

DELAWARE STATE LOTTERY

REQUEST FOR PROPOSAL

INTERNET WAGERING SYSTEM AND SERVICES SOLUTION

FIN23001-IWSSS

JANUARY 12th, 2023

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PART 1 – RFP CONTENT**1.0 Introduction**

The Delaware State Lottery (“DSL” or “Lottery”) is issuing this Request for Proposal (the “RFP”) to invite interested Vendors to submit a Proposal for the implementation of its Internet Wagering System and Services Solution (the “Internet Wagering Solution” or “Solution”) comprised of a player account management (“PAM”) platform, operational and support services (“Managed Services”) and games from multiple vendors including casino table games, Video Lottery games, poker, bingo, and keno with the option for the Lottery to add internet sports betting (“Game Vendors”). The option for internet sports wagering may be at (1) Production Operation launch date, (2) at some point in the future or (3) not at all i.e., outside the scope of this RFP.

The components of the Internet Wagering Solution under this RFP include (See Figure 1):

- 1. Player Account Management Platform provider (the “PAM Provider” or “PAM”):** The PAM is the underlying software that provides an integrated suite of modules including but not limited to account management, network management, single wallet cashier/payments, player registration, responsible gaming module, multi-level tracking and reporting, sophisticated promotional and bonusing suite, customer service module and integration with multiple Game Vendors. The PAM provider should also demonstrate experience integrating into multiple third-party vendors including Game Vendors, game aggregator (if applicable), Support Services Vendors and any other vendor the Lottery desires and within reason.
- 2. Managed Services (“Managed Services”):** Managed Services includes the day to day execution of an Internet Wagering Solution including fraud and payment management, marketing retention, customer service, game play limits, network management, chat management, tournament and progressive management, VIP management, responsible gambling policy management and general support services. Managed Services includes the day-to-day operations for each of the three Lottery Agents’ brands. A Managed Services Vendor must demonstrate experience with acquisition and retention marketing, VIP Management, player segmentation and player communication (which may or may not be part of the required services).
- 3. Game Vendor(s):** Game Vendors develop and offer games found in a typical casino environment, and whose games are based on a predominance of chance including but not limited to casino table games, Video Lottery Games, internet sports betting, poker, keno, bingo and other similar style games.

The Primary Vendor has the option to license a game aggregator if it permits the Lottery to offer a larger number of quality Game Vendors on an expedited basis.

- 4. Support Services Vendor(s):** Support Service Vendors provide third party expertise required for a robust and secure Internet Wagering operation. Such services include but are not limited to payment processing, geolocation and player identification (KYC).

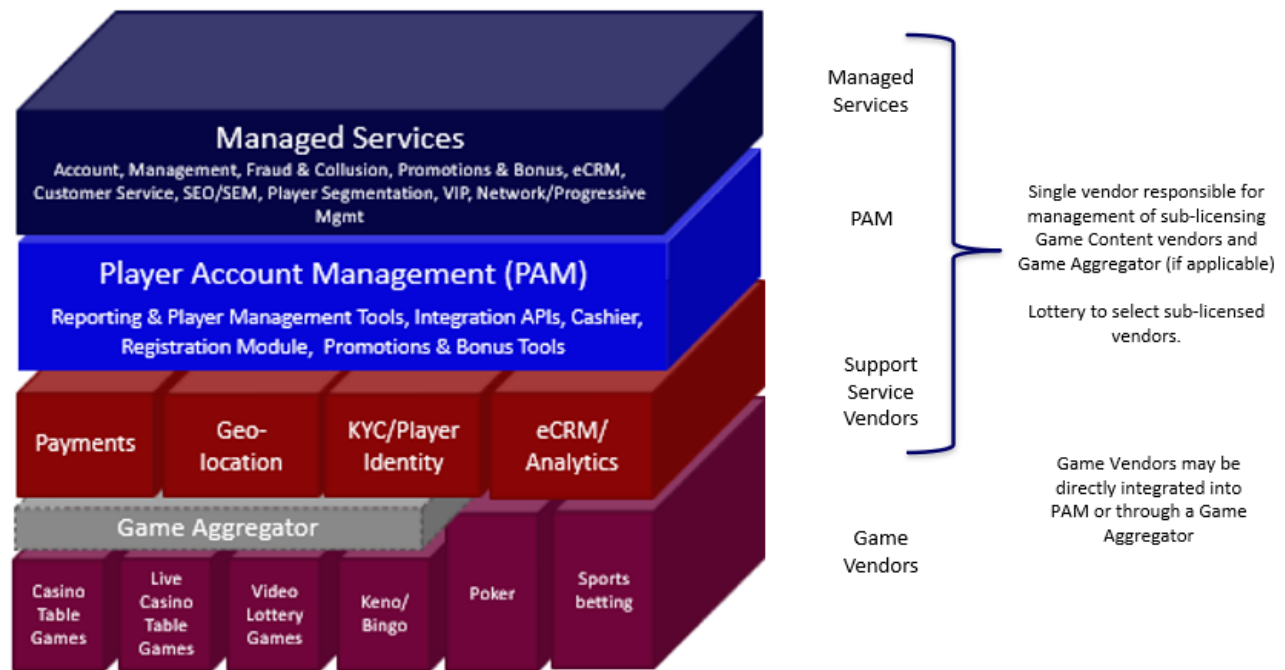


Figure 1

Figure 1 depicts the categories that comprise the Internet Wagering Solution the Lottery is seeking. DSL is looking for a **single** Primary Vendor to offer a turnkey Solution for the PAM and Managed Services and integrate with multiple Game and Support Services Vendors. The Primary Vendor may be the owner of the PAM and/or Managed Services or may subcontract with third-party Vendors (the “Primary Vendor”) and must demonstrate expertise in managing an end-to-end solution including business competence and operational expertise. Accordingly, the Primary Vendor will list all subcontractors in the proposal response.

Game Vendors and Support Services Vendors shall complete this RFP independent from the Primary Vendor. If a Primary Vendor respondent also offers their own games, they may submit a single response. All selected Vendors must demonstrate experience in delivering and managing their products and services to multiple licensees/operators.

All Vendors will adhere with state policies and procedures. Primary Vendors are responsible for subcontractors adhering to the same policies and procedures

The Lottery, through its Proposal Evaluation Committee, shall be solely responsible for the selection of the Primary Vendor. The Lottery, in conjunction with the Licensed Video Lottery Agents, will be responsible for the selection of the Game and Support Services Vendors. Should the Lottery select a specific Game or Support Services Vendor at time of this RFP selection or at some point in the future, the Primary Vendor is obligated to deliver such request unless a reasonable explanation can be made.

The Internet Wagering Solution will specifically be offered through branded websites and apps owned by the Licensed Video Lottery Agents with a single point of control through the Lottery. The Licensed Video Lottery Agents currently include Casino at Delaware Park, Bally’s Dover Casino Resort, and

Harrington Raceway & Casino. The Primary Vendor is required to provide each Licensed Video Lottery Agent:

1. Own branded website and mobile application(s)
2. A selection of games of their choice from a list of pre-qualified Game Vendors
3. Ability to create and manage their own marketing, bonusing/promotions, VIP management, player communication, player rewards bonuses and other marketing programs. (Note: marketing and promotions shall require the approval of the Lottery)

Vendors agree to work directly with the Video Lottery Agents to the extent any custom products or services are desired. Any custom offering shall be approved by the Lottery, and each Video Lottery Agent shall be responsible for any incremental expenses incurred from such custom offering.

As part of the Proposal evaluation, the Lottery places great importance on the ability to 'go live' in a timely manner with a compelling array of games and best in class vendors for support services. As such, Vendors will be evaluated on their existing distribution and integration experience. Specifically, the Primary Vendor shall be evaluated on the current product offering including number of Game Vendors (casino table games, Video Lottery games, internet sports betting, poker, keno, and bingo) available at Production Operation launch date or within six months post Production Operation launch date. With regard to Game Vendors, importance will be placed on both game titles that have a solid track record in the online gaming sector as well as proven titles that are available on the Licensed Video Lottery Agent's floor.

Vendor Qualifications

1. **All Vendors: It is required as a minimum that any Vendor submitting a Proposal fulfills the following qualifications:**
 - A. One or more live clients in the United States, either government or private/commercial entity, to whom the Vendor has legally supplied products or services in the Internet wagering sector, including PAM, support services and/or games (casino table games, Video Lottery Games, internet sports betting, poker, keno, bingo, and/or lottery).
 - B. Operated such products or services in regulated markets in the United States for a minimum of one (1) year.
2. **Primary Vendor: In addition to the above, it is required at a minimum that the Primary Vendor, and any sublicensee, fulfill the following qualifications:**
 - A. Has offered, either by way of sublicensing, propriety development or third-party integration, casino table games, Video Lottery games, internet sports betting, poker, keno, or bingo for a minimum of two (2) years in a regulated jurisdiction in the United States.
 - B. Has offered, either by way of propriety development or third-party integration, a minimum of thirty (30) games or internet sports betting for a minimum of one (1) year.

It is the Lottery's intent to begin Production Operation no later than November 1st, 2023. All proposed components of the Solution must be delivered, installed, implemented, acceptance tested and ready to be operational by the agreed-upon schedule. In this RFP, the Lottery has defined a series of objectives, requirements and a Proposal evaluation approach that will represent its best interests in conformance

with Lottery policies, State regulations and Delaware statutes.

The Primary Vendor is expected to enter into a written agreement (the “Contract”) with the Lottery. The Contract will cover an implementation period plus five (5) years of Production Operations with five (5) one-year extensions, each of which shall be exercised at the discretion of the Lottery. The Contract term may run a shorter period, as determined by the Lottery, due to causes such as Contract termination or loss of statutory authority by the Lottery.

During the contract negotiation period, the Primary Vendor has the option begin negotiation with the Support Service Vendors on behalf of and subject to the approval of the Lottery, with the exception of payment processing who are required to contract directly with the Licensed Lottery Agents. Going forward, the Primary Vendor shall be responsible for the day-to-day management of the Support Service Vendor relationships. For the avoidance of doubt, the Support Services do not include any Game Vendors.

The Licensed Video Lottery Agents and the Lottery will be responsible for selecting the Game Vendors, and as such, the Lottery will be the direct contracting party. The Primary Vendor, and/or PAM solution if separate from the Primary Vendor, and to the extent necessary, may a contract directly with Game Vendors to address implementation, integration and other operations related issues. The Lottery Director shall approve all contracts.

The Vendor should be aware after Production Operation launch date the Lottery has the option to enhance the initial product offering of the Internet Wagering Solution with the addition of new games titles as well as new game genres. Vendors should include information regarding their ability to expand in their Proposal.

All Game Vendor selection and game positioning of each Vendor shall be determined by the Lottery, and the Licensed Video Lottery Agents. If a Game Vendor who has submitted for this RFP is not included on DSL’s initial list for Production Operation launch, DSL has the option of adding such Game Vendor at a later date. As such, the Primary Vendor is required to add such Game Vendor, and collectively DSL and the Primary Vendor shall agree to a timeline and reasonable commercial terms for this addition.

Internet Wagering Solution shall not be in conflict with either the Federal or the Delaware Constitution, nor any Federal or Delaware Law. The Lottery reserves the right to withdraw or amend this RFP in light of changes to Federal or State legislation. As the Lottery wishes to have the system operational and available for use no later than November 1st, 2023, the Lottery is issuing this RFP to provide Vendors time to meet the above deadline. This RFP is issued under the terms of the Delaware procurement provisions in 29 Del. C. Section 6981. An electronic copy of this RFP in Word or PDF format is available at the Lottery website: <http://delottery.com/rfps.asp> or at the State’s bidding website <http://www.bids.delaware.gov>. Vendors with a disability may receive accommodation regarding the means of communicating this RFP or participating in the procurement process. For more information, contact the Issuing Officer no later than ten days prior to the deadline for receipt of Proposals.

