision of paragraph 1, of Exhibit "C" to the Agreement, the Agreement may be extended for a period of two (2) additional years, pending availability of funding, the agreement of the parties, and approval by Governor and Council;

WHEREAS, pursuant to the provision of Section 18 of the Agreement, the Agreement may be modified or amended only by a written instrument executed by the parties thereto and only after approval of such modification or amendment by the Governor and Council;

WHEREAS, SGI and the Commission have agreed to Exercise the Option to Extend the Agreement;

NOW THEREFORE, in consideration of the foregoing, and the covenants and conditions contained in the Agreement and set forth herein, the parties hereto do hereby agree as follows:

1. Exercise Of Option To Extend For Two (2) Additional Years:

The Agreement is hereby amended as follows:

Amend Section 1.7 of the General Provisions by extending the completion date to June 30, 2017.

Amend Section 1.8 of the General Provisions by increasing the Price Limitation by \$4,600,000 from \$6,900,000 to \$11,500,000.

Exhibit A – Scope of Services

Scope of Services has been amended, and is attached as “Amended Exhibit A”

2. Effective Date of Extension:

This Extension shall take effect on July 1, 2015 or upon Governor and Council approval, whichever is later.

3. Continuance of Renewal Agreement:

Except as specifically amended and modified by the terms and conditions of this Option to Extend the Agreement, the Agreement and the obligations of the parties thereunder, shall remain in full force and effect in accordance with the terms and conditions set forth therein.

(SIGNATURES CONTAINED ON FOLLOWING PAGES)

IN WITNESS WHEREOF, the parties have hereunto set their hands as of the day and year first above written.

STATE OF NEW HAMPSHIRE
New Hampshire Lottery Commission

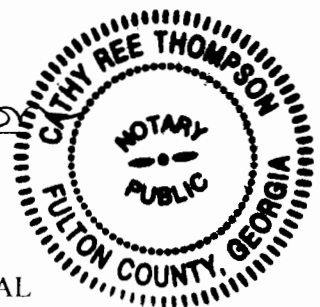
By: [Signature]
Executive Director

By: [Signature] SVP, Instant Products
(contract signatory), (signatory's title)
Scientific Games, International
John Schulz, SVP, Instant Products

GEORGIA
STATE OF ~~NEW HAMPSHIRE~~
COUNTY OF Forsyth

On this the 1st day of May 2015, before me, Cathy Ree Thompson
(name of notary)
the undersigned officer, John Schulz personally appeared who acknowledged him/herself
(authorized signatory)
to be the SVP, Instant Products of the Scientific Games International, Inc.
(signatory's title) (legal name of Contractor)
a corporation, and that he/she, as such SVP, Instant Products, being authorized so to do,
(signatory's title)
executed the foregoing instrument for the purposes therein contained, by signing the name of the
corporation by him/herself as SVP, Instant Products of the Scientific Games International, Inc.
(signatory's title) (legal name of agency)
In witness whereof I hereunto set my hand and official seal.

Cathy Ree Thompson
Notary Public, Fulton County, Georgia
My Commission expires: 3rd Day of September, 2018
My Commission Expires:



Approved as to form, execution and substance:
OFFICE OF THE ATTORNEY GENERAL

By: [Signature]
Assistant Attorney General

Date: 5/20/15

I hereby certify that the foregoing contract was approved by the Governor and Council of the State of New Hampshire at the Meeting on: _____.

OFFICE OF THE SECRETARY OF STATE

By: _____

Title: _____

Amend Exhibit A – Scope of Services – as follows:

Amend Section 3.8, b., page 41, of the Request for Proposals (RFP) dated January 17, 2012, and the Sci Games response dated March 16, 2012 by deleting the research requirement and replacing it with the following annual training requirements:

Sales Force training shall include:

- One session covering the underlying principles of SalesMaker
- Up to twenty employees, Lottery Sales Reps and Lottery Management
- Approximately three (3) hours per session plus additional time for questions
- Sessions will be held at Lottery or conference room as desired by the Lottery
- Distribution of a best practices “Quick Reference Guide” for use in the field
- Refreshments for attendees

Sales Force trainings are intended for Lottery Sales Representatives and management. SGI shall conduct at least 1 Sales Force Training session each year for the remainder of the contract (for a total of two).

The cost to the Lottery of the Sales Force training shall be \$40,000 for each training (for a total of \$80,000), which is incorporated into and shall not affect the total contract cost identified in Section 1.8 of the General Provisions.