Public notice has been provided in accordance with Senate Bill 250, Section 24 in lieu of 29 Del. C. § 6981.

1.1 Lottery Objectives

The Lottery has the following objectives for issuing this RFP and entering into Contract for the implementation and operation of the Internet Wagering Solution.

- Install a fully integrated Internet Wagering Solution that will meet the needs of the Lottery for the term of the Contract, inclusive of games selected by DSL and the Licensed Video Lottery Agents.
- Obtain an Internet Wagering Solution that will securely and effectively monitor and manage Internet Wagering on behalf of Delaware's Licensed Video Lottery Agents across multiple distribution devices, i.e., web, mobile phone, tablet etc.
- Obtain an Internet Wagering Solution that is operationally sound, incorporates the highest level of integrity and security, and minimizes risk for the Lottery
- Obtain an Internet Wagering Solution that promotes responsible gambling to ensure the safety of all players
- Obtain an Internet Wagering Solution that will lead to high player satisfaction for quality and performance
- Obtain an Internet Wagering Solution that will fulfill the varying demands of the Licensed Video Lottery Agents
- Obtain a Solution that is sufficiently flexible to meet the Lottery's evolving requirements
- Ensure that all proposed systems and services are operational by the agreed-upon schedule and Production Operations live date
- Ensure the system and services for corrections, improvements and expanded features are delivered in a timely manner
- Maximize proceeds from Internet Wagering for the Lottery and State of Delaware in a safe and responsible manner
- Maintain the highest standards for player authentication, identification, and geolocation verification of players within the State of Delaware.
- Maximize economic development in the state of Delaware through additional jobs

Fulfillment of these objectives is consistent with the RFP evaluation criteria cited in this RFP.

1.2 Overview of the RFP

This Request for Proposals (RFP) will provide the information necessary to submit Proposals.

Part One (1) provides high-level background and Proposal preparation information.

Part Two (2) defines terms and conditions that will apply to the Contracts.

Part Three (3) provides additional background information and specifications of the Internet Wagering Solution.

Part Four (4) contains the Response Format. This is broken down to three (3) sections including:

Section A: The Primary Vendor: (includes both PAM & Managed Services provider(s) in a single submission). Primary Vendor is responsible, either as the product and service owner or sub-licensor, for the end-to-end operations of the PAM and Managed Services. The Primary Vendor may be an experienced third-party (B2B) supplier or a licensed Internet Wagering operator.

Section B: Game Vendor. This specifically relates Vendors that supply casino-style games and sports betting. This includes B2B game suppliers, operators with proprietary games and/or technology/other Vendors that offer games as part of a greater product offering e.g., PAM provider.

Should a Vendor choose to submit for Section B as a Game Vendor and also submit for Section A as the

Primary Vendor, the Vendor, in acting as the Primary Vendor agrees to integrate third-party Game Vendors selected by the Licensed Video Lottery Agents and the Lottery, unless a reasonable explanation is agreed to an exception. (Note: The Primary Vendor is required to integrate all DSL selected Game Vendors unless a reasonable reason is provided why such Game Vendor cannot be offered through the PAM platform).

Section C: Support Services Vendor. Support Service Vendors provide third party expertise required to offer a robust and secure Internet Wagering operation. This includes products and services required to operate the Solution including but are not limited to payment processing, geolocation, and player identification (KYC), etc. The selection of the Support Service Vendors will be solely by the Lottery.

A submitting Vendor has the choice to complete a combination of the three (3) Sections (e.g., only Section B, both Sections A and B or all three Sections). The Lottery will contract with a **single** Primary Vendor as it pertains to the PAM and Managed Services. The Primary Vendor may be the owner and operator of the PAM and/or Managed Services or may contract to sublicense these services to one or more vendors who specialize in their respective areas of expertise.

Game and Support Service Vendors are encouraged to submit independently to maximize choice for the Lottery.

Part Five (5) defines how pricing must be submitted.

Part Six (6) describes evaluation criteria, how Proposals will be evaluated, and the proceedings leading to execution of a Contract with the Primary and Game Vendors ("Contracting Vendors").

1.3 Issuing Officer

The Issuing Officer, acting on the Lottery's behalf, is the sole point of contact with regard to all procurement matters relating to the RFP, from the date of release of this RFP until the Lottery's notice of Contract award. All communications concerning this procurement must be addressed in writing to the Issuing Officer:

Mrs. Rebecca Satterfield, iGaming Manager
Delaware Lottery
1575 McKee Road
Dover, Delaware 19904
Telephone: (302) 744-1606
Fax: (302) 739-7586
Email: Rebecca.Satterfield@Delaware.Gov

Communications made to other State of Delaware personnel or attempting to ask questions by phone or in person will not be allowed or recognized as valid and may disqualify the Vendor. Vendors should rely only on written statements issued by the RFP the Issuing Officer.

To ensure that written requests are received and answered in a timely manner, email correspondence is acceptable.

1.4 Contracting Officer

The Contracting Officer shall act on the Lottery's behalf for contractual matters. The Contracting Officer

is:

Mrs. Helene Keeley
 Lottery Director
 Delaware Lottery
 1575 McKee Road
 Dover, Delaware 19904

1.5 Restrictions on Communication with Lottery

Other than to the Issuing Officer, neither the Vendors nor their agents, representatives or lobbyists shall make any unsolicited contact with Lottery staff, or their representatives, or any other State of Delaware agency regarding this RFP. Prior to signing a Contract, Vendors shall not represent themselves to any parties as having the endorsement of the Lottery, nor as the Lottery's Internet Wagering Solution. For Vendors currently doing business with the Lottery, any communication regarding this RFP is prohibited except as provided for in this RFP. Any Vendor causing or attempting to cause a violation or circumvention of this ethical standard may, in the sole discretion of the Lottery, be disqualified from further consideration. The Lottery may retain consultants or legal counsel to assist in the review and evaluation of this RFP and the Vendors' responses. Vendors shall not contact consultant or legal counsel on any matter related to the RFP.

1.6 Schedule

The following dates are established for informational and planning purposes. The Lottery reserves the right to change any of the dates.

Event	Date
RFP Issued (included Tech Specs)	Wed, January 12 th , 2023
Vendors submit written questions	Fri, February 3 rd , 2023, by 3 p.m. EST
Lottery answers questions in Addendum	Fri, February 10 th , 2023
Proposal Submissions due for all Vendors	Fri, February 17 th , 2023, by 3 p.m. EST
Vendor Presentations: Primary Vendor and Game Vendors	Wed, March 1 st , 2023 – Wed March 15 th , 2023
Final Recommendation to Lottery Director: Primary Vendor and Game Vendors	Wed, March 22 nd , 2023
Notice of Intent to Negotiate with Primary Vendor and Game Vendors by Lottery Director:	Fri, March 24 th , 2023
Vendor Presentations: Support Service Vendors	Mon, March 27 th , 2023 - Fri, April 7 th , 2023
Final Recommendation to Lottery Director: Support Service Vendors	Fri, April 14 th , 2023
Notice of Intent to Negotiate by Lottery Director: Support Service Vendor	Wed, April 19 th , 2023

Production Operations

Nov 1st, 2023 (no later than)

If Delaware extends the submission deadline above, all the requirements for the submitting Vendors will be extended accordingly to the new extended deadline. All amendments will be available on the DSL website, <http://delottery.com/rfps.asp> or <http://www.bids.delaware.gov>. Interested potential Vendors are required to check back with the websites on a regular basis.

1.7 Vendor Conference, Questions and Clarification of RFP

No Vendor conference will be held. The Request for Proposal and its clarifications and amendments will suffice for Proposal preparation.

Questions relevant to this RFP must be emailed to the Issuing Officer at the location set forth in Section 1.3. Vendors must observe the time schedule for submitting questions. This schedule will ensure that the Lottery has adequate time to respond to all questions and that the responses will be provided to Vendors in time to be incorporated into their Proposals. Vendors are cautioned **that an RFP inquiry shall be written in generic terms and must not contain cost information**. The inclusion of specific cost in an inquiry may result in the Vendor's disqualification.

All Vendor questions should be submitted in the following format. Deviations from this format will not be accepted.

- Section number
- Paragraph number
- Page number
- Text of passage being questioned
- Question

Questions not submitted electronically shall be accompanied by a portable external hard drive (or USB Flash or jump drive) and questions shall be formatted in Microsoft Word.

A copy of all questions, the Lottery's responses, and any changes in the RFP will be documented in published addenda communicated to all submitting Vendors directly by e-mail with delivery receipt requested. All questions will be consolidated into a single set of responses. Vendors' names will be removed from questions in the responses released. Addenda to this RFP, as well as the RFP itself, will be posted on the website of the Delaware State Lottery: <http://delottery.com/rfps.asp> and <http://www.bids.delaware.gov>. Written acknowledgement of all addenda issued prior to the Proposal due date shall become part of the Vendor's Proposal. The Vendor must list by individual number what addenda it is acknowledging. The Lottery is not bound by any statement related to this RFP made by any State of Delaware employee, contractor or its agents.

1.8 Discrepancies and Omissions

Responding Vendors are fully responsible for the completeness and accuracy of their Proposal, and for examining this RFP and all addenda. Failure to do so will be at the sole risk of Vendor. Should a Vendor find discrepancies, omissions, unclear or ambiguous intent or meaning, or should any questions arise concerning this RFP, the Vendor shall notify the Lottery's Issuing Officer, in writing, of such findings at least ten (10) days before the Proposal submission date. This will allow issuance of any necessary addenda. It will also help prevent the opening of a defective Proposal and exposure of Vendor's Proposal upon which award could not be made. All unresolved issues should be addressed in the

Proposal.

Protests based on any omission or error, or on the content of the solicitation, will be disallowed if these faults have not been brought to the attention of the Issuing Officer, in writing, no later than ten (10) calendar days prior to the time set for the submission of the Proposals

1.9 Vendor Presentations

The Lottery requires proposing Vendors to make an oral presentation of their Proposal. These presentations for Primary Vendors and Game Vendors and are being scheduled for March 1st -15th, 2023. Presentations for the Primary Vendor will be held at the Lottery Office, 1575 McKee Road, Suite 102, Dover, Delaware 19904. Game Vendors and Support Services Vendors have the option to conduct presentations either in person or virtually.

On Tuesday, February 21st, the Lottery Director shall send an email notifying all successful Vendors who qualify. Proposing Vendors must make arrangements with the Issuing Officer on either February 22nd or February 23rd between the hours of 10 am and 3 pm Eastern Standard Time to secure a date and time. Scheduling will be conducted on a first come, first serve basis but is subject to change until the close of business on February 24th.

The Vendor representative(s) attending the oral presentation shall be technically qualified to respond to questions related to the proposed system and its components. All of the Vendor's costs associated with participation in oral discussions and system demonstrations conducted for the Lottery are the Vendor's responsibility.

1.10 Proposal Format

The Proposal must be submitted in two (2) separate volumes and received by the Lottery no later than the date and time provided in Section 1.6. All responses must be submitted in a sealed package, which must be identified on the outside of the enclosure with the Vendor's full name and address. The sealed package must be specifically addressed to the Lottery's Issuing Officer and note the specific procurement: DSL 2013-1. Proposals that are unsealed, unsigned, or otherwise materially non-conforming may be declared non-responsive.

By submitting a Proposal, each Vendor shall be deemed to acknowledge that it has carefully read all sections of this RFP, including all forms, schedules and exhibits hereto, and has fully informed itself as to all existing conditions and limitations.

Non-conforming Proposals will not be considered. Non-conforming Proposals are defined as those that do not meet the requirements of this RFP. The determination of whether an RFP requirement is substantive, or a mere formality shall reside solely with the Lottery and the Evaluation Committee.