Sales Coach training and consultation shall include:

- Three consecutive days of in-store visits with Jeff Sinacori
- Maximum of six Lottery Staff in attendance each day
- 5 – 7 retail locations will be visited each day – depending on location

Sales Coach trainings are intended for Lottery Sales Representatives and management. SGI shall conduct at least one Sales Coach Training and consultation session each year for the duration of the contract (for a total of two).

The cost to the Lottery of the Sales Coach training shall be \$30,000 for each session (for a total of \$60,000) which is incorporated into and shall not affect the total contract cost identified in Section 1.8 of the General Provisions.

Sales Builder Seminar shall include:

- One session covering the underlying principles of SalesMaker
- Up to 100 retailer representatives per session
- Approximately two (2) hours per session plus additional time for questions
- Invitation design as approved by the Lottery
- Distribution of a best practices “Quick Reference Guide”
- Refreshments for attendees
- Sessions will be held at Lottery or conference room as desired by the Lottery

The Sales Builder Seminars are intended for Lottery Retailers. SGI shall conduct at least one Sales Builder Seminar sessions each year for the duration of the contract (for a total of two).

The cost to the Lottery of the Sales Builder Seminar shall be \$20,000 for each seminar (for a total of \$40,000), which is incorporated into and shall not affect the total contract cost identified in Section 1.8 of the General Provisions.

OK
5/19/15

DW
5/18/15

Amend Section 3.3.5 of the RFP, which provides for the New Hampshire Lottery to conduct site visits for up to two representatives of the Lottery for site inspections of the printing facility on an annual basis. This specification will continue with the option to amend for four people to conduct the site visits every two years to coincide with the Sci Games Symposium.

Amend Section 3.6, page 40, of the RFP, which provides for marketing services, defined to include research to address game development and player attitudes, to include player surveys and segmentations studies for the purpose of seeking information about player satisfaction, attitudes about the NHLC and its products and awareness and recall of advertising. Whereas these capabilities are provided by other vendor contracts and by Lottery personnel, the funds for those specific tasks will be provided to the NH Lottery to be used for:

- Retailer merchandising support for point of sale materials including but not limited to signage and instant ticket menu boards.

\$25,000 annually (for a total of \$50,000) will be provided to the NH Lottery for the above marketing support. This amount shall not affect the total contract cost identified in Section 1.8 of the General Provisions.

FC
5/19/11 - DM
5/18/15

**ACTION BY
UNANIMOUS CONSENT OF BOARD OF DIRECTORS
OF
SCIENTIFIC GAMES INTERNATIONAL, INC.**

The undersigned, being all the members of the Board of Directors for Scientific Games International, Inc. , a Delaware corporation ("SGI"), acting in lieu of meeting, pursuant to § 228 of the General Corporation Law of the State of Delaware, does hereby consent in writing to the adoption of the following resolutions:

WHEREAS, the New Hampshire Lottery Commission voted on November 6th, 2014, to extend SGI as a selected vendor in response to a Request for Proposal for an instant ticket services contract with New Hampshire Lottery for a period that began July 1, 2012 (the "Agreement"); and

WHEREAS, the New Hampshire Lottery Commission has requested consent from the Board of Directors of SGI authorizing a person to sign the Agreement;

NOW, THEREFORE, BE IT:

RESOLVED, that the proper officers of SGI, including, but not limited to, James Kennedy, be, and each of them hereby is, authorized, empowered and directed, in the name of and on behalf of SGI, to execute and deliver the Extension; and be it further

RESOLVED, that the proper officers of SGI, be, and each of them hereby is, authorized and directed, in the name and on behalf of SGI, to execute and deliver all such further documents, certificates, or instruments, and to take all such further action as necessary, proper, convenient or desirable in order to carry out the foregoing resolution and to perform SGI's obligations under or in connection with the Agreement as extended, and that all action taken by any officer of SGI to date in connection with the foregoing resolution are hereby in all respects confirmed, ratified and approved; and be it further

RESOLVED, that each of the Chief Executive Officer, any President, the Chief Financial Officer, any Vice President (or Senior Vice President), the Secretary and the Treasurer shall be considered a proper officer of the Corporation for the purpose of each of the foregoing resolutions.

IN WITNESS WHEREOF, the undersigned has executed this Action by Written Consent as of March 17, 2015.