VOLUME I – Technical (Non-Price) Proposal

The Technical Proposal shall include descriptive and technical matters only and must be appropriately labeled on the outside of the enclosure with the Vendor's name and address. **No cost figures shall be contained in the Technical Proposal.** The original plus six (6) copies of this part, except as otherwise instructed in this RFP, must be addressed to the Lottery's **Issuing Officer**. In addition, the Technical Proposal must be submitted on an external hard drive using only a PDF file format. **NOTE: One (1) copy of the required financial background information (Section 4.1.14) should be filed with the original Proposal and not with all copies. Such financial information shall be provided digitally on an external**

hard drive. No printed copy of the financial material is required.

The contents of the Technical (non-price) volume must follow this outline, employing divider pages with tabs to separate the response sections:

1. Transmittal Letter. The transmittal letter shall contain names, addresses, and telephone numbers of individuals who are authorized by the Vendor to address matters related to the Proposal including, but not limited to, contractual, technical, site visit, and background investigation issues.
2. Provide a list of all exceptions to the Terms and Conditions (Part 2) and RFP specifications (Part 3). The Lottery reserves the right to deny any and all exceptions taken to any portion of the RFP.
3. Formal Agreement by the Vendor to comply with all Terms and Conditions (Part 2).
4. Disclosure of Litigation and Other Information (see Section 1.31).
5. Acknowledgement of all RFP addenda.
6. Response in Part 4 in identical order of the sections which includes
 - A. A general set of questions to be completed by all Vendors set forth in Section 4.1
 - B. Vendor Specific set of questions separating the three (3) Vendor sections set forth in Sections 4.2 to 4.4. Within these three (3) sections, more specific questions are to be completed only if that particular section pertains to the Vendor's products and services (e.g., Hosting Vendors, Payment Vendors, etc.)

VOLUME II – Price Proposal

The price volume must be identified on a separate enclosure. The Price Proposal shall be signed in ink by an individual authorized to legally bind the Vendor. **The original plus six (6) copies of this part must be addressed to the Lottery's Issuing Officer.** The contents of the Pricing Proposal must follow the below outline, employing divider pages with tabs to separate these response sections:

1. Transmittal Letter
2. Pricing for the three (3) Vendor categories. For those companies submitting for more than one Vendor type, Vendors must include pricing for each section individually ("Single Price") (e.g., acting as a Game Vendor or Primary Vendor only), and has the option to offer an all-inclusive price ("Bundled Price") (e.g., an integrated solution whereby one Vendor offers games, platform and operations).

The response must be in the format designated more specifically in Part 5.

To guard against premature opening, sealed Proposals shall be submitted, plainly marked with the Proposal title, Vendor name, and time and date of the Proposal submission. Evaluation of the Proposals is expected to begin shortly after the Proposal due date. To document compliance with the deadline, the Proposal will be date and time stamped upon receipt.

It is the expectation of the Lottery that Vendors can fully satisfy the obligations of the Proposal in the manner and timeframe defined within the Proposal. Proposals must be realistic and must represent the

best estimate of time, materials and other costs including the impact of inflation and any economic or other factors that are reasonably predictable.

The State of Delaware and the Lottery shall bear no responsibility or increased obligation for a Vendor's failure to accurately estimate the costs or resources required to meet the obligations defined in the Proposal.

1.11 Proposal Receipt

Vendors choosing to hand-deliver Proposals must take into consideration that the Lottery is a secure facility, and the Vendor must arrive early enough to comply with security procedures before being admitted to the Lottery's office. The date and time stamp of the Issuing Officer is the official time of the Proposal receipt. For purposes of Proposal delivery, Vendors should note that the office hours of the Lottery are 8:00 a.m. to 4:30 p.m. Monday through Friday, excluding State holidays.

Any Proposal submitted by US Mail shall be sent by either certified or registered mail. The proposing Vendor bears the risk of delays in delivery. The contents of any Proposal shall not be disclosed as to be made available to competing entities during the negotiation process.

Upon receipt of Vendor Proposals, each Vendor shall be presumed to be thoroughly familiar with all specifications and requirements of this RFP. The failure or omission to examine any form, instrument or document shall in no way relieve Vendors from any obligation in respect to this RFP.

There will be no public opening of Proposals, but a public log will be kept of the names of all Vendor organizations that submitted Proposals. The contents of any Proposal shall not be disclosed to competing Vendors prior to contract award. Proposals will be opened only in the presence of the State of Delaware personnel. Any unopened Proposals will be returned to Vendor.

Upon request, the Issuing Officer will confirm receipt of any Proposal by email.

1.12 Withdrawal of Proposals

A Vendor may withdraw its Proposal at any time before the Proposal submission date if the withdrawal is received in writing before the date and time for the submission at the location designated in this RFP. A Vendor or its authorized representative may withdraw its Proposal in person if, before the Proposal is opened, the identity of the person requesting withdrawal is established and that person signs a receipt for the Proposal. Proposals may be re-submitted in accordance with the Proposal due date in order to be considered further.

Proposals become the property of the Lottery at the Proposal submission deadline. All Proposals received are considered firm offers at that time. After the opening of Proposals, a Vendor may request in writing that its respective Proposal be withdrawn. Such a request may be allowed only upon the approval of the Lottery. The costs associated with a Vendor's Proposal withdrawal must be borne by the Vendor.

1.13 Modification of Proposals

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 shall not be accepted or considered after the hour and date specified as the deadline for submission of

Proposals.

1.14 Late Proposals

Proposals submitted pursuant to this RFP must be received by the Issuing Officer no later than the date and time shown in the Section 1.6. Failure of a Vendor to submit a Proposal by the specified time will result in rejection or disqualification of the Proposal. Proposals rejected or disqualified for lateness will be returned unopened to the Vendor.

1.15 Demonstrability of Proposed Solution

The Lottery requires that all major elements of software, services and hardware proposed by a Vendor, be capable of a demonstration that indicates the Vendor's ability to meet the requirements specified in this RFP. Failure to propose demonstrable products may result in rejection of Vendor's Proposal. New models, product upgrades and releases of existing hardware and software may be described but are not required to be demonstrable.

Demonstrations may consist of a walk-through of a Vendor's Solution or simulation of the product at the Vendor's facilities or may consist of observing operations at the premise of a Vendor's existing licensee, or a presentation at some other appropriate venue.

While functions and features demonstrated upon request for the Proposal evaluation effort need not be identical in all respects to specifications of this RFP, common transactions, functions, and operations are expected.

1.16 Readiness for Production and Delivery

The Lottery requires that the software, technology or services proposed in the RFP already be operational in a US Internet Wagering environment, with the exception that equivalent or improved newer releases/models or newly launched games are acceptable. The Lottery will not consider or accept major configuration items that are at the specifications or conceptual stage, early in development, or are products only announced but not yet engineered and ready for manufacture and delivery.

The Lottery acknowledges that there may be additional integration required for some of the Game Vendors selected by the Lottery as part of the product readiness for this project. As such, the Lottery places value on those Vendors that already have this integration completed and working in a live environment. The Lottery acknowledges that the Primary Vendor's existing technology would likely require adaptation to the Delaware requirements and that software would be developed and/or integrated accordingly. A Proposal based on undeveloped products, however, will be rejected.

1.17 Proposal Clarification Process

The Lottery may request clarifications from Vendors for the purpose of resolving ambiguities or questioning information presented in the Proposals. Clarifications may occur throughout the Proposal submission review and/or the Proposal evaluation process. Clarification responses shall be in writing and shall address only the information requested. Responses shall be submitted to the Lottery within the time stipulated at the occasion of the request. Clarifications are for the purpose of resolving ambiguities and improving the understanding of the Lottery regarding a Proposal. In no case does the clarification or any other process permit revision or supplementation of the Proposal offerings after submission. Clarifications are an opportunity to explain, but not enhance, the Proposal.

1.18 Latitude in Proposal Contents

Each Vendor is expected to provide the Lottery with information, evidence and demonstrations that will make possible a Contract award that best serves the stated interests of the Lottery. Vendors are given latitude in the degree of detail they offer or the extent to which they reveal plans, designs, systems, processes, and procedures. There is no limit on the number of pages; however, Vendors should prepare their Proposals simply and economically, providing a straightforward and concise description of their ability to satisfy the requirements of this RFP. Proposals that are of excessive length, or contain a preponderance of boilerplate text, are discouraged. Emphasis in each Proposal should be on completeness and clarity of content. Failure of a Vendor to provide the appropriate information or materials in response to each stated requirement or request for information may result in lower scores during the evaluation. Unless otherwise stated, responses to complex RFP requirements that are stated in a form semantically equivalent to "Vendor agrees to comply" or "Not Applicable" may be rejected for non-responsiveness at the discretion of the Lottery.

1.19 Ownership of Proposal Contents by the Lottery

Any and all materials submitted by the Vendor shall become the property of the Lottery and may be returned only at the option of the Lottery. The Lottery reserves the right to use any and all information contained in a Proposal unless prohibited by law.

1.20 Confidential Proposal Materials

The State of Delaware and its constituent agencies are required to comply with the State of Delaware Freedom of Information Act, 29 Del. C. § 10001, et seq. ("FOIA"). FOIA requires that the State of Delaware's records are public records (unless otherwise declared by FOIA or other law to be exempt from disclosure) and are subject to inspection and copying by any person upon a written request. All proposals are subject to FOIA's public disclosure obligations.

The State of Delaware wishes to create a business-friendly environment and procurement process. As such, the State respects the vendor community's desire to protect its intellectual property, trade secrets, and confidential business information (collectively referred to herein as "confidential business information"). Proposals must contain sufficient information to be evaluated. If a vendor feels that they cannot submit their proposal without including confidential business information, they must adhere to the following procedure, or their proposal may be deemed unresponsive, may not be recommended for selection, and any applicable protection for the vendor's confidential business information may be lost.

In order to allow the State to assess its ability to protect a vendor's confidential business information, vendors will be permitted to designate appropriate portions of their proposal as confidential business information.

Vendor(s) may submit portions of a proposal considered to be confidential business information in a separate, sealed envelope labeled "Confidential Business Information" and include the specific RFP number. The envelope must contain a letter from the vendor's legal counsel describing the documents in the envelope, representing in good faith that the information in each document is not "public record" as defined by 29 Del. C. § 10002, and briefly stating the reasons that each document meets the said definitions.

Upon receipt of a proposal accompanied by such a separate, sealed envelope, the State of Delaware will open the envelope to determine whether the procedure described above has been followed. A vendor's allegation as to its confidential business information shall not be binding on the State. The State shall independently determine the validity of any vendor designation as set forth in this section. Any vendor submitting a proposal or using the procedures discussed herein expressly accepts the State's absolute

right and duty to independently assess the legal and factual validity of any information designated as confidential business information. Accordingly, vendor(s) assume the risk that confidential business information included in a proposal may enter the public domain.

1.21 Joint and/or Multiple Proposals

The Lottery is not considering joint proposals whereby signatures from more than one Vendor is required to contract with the Lottery. All submissions for Primary Vendor will be with a single vendor who will be responsible for the management of all of its subcontractors. While Vendors may respond to multiple components of this RFP (e.g., PAM and Game Vendor), they may not complete more than one submission. If a Vendor chooses to respond to more than one section, the Lottery is not required to select all sections from a single response. For example, if a Vendor submits for both PAM as Primary Vendor and Game Vendor. The Lottery may select the Vendor as a Game Vendor but not as a PAM. If the Vendor has contingencies for such a situation than this must be included in the Vendor's response. For example, if the Vendor submits a proposal to provide both PAM and their own proprietary games and will only offer the PAM if both are selected, this must be clearly stated and under what specific circumstances.

1.22 Multiple Source Contracts

Pursuant to 29 Del. C. § 6986, the Lottery may award a contract for a particular professional service to two or more Vendors, including based on tasks, if the agency head makes a determination that such an award is in the best interest of the State of Delaware.

1.23 Costs Associated with Proposal

Neither the Lottery nor the State of Delaware shall be liable for any of the costs incurred by a Vendor in preparing or submitting a Proposal, including, but not limited to preparation, copying, postage, delivery fees, and expenses associated with solution demonstrations, presentations, and Contract negotiations.

1.24 Mandatory and Desirable

Specifications in the RFP, including the specifications outlined in Part 3, shall be regarded by the Vendor as mandatory, as denoted by terms such as "required," "must," "shall," "may," "should" and "will," and their semantic equivalents, except where a function, feature, or capability is specifically noted as being "desirable" or an "option." In the case of a "desirable," the Vendor is not required to offer such as expressly described in the RFP; however, the evaluation of the Vendor's offering may be more favorable if desirable functions, features, and capabilities are offered.

1.25 Material Requirements Deviations

Material requirements of the RFP are those set forth as mandatory, without which an adequate analysis and comparison of Proposals is impossible, or those that affect the competitiveness of Proposals, or the cost to the Lottery. Proposals that do not meet all material requirements of this RFP or that fail to provide all required and mandatory information, documents, or supporting materials, or include language that is conditional or contrary to terms, conditions, and requirements, may be rejected as non-responsive. The Lottery, in its sole discretion, reserves the right to determine whether a Proposal meets the material requirements of the RFP.

1.26 Non-Exclusive Rights

Nothing in this RFP or the Contract resulting from this RFP shall preclude the Lottery from licensing, purchasing or otherwise arranging for other gaming concepts, products, services, or equipment, for use in another processing system or for use as an integral part of the Solution described in this RFP.

1.27 Proposal Cancellation, Rejection or Selection

The Lottery reserves the right to cancel this solicitation at any time during the procurement process, for any reason or for no reason. The State of Delaware makes no commitments expressed or implied, that this process will result in a business transaction with any Vendor.

The Lottery reserves the right to reject any or all Proposals, to advertise for new Proposals, to arrange to receive or itself perform and obtain the services and goods to be obtained hereunder, to abandon the need for such goods and services, or to award in whole or in part a Contract deemed to be in the best interests of the Lottery and the State of Delaware.

This RFP does not constitute an offer by the Lottery. Vendor's participation in this process may result in the Lottery selecting a Vendor to engage in further discussions and negotiations towards the execution of a Contract. The commencement of such negotiations does not, however, signify a commitment by the State of Delaware to execute a Contract nor to continue negotiations. The State of Delaware may terminate negotiations at any time and for any reason, or for no reason.

1.28 Proposal Tenure

Proposals must remain valid for a period of twelve (12) months. Proposals remaining valid less than this timeframe may be rejected. The State of Delaware reserves the right to ask for an extension of time if needed.

Vendors shall be strictly held to the terms contained in their Proposals. The contents of this RFP and the Proposal will become contractual obligations, if a Contract ensues. Failure of the Vendor to accept these obligations will result in cancellation of the Contract award.

1.29 Proposal Bond (PRIMARY VENDORS ONLY)

The Primary Vendor must submit a Proposal Bond with the Proposal in the attached form found in **Appendix B**. The Proposal Bond must be acceptable to the Lottery in form and substance, and issued by an approved issuer, in the amount of fifty thousand dollars (\$50,000). This bond will guarantee the availability of the goods and services at the price(s) quoted in the Proposal for a period of twelve (12) months after submission of the Proposal. In lieu of the Proposal Bond, the Lottery will accept a secured check from the Vendor in this amount. The check or Proposal Bond shall be made payable to the Lottery.

The check or Proposal Bond will be returned to an unsuccessful Primary Vendor upon the execution of a Contract with the Successful Primary Vendor. The check or Proposal Bond of the Successful Primary Vendor will be retained until the Contract is officially executed and until the Lottery is furnished with an acceptable Performance Bond (Section 2.12.4). The check or Proposal Bond will be forfeited to the Lottery if the Successful Primary Vendor fails to timely submit the Performance Bond or other security, as required, or fails to execute the Contract when required to do so by the Lottery. Bonds shall be issued by a reliable surety company with a record of successful continuous operation and licensed to do business in the State of Delaware.

1.30 Disclosure and Investigations during Proposal Evaluation

Subsequent to Proposal submission, the Lottery may initiate investigations into the backgrounds of Vendors and individuals, or entities related to any officers, directors, members, principals, investors, owners, subcontractors, employees, or any other individuals or entities related to the Vendor, as deemed appropriate.

Such background investigations may include fingerprint identification by the Delaware State Police and the Federal Bureau of Investigation and shall require the provision of information by the Vendor and related persons and companies as noted above. The Lottery may reject a Proposal based upon the results of these background checks. A Vendor is advised that any person who knowingly provides false or intentionally misleading information in connection with any investigation by the Lottery may cause the Proposal to be rejected, or a subsequent Contract to be canceled. If a Vendor or a substantial subcontractor is a subsidiary of a parent entity, the Lottery may request the above disclosures from the parent entity as necessary.

Once a Contract is signed with the Lottery as a Vendor for the Internet Wagering Solution, a Contracting Vendor is required to obtain a license to supply products and services for the Internet Wagering Solution with the Lottery and obtain a Delaware Business License with the Delaware Division of Revenue.

1.31 Disclosure of Litigation and Other Information

Since the Lottery has a strong interest in all Vendors' continuing ability to produce secure, high-quality products and services, the Lottery requires that Vendors list and summarize pending or threatened litigation, administrative or regulatory proceedings or similar matters that could materially affect the Vendor. As part of this disclosure requirement, Vendors must state whether they or any owners, officers, directors, or partners have ever been convicted of a felony. Failure to disclose such matters may result in rejection of the Proposal or in termination of a Contract. Such disclosures should be submitted with the Proposal. This is a continuing disclosure requirement; any such matter commencing after submission of a Proposal and, with respect to any Vendor after the execution of a Contract, must be disclosed in a timely manner in a written statement to the Lottery.

1.32 Change of Financial Condition

If a Vendor, who has submitted a Proposal in response to this RFP, experiences a material change in financial condition prior to Contract award or during the term of a Contract with the Lottery, the Lottery must be notified in writing at the time the change occurs or is identified. A "material change" in financial condition is defined as any event which, following Generally Accepted Accounting Principles (GAAP) or non-US equivalent standards, would require a disclosure in the annual report of a publicly traded entity. Failure to notify the Lottery of such a change may result in the rejection of a Vendor's Proposal or termination of the Contract. The Lottery reserves the right, based on its assessment of a material change in financial condition, to reject the Vendor's Proposal or terminate the Contract unilaterally without penalty.

1.33 Change of Ownership

If a Vendor, who has submitted a Proposal in response to this RFP, experiences a material change of ownership prior to Contract award or during the term of a Contract with the Lottery, the Lottery must be notified in writing at the time the change occurs or is identified. A "material change in ownership" is defined as any merger, acquisition, assignment or change in parties who comprise ownership greater than ten (10) percent of the Vendor or the parent company of the Vendor. Failure to notify the Lottery of such a change may result in the rejection of a Vendor's Proposal or termination of the Contract. The Lottery reserves the right, based on its assessment of a material change in ownership, to reject the Vendor's Proposal or terminate the Contract unilaterally without penalty.

1.34 Offered Options

An Offered Option is not identified in this RFP but may be identified by the Vendor and included in the Proposal. Vendors may offer options that the Lottery may not have been aware of at the time the RFP

was written. The Lottery makes no commitment to quantity or timing for acquisition of Offered Options. The Lottery is not obligated to consider an Offered Option a benefit.

1.35 Vendor Collusion

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

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

Any evidence of agreement or collusion among Vendor(s) and prospective Vendor(s) acting to illegally restrain freedom from competition by agreement to offer a fixed price, or otherwise, will render the offers of such Vendor(s) void.

1.36 Hiring and Other Business Relationships with the Lottery

During the period from the RFP release until the signing of the Contract, Vendors are prohibited from officially or unofficially making any employment offer or proposing any business arrangement whatsoever to any Lottery employee or member of the Lottery Commission. A Vendor making such an offer or proposition may be disqualified from further consideration, or a Contract signed pursuant to this RFP may be terminated unilaterally without penalty.

This paragraph does not prevent the employment by a Vendor of a State of Delaware employee who has initiated contact with the Vendor. However, State of Delaware employees may be legally prohibited from accepting employment with the contractor or subcontractor under certain circumstances. Vendors may not knowingly employ a person who cannot legally accept employment under state or federal law. If a Vendor discovers that they have done so, they must remove that person from any project with the State of Delaware, including any contracts resulting from this RFP immediately.

Furthermore, for the duration of this RFP process, Vendors, their employees and any representative, designee or agent of the Vendor shall refrain from:

- Providing meals, entertainment or other expenses for the Lottery Director, officers, or employees; and
- Providing gifts of any value to the Lottery Director, officers, or employees.

1.37 Applicable Laws and Procedures

The RFP, the Vendor Proposals, the resulting Contract and the processes associated with the procurement shall be governed by the laws of the State of Delaware. With respect to any and all legal action or proceedings arising under this RFP or any Contract resulting thereunder, a Vendor, by submission of a Proposal, consents to the venue and jurisdiction of all courts of the State of Delaware

which is the place of the issuance of this RFP, the place where a Contract will be executed, and the principal place where the obligations of the Vendor to the Lottery are to be performed.

In submitting a Proposal, Vendors certify that they comply with all federal, state and local laws applicable to its activities and obligations including:

- the laws of the State of Delaware;
- the applicable portion of the Federal Civil Rights Act of 1964;
- the Equal Employment Opportunity Act and the regulations issued there under by the federal government;
- a condition that the Proposal submitted was independently arrived at, without collusion, under penalty of perjury; and
- that products, services, and activities provided to the general public under resulting Contract conform with the Americans with Disabilities Act of 1990, and the regulations issued there under by the Federal government.

If a Vendor fails to comply with the above obligations, the State of Delaware reserves the right to disregard the Proposal, terminate the Contract, or consider the Vendor in default.

The Contracting Vendor shall keep itself fully informed of and shall observe and comply with all applicable existing Federal and State laws, and County and local ordinances, regulations and codes, and those laws, ordinances, regulations, and codes adopted during its performance of the work.

1.38 Headings

The headings used in this RFP are for convenience only and shall not affect the interpretation of any of the terms and conditions hereof.

1.39 Organizations Ineligible to Offer a Proposal

Any individual, business, organization, corporation, consortium, partnership, or any other entity including subcontractors currently debarred or suspended by the federal government, any state or local government or municipality is ineligible to respond to the RFP. Also, any entity ineligible to conduct business in the State of Delaware for any reason is ineligible to respond to the RFP.

PART 2 – TERMS AND CONDITIONS**2.0 Introduction**

This section describes the terms and conditions that apply to the procurement, and which will become part of the Contract executed pursuant to this RFP. By submission of a Proposal, all Vendors agree to the Terms and Conditions contained herein.

No award shall be made until the Lottery and the Vendor selected for negotiations have successfully completed the negotiations. Once the negotiations are completed the Successful Vendor(s) will be required to execute that negotiated agreement with the Lottery. The State of Delaware reserves the right to incorporate standard State contractual provisions into any contract negotiated as a result of a Proposal submitted in response to this RFP. Contacting Vendors will be required to sign the Contract for all procured services and may be required to sign additional agreements.

This RFP and the Vendor's response to this RFP will be incorporated as part of any formal Contract.

The State of Delaware's standard contract will most likely be supplemented with the Vendor's software license, support/maintenance, source code escrow agreements, and any other applicable agreements. The terms and conditions of these agreements will be negotiated with the Vendor(s) selected for negotiation during actual contract negotiations.

No Vendor is to begin any service prior to receipt a State of Delaware purchase order signed by two authorized representatives of the agency requesting service, properly processed through the State of Delaware Department of Finance. The purchase order shall serve as the authorization to proceed, in accordance with the contract specifications and the special instructions, once it is received by the Successful Vendor.