Director:

By:

Name: James Kennedy

Director:

By:

Name: Jack Sarno

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. a(n) Delaware corporation, is authorized to transact business in New Hampshire and qualified on January 8, 1996. I further certify that all fees and annual reports required by the Secretary of State's office have been received.



In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 16th day of April, A.D. 2015

A handwritten signature in cursive script, appearing to read "William M. Gardner".

William M. Gardner
Secretary of State



CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY)
06/12/2014

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 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 Central, Inc. Chicago IL Office 200 East Randolph Chicago IL 60601 USA	CONTACT NAME: PHONE (A/C. No. Ext): (866) 283-7122	FAX (A/C. No.): (800) 363-0105
	E-MAIL ADDRESS:	
INSURER(S) AFFORDING COVERAGE		NAIC #
INSURED Scientific Games International, Inc. 1500 Bluegrass Lakes Parkway Alpharetta GA 30004 USA	INSURER A: Zurich American Ins Co	16535
	INSURER B: American Zurich Ins Co	40142
	INSURER C:	
	INSURER D:	
	INSURER E:	
	INSURER F:	

Holder Identifier :

COVERAGES **CERTIFICATE NUMBER: 570054097734** **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

INSR LTR	TYPE OF INSURANCE	ADDITIONAL	SUBROGATED	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	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"/> PROJECT <input type="checkbox"/> LOC OTHER:			GL509598700	06/01/2014	06/01/2015	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$100,000 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
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS			BAP 5095988-00	06/01/2014	06/01/2015	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident) Comp/Coll Ded \$1,000
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION						EACH OCCURRENCE AGGREGATE
B A A	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	WCS09598500 WCS09598600 EWS509598900 SIR applies per policy terms & conditions	06/01/2014 06/01/2014 06/01/2014	06/01/2015 06/01/2015 06/01/2015	<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

Certificate No : 570054097734

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

RE: 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
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ACORD 25 (2014/01)

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EVIDENCE OF PROPERTY INSURANCE

DATE (MM/DD/YYYY)
12/24/2014

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

AGENCY Frank Crystal & Co., Inc. dba Crystal & Company Financial Square, 32 Old Slip New York, NY 10005		PHONE (A/C, No, Ext): 212-504-5820	COMPANY Lexington Insurance Company .. 100 Summer Street Boston, MA 02110	
FAX (A/C, No): 212-504-1854	E-MAIL ADDRESS: Annette.Clark@crystalco.com			
CODE:	SUB CODE:			
AGENCY CUSTOMER ID #:		LOAN NUMBER		POLICY NUMBER PP140946000
INSURED Scientific Games International, Inc. 1500 Bluegrass Lakes Pkwy Alpharetta, GA 30004		EFFECTIVE DATE 12/31/2014	EXPIRATION DATE 12/31/2015	<input type="checkbox"/> CONTINUED UNTIL TERMINATED IF CHECKED
THIS REPLACES PRIOR EVIDENCE DATED:				

PROPERTY INFORMATION

LOCATION/DESCRIPTION

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 EVIDENCE OF PROPERTY INSURANCE 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.

COVERAGE INFORMATION

COVERAGE / PERILS / FORMS	AMOUNT OF INSURANCE	DEDUCTIBLE
Property	\$2,000,000 "All Risk" Replacement Cost	

REMARKS (Including Special Conditions)

Re: Printing Contract. The Certificate Holder is listed as a Loss Payee as its interest may appear.
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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.

ADDITIONAL INTEREST

NAME AND ADDRESS New Hampshire Lottery Commission 14 Integra Drive Concord, NH 03301	<input type="checkbox"/> MORTGAGEE	<input type="checkbox"/> ADDITIONAL INSURED
	<input checked="" type="checkbox"/> LOSS PAYEE	
LOAN #		
AUTHORIZED REPRESENTATIVE <i>Crystal & Company</i>		



CERTIFICATE OF LIABILITY INSURANCE

10/31/2015 DATE (MM/DD/YYYY) 10/31/2014

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 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 LOCKTON COMPANIES 2100 ROSS AVENUE, SUITE 1400 DALLAS TX 75201 214-969-6700	CONTACT NAME: _____ PHONE (A/C, No, Ext): _____ FAX (A/C, No): _____ E-MAIL ADDRESS: _____
	INSURER(S) AFFORDING COVERAGE
INSURED 1309908 Scientific Games International, Inc. 1500 Bluegrass Lakes Parkway Alpharetta GA 30004	INSURER A: Illinois National Insurance Company NAIC # 23817 INSURER B: _____ INSURER C: _____ INSURER D: _____ INSURER E: _____ INSURER F: _____

COVERAGES DA CERTIFICATE NUMBER: 3905833 REVISION NUMBER: XXXXXXXX

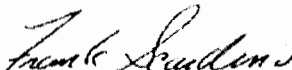
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE 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	ADDITIONAL INSURED	SUBROGATION	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GENTL AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER			NOT APPLICABLE			EACH OCCURRENCE \$ XXXXXXXX DAMAGE TO RENTED PREMISES (Ea occurrence) \$ XXXXXXXX MED EXP (Any one person) \$ XXXXXXXX PERSONAL & ADV INJURY \$ XXXXXXXX GENERAL AGGREGATE \$ XXXXXXXX PRODUCTS - COM/POP AGG \$ XXXXXXXX \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS			NOT APPLICABLE			COMBINED SINGLE LIMIT (Ea accident) \$ XXXXXXXX BODILY INJURY (Per person) \$ XXXXXXXX BODILY INJURY (Per accident) \$ XXXXXXXX PROPERTY DAMAGE (Per accident) \$ XXXXXXXX \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED _____ RETENTION \$ _____			NOT APPLICABLE			EACH OCCURRENCE \$ XXXXXXXX AGGREGATE \$ XXXXXXXX \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	NOT APPLICABLE			PER STATUTE <input type="checkbox"/> OTHER <input type="checkbox"/> E L EACH ACCIDENT \$ XXXXXXXX E L DISEASE - EA EMPLOYEE \$ XXXXXXXX E L DISEASE - POLICY LIMIT \$ XXXXXXXX
A	Errors & Omissions	N	N	01-773-06-74	10/31/2014	10/31/2015	\$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 Evidence of Coverage.

CERTIFICATE HOLDER

CANCELLATION

3905833 New Hampshire Lottery Commission 14 Integra Drive Concord NH 03301	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 
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Over \$1 billion to education

GOVERNOR John H. Lynch
CHAIRMAN Debra M. Douglas
COMMISSIONER Paul J. Holloway
COMMISSIONER Doug Scamman
EXECUTIVE DIRECTOR Charles R. McIntyre

May 22, 2012

The Honorable Ken Weyler, Chairman
Fiscal Committee of the General Court
and
His Excellency, Governor John H. Lynch
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

- (1) Pursuant to Chapter 223:4, Laws of 2011, authorize the New Hampshire Lottery Commission to transfer \$2,300,000 from the Lottery Special Revenue Account for the purchase of instant gaming tickets and related services. If approved, funds are to be budgeted as follows :

From: 06-083-083-8300-79010001-402070 (Lottery Revenue Account) (FY 2013 \$2,300,000)
To: 06-083-083-10290000 Class 106 Goods for Resale \$2,300,000

- (2) The New Hampshire Lottery Commission requests authorization from the Governor and Executive Council to enter into a three (3) year contract, with one (1) two (2) year renewal option, for instant ticket printing and related services with Scientific Games International, Inc. of Alpharetta, Georgia (vendor number 175862) from July 1, 2012 to June 30, 2015 in an amount not to exceed \$6,900,000.

Funding for FY 2013 in the amount of \$2,300,000 is available from account number 06-083-083-10290000 subject to number (1) above.

Funding for FY 2014 in the amount of \$2,300,000 will be available from account number 06-083-083-10290000 subject to legislative approval of the next biennial budget.

Funding for FY 2015 in the amount of \$2,300,000 will be available from account number 06-083-083-10290000 subject to legislative approval of the next biennial budget.

EXPLANATION

This Commission issued a Request for Proposal (RFP) in January, 2012, soliciting bids for the purchase of instant tickets and related services for a period of three years, with one (1) two year renewal option at the pricing set forth in the attached agreement. In addition to Scientific Games International, Inc., proposals were received from two





Procurement of

**INSTANT TICKET PRINTING
AND RELATED SERVICES**

for the

NEW HAMPSHIRE LOTTERY COMMISSION

Report on

PROPOSAL EVALUATIONS AND RECOMMENDATIONS

April 13, 2012

Prepared by

The Lottery Instant Ticket Evaluation Committee

1,000 of supplying tickets of varying sizes and quantities. The prices from each vendor were applied to the Lottery's estimate of ticket requirements for FY 2013, broken down to the number of games per price point ordered at one time, plus the number of these orders throughout the year.