If the Vendor who entered into negotiation with the Lottery fails to enter into the negotiated agreement as herein provided, another Vendor may be selected for negotiations. Once a contract is negotiated and executed, an award will be made.

2.1 Contract Elements

The Contract between the Lottery and the Contracting Vendors shall include as integral parts thereof:

- An executed contract
- This RFP
- Clarifications and Addenda to this RFP
- The Vendor's Proposal
- Any modifications to the Vendor's Proposal, if properly submitted and any Proposal clarifications
- Purchase Order

In the event there is any discrepancy between any of these contract documents, the following order of documents governs so that the former prevails over the latter: the executed Contract, Lottery's RFP, Vendor's Proposal, modifications and clarifications and purchase order. No other documents shall be considered. These documents will constitute the entire agreement between the Lottery and the Contracting Vendors.

The failure of a party to insist upon strict adherence to any term of a Contract resulting from this RFP shall 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.

2.2 Amendments to the Contract

Any Contract provision resulting from this RFP may not be modified, amended, altered, changed, renewed, varied, waived or augmented, except in writing executed by both 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.

2.3 Severability

If a court of competent jurisdiction determines any portion of a Contract to be invalid, it shall be severed, and the remaining portion of a Contract shall remain in effect.

2.4 Term of Contract

A Contract resulting from this RFP will be in effect from the Contract effective date, including an implementation period and five (5) years of Production Operations. The Contract term may run a shorter period, as determined by the Lottery, due to causes such as Contract termination or loss of statutory authority by the Lottery.

The Lottery reserves the right to extend the Contract at its sole discretion up to a maximum of five (5) one (1) year periods, provided that each single option to extend is exercised by the Lottery at least ninety (90) days prior to the end of the initial Contract period, or the prior extension period thereof, or at a time mutually agreed upon by both parties.

2.5 Emergency Extension

The Lottery reserves the right to reactivate or further extend the initial Contract, or any renewal thereof, at the rates and upon the terms and conditions then in effect on thirty (30) days' notice for one (1) or more thirty (30) day periods if a different Vendor is chosen for a subsequent Contract. To meet this requirement, the Primary Vendor for this Contract must maintain the Solution in a state of readiness through the date of full Conversion to the new Vendor and for thirty (30) calendar days thereafter.

Exercising these rights shall not be construed as obligating the Lottery to repeat the procurement process for any subsequent Contract or conferring any right or expectation for the Primary Vendor to continue operating the Solution after the expiration of any such emergency extension period.

2.6 Vendor Responsibilities

The Vendor will be required to assume responsibility and liability for delivery, installation and maintenance of all equipment, software, support services, and all contractual activities offered in its Proposal and for the provision of all other goods and services offered in or acquired by its Proposal, and will directly make such representations and warranties to the Lottery, to which the Lottery and the Vendor may agree, whether or not the Vendor is the manufacturer, product or direct provider of the equipment, software or services.

2.6.1 Primary Vendor Responsibilities

Primary Vendor will be responsible, in conjunction with the Lottery, for pricing and settling of game and bet offerings, including the managing of games or betting limits on either a per event, game, session or a per player basis or both for the payment of all bona fide and valid player winnings.

In addition to abiding by the responsibilities set forth in Section 2.6, the Primary Vendor will contract with the Support Service Vendors and Game Vendors as required, regardless of whether the Vendor is selected by the Lottery, Primary Vendor itself will negotiate in good faith with the Non-Primary Vendors. The Primary Vendor will be the main point of contact with regard to all contractual matters for Support Service Vendors such as payments, hosting, geolocation, identification etc. The Delaware State Lottery and the State of Delaware are third party beneficiaries of this Agreement, with full rights to enforce its provisions against the contracting parties. All contracts between the Primary Vendor and Support Services Vendors must include language specifically identifying the Delaware State Lottery and the State of Delaware as third-party beneficiaries of the Agreement between the Primary Vendor and Support Services Vendor, with full rights to enforce its provisions against the contracting parties.

While the Lottery will contract directly with all Game Vendors, the Primary Vendor may also be obligated to contract directly with the Game Vendor with regard to other related business matters such as integration and game management.

The Primary Vendor may have its own subcontractors; however, the Primary Vendor must accept full responsibility for and will be liable to the Lottery for any such subcontractor's performance. To the extent that a Support Service Vendor may have subcontractors, all responsibility for Support Services' subcontractors is to be sufficiently covered in the Support Service Vendor Contract with the Primary Vendor.

2.6.2 Non-Primary Vendor Responsibilities

All Support Services Vendors that supply equipment, software, support services and other contractual activities offered as part of the Internet Wagering Solution shall be obligated to contract directly with the Primary Vendor and shall negotiate in good faith with the Primary Vendor. The Delaware State Lottery and the State of Delaware are third party beneficiaries of this Agreement, with full rights to enforce its provisions against the contracting parties. All contracts between the Primary Vendor and the Support Services Vendors must include language specifically identifying the Delaware State Lottery and the State of Delaware as third-party beneficiaries of the Agreement between the Primary Vendor and the Support Services Vendor, with full rights to enforce its provisions against the contracting parties.

Support Service Vendors may have subcontractors; however, that Vendor must accept full responsibility for and will be liable to the Primary Vendor for any such subcontractor's performance.

Game Vendors shall contract directly with the Lottery and shall accept full responsibility for and will be liable to the Lottery for any subcontractors. To the extent that Game Vendors is required to contract directly with the Primary Vendor, the Game Vendor shall negotiate in good faith and shall be responsible for its subcontractors on matters that relate between the Game Vendor and the Primary Vendor. The payment process Vendors may also have to contract directly with the Lottery as well and will negotiate in good faith.

2.7 Subcontractor Approval

Any proposed subcontractors shall be subject to the prior written approval of the Lottery. Subcontractors that provide significant or critical functions are subject to background checks of personnel and principals as described in previous paragraphs of this RFP section.

2.8 Covenant against Contingent Fees

Pursuant to 29 Del. C. § 6903(b), a Contracting 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, 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 Lottery shall have the right to terminate any in accordance with the termination clause, and in its sole discretion, to deduct from any Contract any price or consideration or otherwise recover the full amount of any such commission, percentage, brokerage or contingent fee.

2.9 Historical Audit and Accounting Requirements

Any Contracting Vendor must meet specific auditing and accounting obligations:

1. A Contracting Vendor shall have a complete corporate financial audit conducted annually, at its own expense. The audit must follow generally accepted auditing standards (GAAP), or the appropriate non-U.S. equivalent. A copy of a Contracting Vendor's certified financial statements shall be provided no later than forty-five (45) days after the close of the Contracting Vendor's fiscal year.
2. If applicable, a Contracting Vendor shall provide the Lottery with Securities and Exchange Commission (SEC) 10-K reports as they are issued, or the appropriate non-U.S. equivalent in English, together with any other reports required pursuant to Section 13 of the Securities and Exchange Act of 1934, as amended.
3. A Contracting Vendor is required to maintain its books, records and all other evidence pertaining to the contract in accordance with generally accepted accounting principles (GAAP), or the appropriate non-U.S. equivalent in English and such other procedures specified by the Lottery. These records shall be available to the Lottery, its internal auditors or external auditors (and other designees) at all times during the Contract period and for five (5) years from the Contract expiration date or final payment on the Contract, whichever is later.
4. **PRIMARY VENDOR ONLY:** Third-party review of the Primary Vendor's Delaware operations must also be conducted annually. This audit will be a Statement on Auditing Standards (SAS) 70 audit, Type 2, at the sole discretion and determination of the Lottery, and shall be paid for by the Primary Vendor. For this review, the Primary Vendor will suggest, for the Lottery's approval, the firm(s) to perform the work. All financial aspects shall be conducted pursuant to auditing standards as issued by the American Institute of Certified Public Accountants, or non-US equivalent. Annual reviews shall occur on a July through June basis and will be reported to the Lottery not later than forty-five (45) days after the close of the State's fiscal year. The first audit shall cover a partial year ending with the State's fiscal year.

2.10 Ongoing Accounting Records

A Contracting Vendor is required to maintain its books, records and all other evidence pertaining to the Contract in accordance with Generally Accepted Accounting principles (GAAP), or non-US equivalent in English, and such other procedures specified by the Lottery. These records shall be available to the Lottery, its internal auditors or external auditors (and other designees) at all times during the Contract period and for three (3) full years from the expiration date or final payment on the Contract, whichever is later.

A Vendor shall maintain all public records, as defined by 29 Del. C. § 502(7), relating to the Contract and its deliverables for the time and in the manner specified by the Delaware Division of Archives, pursuant to the Delaware Public Records Law, 29 Del. C. Ch. 5. During the term of the Contract, authorized representatives of Delaware may inspect or audit a Contracting Vendor's performance and records

pertaining to the Contract at the Vendor's business office during normal business hours.

2.11 Ongoing Right to Audit Contracting Vendor's Operations

The Lottery reserves the right to audit a Contracting Vendor's records and operations as they relate to the Lottery's operation. Said audits may be conducted by the Lottery's own auditors, or by an independent firm specified by the Lottery. A Contracting Vendor shall agree to cooperate fully with any and all audits, including but not limited to financial, performance, technical, operational, compliance, information system, communication, and external.

2.12 Bonds and Insurance Company Qualifications

All required bonds (if bonds) and insurance must be issued by companies which are A rated or higher by A.M. Best & Co., have a record of successful continuous operation, are licensed, admitted, and authorized to do business in the State of Delaware, and are approved by the Lottery. Required coverage and limits must be put into effect as of the effective date of the Contract and must remain in effect throughout the term of the Contract, as determined by the Lottery. Each Contracting Vendor must submit copies of each required insurance contract, and any renewals thereof, to the Lottery upon the Lottery's request. The insurance policies must provide thirty (30) days' advance written notice of cancellation, termination or failure to renew any policy.

A Vendor shall purchase adequate insurance for the performance of the contract, and by submission of a bid, agrees to indemnify and save harmless and to defend all illegal or equitable actions brought against the State, any agency officer and/or employee of the State, for and from all claims of liability which is or may be the result of the Vendor's actions during the performance of the Contract. The purchase or non-purchase of such insurance or the involvement of the Vendor in any legal or equitable defense which the State, its agencies and their respective officers, employees and agents might have such claims, specifically including the defense of sovereign immunity where applicable, the State and all agencies, offices and employees thereof shall not be financially responsible for the consequences of work performed, pursuant to the said Contract.

2.12.1 Insurance

All Vendors shall purchase and maintain insurance for claims set forth below which may arise out of or result from a Contracting Vendor's operations under the Contract, whether such operations are by a 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:

1. Claims under workers' disability compensation, disability benefit and other similar employee benefits acts.
2. Claims for damages because of bodily injury, occupational sickness or disease, or death of a Vendor's employees, or any person other than the Vendor employees.
3. Claims for damages because of injury to or destruction of tangible property, including any resulting loss of use.
4. Errors and Omissions Insurance that will indemnify a Vendor, the Lottery, Licensed Video Lottery Agents, and the State of Delaware for any losses incurred due to downtime of the Internet Wagering Solution, for errors or omissions caused by a Contracting Vendor, or for any act or omission of the Vendor, its officers, employees, agents, subcontractors or assigns regardless of negligence.

5. Cyber Security Liability Insurance

The State of Delaware places paramount importance on protection of sensitive Personally Identifiable Information (PII) or otherwise confidential information as defined by 6 Del. C. §1202C (15) and §12B-101(7)a, and as noted below under Section II – Definitions.

In accordance with the State's Contracted Computing and Cloud Services Terms and Conditions Agreement Item 4, non-public state data shall be encrypted in transit and, for PII data, at rest. A service provider will employ validated cryptography standards as specified in National Institute of Standards and Technology FIPS140-2 Security Requirements. When the Service Provider cannot offer encryption at rest, they must maintain, for the duration of the contract, cyber security liability insurance for any loss resulting from a data breach. Such a liability protection policy shall comply with the State's requirements, incorporated by addendum to this policy (see Addendum 1: Cyber Security Liability Insurance Requirement).

In the event a service provider fails to keep in effect at all times the insurance coverage required by this provision, the State may, in addition to pursuing any other remedies available, terminate the contract upon the occurrence of such event, subject to the provisions of the contract.

If there is ambiguity or confusion regarding any part of this policy, seek clarification from the point of contact defined in the header of this policy.

2.12.2 Insurance Coverage and Limits

Specific coverage requirements are listed below. The defined dollar amounts are minimum limits. A Contracting Vendor must provide these or as otherwise designated by Delaware law during the course of the Contract. Statement of self-insurance to cover these obligations will be considered nonresponsive.

2.12.2.1 Property Insurance. Insurance on all buildings, fixtures and equipment provided or used in providing the Solution must be maintained in the amount of actual replacement cost thereof. This policy must insure real and personal property including contents, equipment and mobile items against fire, collision, flood, etc.

2.12.2.2 Comprehensive General Liability Insurance. Commercial General Liability and Property Damages Insurance with a limit of \$1,000,000 per person and \$3,000,000 per occurrence.

2.12.2.3 Professional Liability/Errors and Omissions/Product Liability Insurance. Amount: \$3,000,000 [or limits of not less than \$1,000,000 per claim, to be in force and effect at all times which will indemnify the Successful Vendor and the DSL for direct loss which may be incurred due to any error caused by the Successful Vendor, its officers, employees, agents, subcontractors or assigns regardless of negligence].

The Errors and Omissions Insurance must indemnify the Lottery, its Commissioners, Licensed Video Lottery Agents, officers and employees, and the State for direct loss due to any act or omission of the Contracting Vendor and coverage must continue until one (1) year past the term of the Contract or any extension thereof.

2.12.2.4 Automobile Bodily Injury Liability Insurance. Covering drivers and vehicles employed in connection with the operation of the Contract with limits of not less than \$300,000 per personal injury to each person and \$25,000 for property damage.

2.12.2.5 Worker's Compensation Insurance. To cover all of Vendor's employees during the term of the Contract in accordance with Delaware Statutes, or other applicable worker's compensation laws.

2.12.2.6 Cyber Security Liability Insurance Requirements. Issued by an insurance company acceptable to the State of Delaware and valid for the entire term of the contract, inclusive of any term extension(s).

Liability limits will be calculated based on the maximum system record count and the Ponemon Institute average Public Sector Breach cost per record as published in the most recent Cost of Breach Study (e.g., 2017, \$141). Refer to the Tiered Coverage Schedule below.

Tiered Coverage Schedule Level

Number of PII records	Level of cyber liability insurance required (1)
1-10,000	\$2,000,000 per occurrence
10,001 – 50,000	\$3,000,000 per occurrence
50,001 – 100,000	\$4,000,000 per occurrence
100,001 – 500,000	\$15,000,000 per occurrence
500,001 – 1,000,000	\$30,000,000 per occurrence
1,000,001 – 10,000,000	\$100,000,000 per occurrence

(1) occurrence = data breach

Personally Identifiable Information (PII)

1. Information or data, alone or in combination, that identifies or authenticates a particular individual. Such information or data may include, without limitation, Name, Date of birth, Full address (e.g. house number, city, state, and/or zip code), Phone Number, Passwords, PINs, Federal or state tax information, Biometric data, Unique identification numbers (e.g. driver's license number, social security number, credit or debit account numbers, medical records numbers), Criminal history, Citizenship status, Medical information, Financial Information, Usernames, Answers to security questions or other personal identifiers.
2. Information or data that meets the definition ascribed to the term "Personal Information" under Delaware Code Title 6 § 12B-101 Title 6, §1202C, and Title 29 §9017C or any other applicable State of Delaware or Federal law.

All other insurances covered by this Section must be effective when performance commences under the Contract and continue through the term of the Contract or any extension thereof. The Lottery must receive thirty (30) days' advance written notice of cancellation, termination or failure to renew any

policy. Any subcontractor to the Primary Vendor must comply with the insurance coverage and above limits.

2.12.3 Certificates of Insurance

Certificates of Insurance and any renewals thereof must be furnished to the Lottery Contracting Officer on the date of Contract execution, with the exception of the certificate for Errors and Omissions Insurance, which must be furnished no later than ten (10) business days prior to the launch of the Production Operations. The State of Delaware and the Delaware State Lottery shall **not** be named as additional insured on any insurance policy for this contract.

2.12.4 Performance Bond

Upon notification of receiving the Contract award, the Successful Vendors will be required to obtain a Performance Bond or other acceptable form of security in the amount of one million dollars (\$1,000,000) for the Primary Vendor and two hundred fifty thousand (\$250,000) for Game Vendors for every year of the Contract. The Performance Bond may be paid in full or in part to the Lottery if the Successful Vendor defaults in the performance of the Contract or has occasioned uncompensated liquidated damages.

The Performance Bond may be assessed liquidated damages if these damages have not been received by the Lottery within thirty (30) calendar days of written notice to the Vendor that they have been incurred. The Performance Bond will be in the form found in **Appendix C**.

Other forms of security may be acceptable but are subject to the Lottery's discretion. Failure to post an additional bond or security within seven (7) days after notice that the proposed security is inadequate shall be grounds for immediate termination of the Contract.

2.12.5 Litigation Bond

Upon notification of receiving the Contract award, the Successful Vendors will be required to obtain a Litigation Bond or other acceptable form of security in the amount of one million dollars (\$1,000,000) for the Primary Vendor and two hundred fifty thousand (\$250,000) for Game Vendors. The Litigation Bond is in place to discourage unwarranted litigation by permitting the Lottery to recover damages, including reasonable attorneys' fees, resulting from such litigation. A claim upon the bond may be made by the State of Delaware and/or the Lottery if the following three conditions are all met:

1. The Vendor sues the State of Delaware, Delaware State Lottery, or any of their officers, employees, or agents with regard to any matter relating to the award of contracts pursuant to this RFP.
2. The Lottery is the prevailing party in such suit.
3. The court determines that such suit or any portion thereof was frivolous, was commenced in bad faith, or was not based upon reasonable grounds.

After contracts are signed with the Successful Vendors, a Litigation bond may be released with the approval of the Delaware State Lottery, if a Vendor completes a covenant not to sue.

2.12.6 Fidelity Bond

Prior to Contract execution, the Successful Vendors will be required to obtain a Fidelity Bond in the amount of five million dollars (\$5,000,000) for the Primary Vendor and one million two hundred and fifty thousand (\$1,250,000) for Game Vendors covering any loss to the Lottery due to any fraudulent or

dishonest act on the part of the Vendor's officers, employees, agents or subcontractors. Such an event, in the sole discretion of the Lottery, could be grounds for termination of the Contract, whether or not the losses arising as a result thereof were paid under the crime insurance policy. If the violating Vendor's policy does not cover agents or subcontractors, then the Vendor must ensure that these entities have equivalent insurance in their own right. This bond is not in lieu of any other actions deemed appropriate by the Lottery or the State of Delaware.

2.13 Vendor Error Liability

A Contracting Vendor will be liable for any specific and definite financial obligations arising as a result of errors and faults by the Contracting Vendor's staff, agents, subcontractors, the Internet Wagering Solution as well as the Game Vendors' systems. These cases include, but are not limited to, bet offerings and limits, database and reporting errors, financial transaction errors, bonus leakage, game related result errors as well as general errors with the code, other software and hardware.

2.14 Liquidated Damages Provisions

In the below-listed liquidated damages sections, the Lottery and Contracting Vendors agree that it can be extremely impractical and difficult to determine actual damages sustained by the Lottery. **Therefore, the parties agree that the liquidated damages specified in all the sections below are reasonable and are not to be construed as punitive. In the case that damages can be precisely determined and are less than the schedules shown below, actual damages will then apply.**

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

2.14.1 Notification of Liquidated Damages

Upon determination that liquidated damages are to or may be assessed, the Lottery shall notify a Contracting Vendor of the assessment in writing. The availability of any period of cure will depend on the situation and will be in the sole discretion of the Lottery.

2.14.2 Conditions for Termination of Liquidated Damages

As determined appropriate by the Lottery, the following are the conditions under which a Contracting Vendor may obtain relief from the continued assessment of liquidated damages that have been imposed.

1. Except as waived in writing by the Lottery, no liquidated damages imposed shall be terminated or suspended until the Contracting Vendor issues a written notice verifying the correction of the condition(s) for which liquidated damages were imposed, and all corrections have been subjected to testing or other verification at the discretion of the Lottery.
2. As appropriate, the Vendor shall conduct testing of any correction, as the Lottery deems necessary. Such testing shall be developed jointly by the Lottery and the Vendor and must be approved by the Lottery.

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

The waiver of any liquidated damages due the Lottery shall constitute a waiver only as to such liquidated damages and not a waiver of any future liquidated damages. Failure to assess liquidated damages or to demand payment of liquidated damages within any period of time shall not constitute a waiver of such claim by the Lottery.

2.14.5 Payment of Liquidated Damages

All assessed liquidated damages will be deducted from any moneys owed to the violating Contracting Vendor by the Lottery and, in the event the amount due by the violating Contracting Vendor is not sufficient to satisfy the amount of the liquidated damages, the violating Contracting Vendor shall pay the balance to the Lottery 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 violating Contracting Vendor. At the Lottery's sole option, the Lottery may obtain payment of assessed liquidated damages through one (1) or more claims upon the Performance Bond. For the avoidance of doubt, the Lottery shall impose liquidated damages on the violating Vendor only. The Lottery shall determine which Vendor(s) are responsible for any violation that incurs such liquidated damages.

2.14.6 Applicability of Liquidated Damages and Pro Rata Liquidated Damages

A Contracting 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 due to or approved by the Lottery. In all the below liquidated damages sections, the damages shall be pro-rated for partial periods.

2.14.7 Late Installation of the Internet Wagering Solution

Condition

The Contracting Vendor shall complete all installation preparations as required, complete testing to the Lottery's satisfaction, pass Lottery acceptance testing, comply with all other contractual requirements in effect during the implementation period, and achieve readiness for production operations.

Damages

The Lottery may impose liquidated damages for each calendar day of delay as follows:

1. Readiness for Start of Lottery Acceptance Testing. Up to one thousand dollars (\$1,000) per day for the Primary Vendor (which includes the Support Service Vendors) and up to two hundred fifty dollars (\$250) for Game Vendors, beginning thirty (30) days prior to agreed Production Operation launch date.
2. Production Operations. Up to ten thousand dollars (\$10,000) per day for the Primary Vendor (which includes the Support Service Vendors) and up to two thousand five hundred dollars (\$2,500) for the Game Vendors beginning with agreed Production Operation launch date. At launch, all Solution requirements must be ready to go live.

Missing Deliverables. Up to five hundred dollars (\$500) per day for the Primary Vendor (which includes the Support Service Vendors) and up to one hundred twenty-five (\$125) for the Game Vendors for each and every failure to provide a deliverable, meet a requirement, or resolve an acceptance test problem pursuant to the agreed upon project schedule until such is provided or

performed.

2.14.8 System Down

Condition

The system shall be defined to be "down" if deposits or withdrawals cannot be made by players, players cannot access their accounts, or the games offered by a Game Vendor. This also includes the event that data communications are lost with any of the Licensed Video Lottery Agents such that players cannot deposit or withdraw at the venues. Given that Internet Wagering is a 24/7 activity, the total time the system is "down" shall be the sum of the total time down, regardless of it is outside of standard business hours.