The price breakdown is as follows –

Price	# of Games in Order	Quantity (millions)	Number of Orders per year				
				SGI	SGI Total	GTECH	GTECH Total
\$1	1	1.50	2	\$46,200.00		\$82,350.00	
	2	1.50	1	\$42,570.00		\$80,850.00	
	3	1.50	3	\$172,935.00	\$261,705.00	\$361,530.00	\$524,730.00
\$2	1	1.00	4	\$92,680.00		\$169,320.00	
	2	1.00	3	\$129,720.00		\$249,480.00	
	3	1.00	4	\$229,680.00	\$452,080.00	\$495,960.00	\$914,760.00
\$3	1	1.00	7	\$197,680.00		\$357,630.00	
	2	1.00	1	\$54,500.00		\$100,680.00	
	1	2.00	2	\$88,360.00	\$340,540.00	\$138,880.00	\$597,190.00
\$5	1	1.00	3	\$84,720.00		\$153,270.00	
	2	1.00	2	\$109,000.00		\$201,360.00	
	3	1.00	1	\$72,000.00	\$265,720.00	\$150,270.00	\$504,900.00
\$10	1	0.40	4	\$83,392.00		\$164,624.00	
	2	0.40	3	\$113,736.00	\$197,128.00	\$242,424.00	\$407,048.00
\$20	2	0.75	1	\$57,765.00	\$57,765.00	\$107,835.00	\$107,835.00
					\$1,574,938.00		\$3,056,463.00

In accordance with the Pricing Scoring detailed in the RFP, Scientific Games was awarded 100% of the available points and GTECH received 52.90%. The total scores for the vendors, out of a total of 500, were as follows –

	GTECH	SGI
Technical	252	3155
Pricing	82	155
TOTAL	334	470

The Committee was unanimous in its recommendation that the New Hampshire Lottery Commission approve the proposal from Scientific Games International.

Subject:

Instant ticket contract services

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 Scientific Games International, Inc.		1.4 Contractor Address 1500 Bluegrass Lakes Parkway, Alpharetta, GA 30004	
1.5 Contractor Phone Number 770-664-3700	1.6 Account Number 79010001-500858	1.7 Completion Date June 30, 2015	1.8 Price Limitation \$6,900,000
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 <i>J. Trask</i>		1.12 Name and Title of Contractor Signatory James B. Trask, Senior Vice President & President of Printed Products	
1.13 Acknowledgement: State of <u>GA</u> , County of <u>Gwinnett</u> <u>5/21/2012</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 1.13.1			
1.13.1 Signature of Notary Public or Justice of the Peace S. E. COOPER NOTARY PUBLIC GWINNETT COUNTY, GEORGIA MY COMMISSION EXPIRES [Seal] <u>1/02/2015</u> <i>S. E. Cooper</i>			
1.13.2 Name and Title of Notary or Justice of the Peace <u>Susan E. Cooper, Notary, Paralegal</u>			
1.14 State Agency Signature <i>Charles R. McIntyre</i>		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) By: <i>Rosemary Keat</i> On: <u>5-22-12</u>			
1.18 Approval by the Governor and Executive Council By: <i>[Signature]</i> DEPUTY SECRETARY OF STATE JUL 11 2012			

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

EXHIBIT "A" TO AGREEMENT (Contract form number P-37)
SCOPE OF SERVICES

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

- A. This Agreement;
- B. The "Request for Proposal" for Instant Ticket Printing and Related Services" dated January 13, 2012 (hereinafter "RFP" (Attachment 1 hereto);
- C. The amendments, and the Proposal clarifications to the RFP that resulted from "Vendor Question and NHLC Answers" (Attachment 2 hereto);
- D. The Proposal from Scientific Games International, Inc. (SGI) dated March 16, 2012 (the "Proposal"), in response to the RFP. A copy of the Proposal is on file with the New Hampshire Lottery Commission ("NHLC"); and

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 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" TO AGREEMENT (Contract Form Number P-37)

PAYMENT SCHEDULE

The NHLC 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.

Notwithstanding anything in the foregoing to the contrary, the Successful Vendor's indemnification obligation does not apply to the extent any 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) arise from the infringements by the NHLC of any third party's intellectual property or the violation by the NHLC of any intellectual property laws.

Notwithstanding the foregoing, nothing shall 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.

3. SECTION 14 (INSURANCE) of Contract Form Number P-37, amend subsection 14.1.1 to read –
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 umbrella liability insurance.