Damages

In the event that the system has been down, the Lottery may impose liquidated damages as a result of the total time during each daily operational sales period that the Solution is down, except for the first fifteen (15) minutes, according to the following schedule:

1. Liquidated damages in an amount up to two thousand dollars (\$2,000) for Primary Vendor (which includes the Support Service Vendors) and up to one thousand dollars (\$1,000) for Game Vendors may be assessed for each one (1) hour of system downtime.
2. In the event that three (3) downtime incidents in excess of fifteen (15) minutes each have already occurred in a business week, the grace period of fifteen (15) minutes shall be rescinded, and liquidated damages shall begin immediately with any subsequent outage in that week.

2.14.9 System Degraded Performance

Condition

The system shall evidence "degraded performance" of no more than one (1) hour during the week. The system shall be considered as having degraded performance when:

1. There is a substantial delay in accessing and playing the games as per the agreed upon Contract.
2. No or limited ability for Primary Vendor, DSL and/or Licensed Video Lottery Agents to gain access to the PAM backend (e.g., no or limited access to player accounts or reports despite players being able to access and play the games).
3. Customer service requests from players at less than 80% as the specified in the Contract's Service Level Agreement. Terms to be agreed by the Primary Vendor and the Lottery.

Damages

In the event that the system has "degraded performance" that collectively exceeds thirty (30) minutes in a day, the Lottery may impose liquidated damages as a result of the total time during each daily operational sales period that the central system is "degraded", except for the cure period of the first hour, according to the following schedule:

1. Liquidated damages in an amount up to one thousand dollars (\$1,000) for Primary Vendor (which includes Support Service Vendors) and up to five hundred dollars (\$500) for Game Vendors may be assessed for each one (1) hour of degraded time.

2. In the event that two (2) downtime incidents in excess of one (1) hour have already occurred in a business week, the grace period of one (1) hour shall be rescinded, and liquidated damages shall begin immediately with any subsequent outage in that week.

2.14.10 Timely and Accurate Reports

Condition

The Contracting Vendor shall produce and deliver timely, sufficient and accurate management reports including but not limited to the **DTI IT Reports in Appendix E**, as approved by the Lottery. Liquidated damages will apply if the report is late or deficient for more than one (1) report time period (e.g., daily report is two days late).

Damages

For each late, insufficient, or inaccurate report or file, the Lottery may impose liquidated damages on the violating Vendor up to one hundred dollars (\$100) per report until the report is provided, made sufficient or corrected.

2.14.11 Timely and Accurate Data and Information

Conditions

The Successful Vendor shall provide the DSL with timely, sufficient, and accurate data within the specified time frames and descriptions in the Contract. Data shall be produced and delivered on both a scheduled and on-request basis according to the schedule approved by the DSL.

Damages

For each late, insufficient or inaccurate deliverable required by this Contract, the Lottery Director may impose liquidated damages in the amount of one hundred dollars (\$100) per hour per file, until the required accurate file is provided to the DSL.

2.14.12 Failure to Provide Current Software or Enhancements for the Internet Wagering Solution

Condition

All Contracting Vendors shall install the latest version of the software or games and provide upgrades on standard and agreed sprint cycles. The Contracting Vendors will use best efforts to ensure that the latest version of software or any upgrades that are offered to other client in other jurisdictions in the United States will also be offered to the Lottery no later than two (2) months of deployment in another states, unless an extension is authorized in writing by the Lottery Director. In addition, Contracting Vendors must complete an acceptance test of the required modification or addition to the software, and receive the Lottery Director's written approval of such test, within the time frame specified.

Damages

The Lottery Director may impose liquidated damages on the violating Vendor for up to one thousand dollars (\$1,000) per day that the modified or additional games are not installed. The Contracting Vendor is not obligated for liquidated damages if the Lottery Director opts to release the change at a later time than provided in the agreed upon schedule.

2.14.13 Failure to Remedy Audit Recommendations

Condition

If the Contracting Vendor fails to address recommendations made as a result of a software or operational audit by a recognized authority such as the State of Delaware, or Lottery-approved auditors, there will be liquidated damages assessed.

Damages

In the event that audit recommendations addressing any of a Contracting Vendor's activities are not corrected within ninety (90) days of notification, unless specifically exempted by the Lottery Director, the violating Vendor may be charged liquidated damages of five thousand dollars (\$5,000) at the end of the initial 90-day period and an additional five thousand dollars (\$5,000) for each subsequent 30- day period or any portion thereof, for which the audit recommendation corrections have not been completed.

2.15 Ownership of Materials

Ownership of all data, documentary material and operating reports originated and prepared exclusively for the Lottery and the Licensed Video Lottery Agents pursuant to any Contract resulting from this RFP shall belong to the Lottery.

A Vendor will retain ownership of the software code, network systems, purchased hardware, system documentation and other materials originally supplied by the Vendor.

2.15.1 Ownership of Player Data

The Delaware Video Lottery Agents shall retain full ownership of all customer data acquired or maintained while performing services for the Lottery and in conjunction with a Contract. Customer data includes, but is not limited to, all player data from game play as well as deposit/withdrawal, fraud, collusion, personal player information as well as all qualitative information pertaining to players such as all analytical information/data on players, e.g., player segmentation and Factoring.

The Lottery has the right to access all player data. During the lifetime of the Contract, the Contracting Vendor has the right to access the customer data for the benefit and on behalf of the Lottery and the Licensed Video Lottery Agents.

2.16 Right of Use

If, for any reason other than a breach of the Contract by the Lottery, a Contracting Vendor loses the ability or refuses to service the Lottery, as provided by its Contract, the Lottery shall retain the right to use the equipment, facilities, software, licenses and documentation for items owned by the Contracting Vendor and which are necessary to provide contractual services.

Such usufruct [right] shall be limited to the right of the Lottery to possess and make use of these items solely for the use and benefit of the Lottery in maintaining, altering and improving the operational characteristics of the programs and systems being used under the Contract. Such usufruct shall be limited in time for the duration of the Contract and in scope to those items being used by the Lottery and on the Lottery's behalf under the Contract. All items, including modifications or alterations thereof, shall be kept in confidence, except to the extent that they are public records under Delaware law, and shall be returned to the Contracting Vendor when their use, according to this paragraph, has been fulfilled.

If there has been a determination, in the sole discretion of the Lottery, that a discontinuity of a Contracting Vendor's operations may be anticipated and this provision may be exercised, the Contracting Vendor shall provide training to the Lottery in the operation of the Vendor's system, at the Lottery's request.

2.17 Force Majeure

A Force Majeure occurrence is an event or effect that cannot be reasonably anticipated or controlled and is without the fault or negligence of the non-performing party. As herein used, Force Majeure includes, but is not limited to, fire, explosion, action of the elements, strike or labor disturbance, rationing, war, terrorism, act of any governmental authority or agency, civil disturbance, governmental interference, epidemic, pandemic 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.

Except as otherwise provided herein, neither the Contracting Vendor nor the Lottery shall be liable to the other for any delay in, or failure of performance of, any covenant contained herein nor shall any such delay or failure of performance constitute default hereunder, to the extent that such delay or failure is caused by Force Majeure. The existence of such causes of delay or failure shall extend the schedule for performance to such extent as may be necessary to complete performance in the exercise of reasonable diligence after the causes of delay or failure have been removed.

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

During a period of non-performance due to Force Majeure, payments from the Lottery to the Contracting Vendor will be suspended.

2.18 Personal Background Investigations

The Lottery may initiate investigations into the backgrounds of any officers, principals, investors, owners, subcontractors, employees, or any other associates of a Vendor it deems appropriate. Background investigations may include fingerprint identification by the Delaware State Police for the State Bureau of Investigation and the Federal Bureau of Investigation, or the appropriate non-US equivalent, with all investigation expenses to be paid by the Vendor. By submission of a Proposal, a Vendor consents to such investigations and to cooperate with such investigations.

The Lottery reserves the right to remove any and all employees of such Vendor from any responsibility in the performance of services as provided for under this RFP, based upon the results of background checks, or if the Lottery finds that any such employee is not performing in the best interest of the Lottery. The Lottery may extend this requirement to include any officers and employees of the Vendor and any subcontractors involved in any way in the implementation, installation and operation of the Solution. The Lottery may also extend this requirement to include investors and owners (with a five percent or greater interest).

Upon award of a Contract, the Vendor shall submit and allow, at a minimum, the following security elements:

1. list of the names, addresses, dates of birth, and Social Security numbers of all employees and

subcontractors assigned to and associated with this Contract.

2. Authorizations signed by the employees and subcontractors to allow law enforcement agencies to release relevant background information. This may be extended to include officers, investors, owners, and associates.
3. Assurance to the Lottery that, as changes are processed throughout the Contract and any extension thereof for the aforementioned types of personnel, any changes in this requested data and authorization shall be reported to the Lottery within one (1) calendar month.
4. Notification in writing to the Lottery within ten (10) business days if any person, group of persons, partnership, corporation, associate group of investors, limited liability company or other legal entity acquires directly or indirectly the beneficial ownership (as defined by Securities and Exchange Commission Regulation §240.13d-3) in the amount of five percent (5%) or more of the ownership interest in, or any class of equity securities of, the Vendor or the parent company of the Vendor. Background investigation and licensing may be required for these new owners and if the investigations are unsatisfactory, the Lottery may, at its option, terminate the Contract, after providing thirty (30) days written notice to the Vendor.
5. Unfettered and unannounced access, inspection, and evaluation privileges for all phases of performance and for all facilities and premises used by the Vendor in fulfillment of this Contract and any extension thereof.
6. Immediate notification in writing to the Lottery Director of all terminations and resignations of employees and staff assigned to and associated with this Contract.
7. Confirmation from all employees and/or subcontractors assigned to and associated with this Contract that they agree not to conduct wagering on the Delaware Internet Wagering Solution through the Lottery or any of the Licensed Video Lottery Agents during the term of this Contract and any extension thereof.

2.19 Tests Following Contract Award

2.19.1 Production-Ready Acceptance Test

The Lottery will conduct a series of acceptance tests of a Successful Vendor's installation, in accordance with the specifications of this RFP, the Proposal, the Contract, and working papers developed jointly by a Vendor and the Lottery during the implementation project. The vendor will identify and document the tool(s) utilized for recording and tracking defects and changes and the Lottery may test for each and every requirement in this RFP. Cooperation of the Vendor in these tests is required. The Vendors will not be responsible for Lottery testing expenses.

The Lottery will not consider any components ready for Lottery acceptance testing while still under development by the Vendor, or still subject to Quality Assurance verification by the Vendor. The Lottery may establish reasonable standards for readiness of the Solution for acceptance testing, known as "entry criteria".

All defects discovered during acceptance testing must be corrected and re-tested by the Vendor in a timely manner. If the software is shown to contain such number of defects as to render the Solution

un-testable in a practical sense and their remedy is untimely, the Lottery reserves the right to halt acceptance testing until the Solution is corrected and testable in a practical sense once again. Acceptance testing halts may lead to delays in Solution delivery and liquidated damage assessments for the Contracting Vendor.

The Lottery, at its sole discretion, will determine whether performance against the acceptance tests is adequate, and whether Conversion can proceed to production as scheduled. Passing an acceptance test in no way removes the obligation for the Vendor to meet, and to continue to meet, all documented specifications. Failure of the Vendor to pass these tests may result in the Vendor having to make corrections, delay Conversion or pay liquidated damages.

2.19.2 Certification Tests

The Lottery requires the Contracting Vendor's products and services be tested and certified by an independent ISO Accredited (17025 & 17020) laboratory to ensure it consistent performance with the specifications prior to implementation. Throughout the term of the contract, the Lottery may require the Vendor to retain an independent third-party testing laboratory to test any change to ensure the system performs consistently with the applicable change order. (). A Contracting Vendor must cooperate in submitting all appropriate materials for the testing. Certification is an expense that must be borne by the Contracting Vendor.

2.19.3 Prior Use

The State of Delaware reserves the right to use equipment and material furnished under this Proposal prior to final acceptance. Such use shall not constitute acceptance of the work or any part thereof by the State of Delaware.

2.20 End of Contract Obligation

It is contemplated that the Lottery, approximately twelve (12) months prior to the expiration of the Contract resulting from this RFP will procure a new Contract for replacement of the Internet Wagering Solution. Should Contracting Vendor not be selected for the next contract, the parties understand and agree that the Lottery may utilize part of the last year of the Contract resulting from this RFP or any renewal or extension thereof for Conversion to the replacement Internet Wagering Solution. All of the incumbent Vendors shall cooperate fully and in good faith in the Conversion. Cooperation may include but not limited to migration of all critical data including player activity and any qualitative analytics on the player database such as player segmentation, fraudulent player identification, high risk players, player factoring, etc. The incumbent Vendor must produce a transition plan for the delivery to and approval by the Lottery.

The Vendor further shall remove all equipment and materials relating solely to the Vendor's Internet Wagering Solution from Lottery property after final Conversion of any location to the new system, within a reasonable period as set by the Lottery. Equipment and materials not so removed by the Vendor shall be considered abandoned and shall be disposed of at the Lottery's discretion at the cost of the Vendor.

In the event of termination of the contract for any reason, the Contracting Vendor shall implement an orderly return of Lottery assets and the subsequent secure disposal of Lottery assets. When requested by the Lottery, the Vendor shall destroy all requested data according to National Institute of Standards and Technology (NIST) approved methods and certificates of destruction must be provided to the Lottery.

2.21 Equipment and Software Corrections and Upgrades

2.21.1 Corrections

A Vendor must report any relevant deficiencies in hardware or software used in the Solution and is responsible for ensuring that corrections are incorporated into the configuration in a timely and responsible manner.

Any Contracting Vendor is responsible for maintaining hardware and software elements with supported releases. This includes but is not limited to all equipment, game software, the gaming Solution itself, software for network operations, network management system, database and reporting software, project management system, accounting system and hardware diagnostics. At the time a Vendor is notified by a supplier or a subcontractor that a release is scheduled to have support dropped, it is the Vendor's obligation to install an appropriate upgrade with the Lottery's prior approval.

2.22 Compensation during Contract

The Contracting Vendors will be compensated no less frequently than on a monthly settlement process. The submitted invoices will be confirmed by the Lottery based on management and accounting reports. Confirmed invoices will be paid within thirty (30) days of receipt. The Lottery will be responsible for paying all Contracting Vendors, including the Primary Vendor and the Game Vendors, unless otherwise agreed. The Primary Vendor will be responsible for directly paying all Support Service Vendors as well as its own subcontractors.

All contract costs must be as detailed specifically in the Vendor's cost Proposal. No charges other than as specified in the Proposal shall be allowed without written consent of the State of Delaware. The Proposal costs shall include full compensation for all taxes that the Vendor is required to pay.

The State of Delaware will require a payment schedule based on defined and measurable milestones. Payments for services will not be made in advance of work performed. The State of Delaware may require holdback of contract monies until acceptable performance is demonstrated.

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

2.23 Patented Materials and Processes

A Successful Vendor shall only provide for the use of any patented design, material or processes to be used or furnished under this contract by suitable legal agreement with the patentee or owner and shall file a copy of any necessary agreements with the Lottery. A Successful Vendor shall save and hold harmless the Lottery, the State of Delaware, the Lottery Director, the Lottery staff and agents from any and all claims arising out of the use of such patented design, material or process in connection with the work agreed to be performed under this Contract.

Should patentable or licensable designs, materials or processes arise from the Successful Vendor's work under this Contract, the Successful Vendor shall retain the rights to possess, develop and commercialize such items. The Lottery shall be granted the right or license to employ said items indefinitely in the execution of Lottery business; however, the Lottery shall not license, distribute, or otherwise commercialize such items.

2.24 Use of Copyrighted or Trademarked Material

A Successful Vendor shall have the obligation to ensure that use of materials does not infringe on copyright, trademark, or other intellectual property rights of third parties. This may require the Successful Vendor to obtain permission for use, including payments made for such, to third parties. In particular, the Successful Vendor is required to pay all franchise and/or licensing fees for use of such material including games employing symbols or names involving intellectual property rights to third parties.

If it is determined that use of certain materials constitutes infringements, then the Vendor is obligated to obtain permission or to cease such infringing use and provide the Lottery with an equivalent product. The Successful Vendor must indemnify the Lottery and the State of Delaware from any damages sought as a result of the infringement.

Intellectual Property fees for third-party products, logos, trademarks, brands or labels that a Successful Vendor deploys in the Solution under the Contract shall be included in the Baseline Price with the exemption for Franchised Games that may be negotiated on an individual basis. A Successful Vendor may not separately charge the Lottery an Intellectual Property fee for any items owned by the Contracting Vendor.

2.25 Exclusive Use of the Transaction Processing Systems

Use of a Successful Vendor's hardware and software configuration that processes transactions for the Lottery must be exclusive to the Lottery. Transactions from other sources shall not be commingled with other wager transactions of the Lottery.

2.26 Attachment of Third-Party Systems or Products

The Lottery reserves the right to attach to the Solution or otherwise install software, products, or systems other than those required by this RFP.

The Primary Vendor shall be required to supply to the Lottery, interface specifications to permit other products to carry out all functions and capabilities desired by the Lottery. The Primary Vendor shall provide support to the Lottery in conducting future procurements for such products including providing facilities and support to allow other Vendors to attach or install and test products during the evaluation process. The Lottery will monitor progress to ensure full cooperation.

Should the Lottery propose to add products, systems, or services not supplied by the Primary Vendor for this RFP, but for which the Primary Vendor would gain responsibility, appropriate remuneration of the Primary Vendor shall be negotiated.

2.27 Playing Restrictions for Internet Wagering Insiders

Restrictions apply to the deposit, withdrawal and payment of prizes regarding individuals related to any Successful Vendor or any significant subcontractors. No officer, employee, or immediate supervisor of such employee or relative living in the same household as these individuals shall wager on the Internet through the Lottery, or be paid winnings, if (i) they conduct duties directly pursuant to the Contract; or (ii) they have access to information made Confidential by the Lottery. Any Successful Vendor or significant subcontractors shall ensure that this requirement is made known to each affected individual.

2.28 Contracting Vendor Ethics and Integrity

All Contracting Vendor is obligated to meet high standards for ethics and integrity under this Contract. All Contracting Vendors and their employees:

1. Shall accept no pay, remuneration, or gratuity of any value for performance on or information derived from this project from any party other than the Lottery as described in this Contract, or from any party under contract to the Lottery or seeking to contract with the Lottery with respect to this project.
2. Shall not offer or give any gift, gratuity, favor, entertainment, loan or any other thing of material monetary value to any Lottery employee, or to any individual with the intent of unduly influencing the outcome of this project.
3. Shall not disclose any business sensitive or confidential information gained by virtue of this Contract to any party without the consent of the Lottery
4. Shall take no action in the performance of this Contract to create an unfair, unethical or illegal competitive advantage for itself or others.
5. Shall not have any financial or personal interests relating to this project (other than the Contract itself) without the explicit written consent of the Lottery.

All contact with State of Delaware employees, contractors or agents of the State of Delaware concerning this RFP shall be conducted in strict accordance with the manner, forum and conditions set forth in this RFP

For violation of the above provisions, the Lottery may terminate the Contract, receive restitution from, receive liquidated damages, or take any other appropriate actions against the Contracting Vendor.

2.29 Termination Other Than Default

The Lottery may determine in its sole discretion that the Contract executed with a Contracting Vendor must be terminated, whether for default or for other causes, and whether the Contracting Vendor is due compensation related to the early termination of the contract.

In that event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs and reports or other material prepared by the Contracting Vendor under the contract shall, at the option of the State of Delaware, become its property, and the Contracting Vendor may be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials which is useable to the State of Delaware.

2.29.1 Termination for Cause (Without Compensation)

The Lottery may immediately terminate any contract issued as a result of this RFP for any of the following reasons by providing written notice to the Contracting Vendor:

1. If a Contracting Vendor furnished any statement, representation, warranty, or certification in connection with this RFP or the resultant Contract which is materially false, incorrect, or incomplete.
2. If a Contracting Vendor fails to perform any material requirement of the Contract or is in violation of a specific provision.
3. If a Contracting Vendor or its subcontractor, officer or owners of 5% or greater commits a fraudulent

act or other criminal act in its contractual performance of this Contract or any other contract whether this jurisdiction or another jurisdiction or convicted of a criminal offense during the term of this Contract.

4. If any officer or employee of a Contracting Vendor or of any subcontractor deposits cash on the Internet through the Lottery, wagers cash for a game on the Delaware Internet Lottery outside a testing environment or attempts to collect winnings.
5. If the Contracting Vendor is financially unstable or suffers a material change of financial condition as outlined in Section 1.32 of this RFP.

The State and the Lottery will not be liable for any costs incurred if termination is for any of the causes stated above. In the cases above, the Lottery may cancel a contract with the Contracting Vendor that violated the terms above immediately and procure the articles and/or services from other sources and hold a Contracting Vendor responsible for any excess costs or lost revenue occasioned thereby.

If after termination for cause, it is determined that the Contracting Vendor has not so failed, the termination shall be deemed to have been affected for the convenience of the Lottery.

2.29.2 Termination without Cause or For Convenience (With Possible Compensation)

The Lottery may terminate the Contract at any time by giving written notice of such termination and specifying the effective date thereof, at least thirty (30) days before the effective date of such termination. Contract terminations may occur for, but are not limited to, any of the following reasons:

1. In the event the Lottery or State no longer needs the products or services specified in the Contract because of changes in the law or regulations.
2. If funds for the purposes specified under the Contract are not appropriated by the State (Funding Out Clause Section 2.33). The Contracting Vendor acknowledges that continuation of the contract is subject to annual appropriation of funds for the purposes specified in this contract. If funds to enable the Lottery to effect continued payment under this Contract are not appropriated or otherwise made available, the Lottery shall have the right to terminate the Contract without penalty at the end of the last period for which funds have been made available. Compensation will not exceed the amount of the last appropriation available.
3. In the event that prices proposed for the Contract modification or for additional services requested by the Lottery cannot be mutually agreed upon by the Vendor and the Lottery.

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

2.30 Termination for Default

The Lottery reserves the right to cancel a 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 the Contract or other

infractions, whether or not such default results in the cancellation of the Contract executed pursuant to this RFP.

In case of default by a Contracting Vendor, the Lottery and the State may upon thirty (30) days prior written notice to that Contracting 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 that Contracting Vendor responsible for any excess costs occasioned thereby.

In addition to the remedy of Contract cancellation and all other remedies available to the Lottery hereunder, in the Contract, at law or in equity, the Lottery may in 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 Lottery's determination reasonably reflects the difference in value between the contract as it was to have been performed and as it was actually performed.

The Lottery shall be entitled to collect costs incurred as the result of any breach, including court costs and reasonable attorneys' fees.

2.31 Disputes under the Contract

In the event that any dispute arises between the parties with respect to the performance required of a Contracting Vendor under its Contract, the Lottery Director shall make a determination in writing and send it to that Contracting Vendor. That interpretation shall be final, conclusive and not subject to review in all respects unless the Contracting Vendor, within thirty (30) days of receipt of said writings, delivers a written appeal to the Lottery Director or her duly authorized designee. The decision of the Lottery Director on any such appeal shall be made within thirty (30) days and shall be final and conclusive and the Contracting Vendor shall thereafter in good faith and due diligence render such performance as the Lottery Director has determined is required of it. A Contracting Vendor's options with respect to any such decision on appeal shall be either 1) to accept the determination of the Lottery Director as a correct and binding interpretation of the Contract, or 2) to make such claims as it may desire before a court of competent jurisdiction.

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

2.32 Scope of Agreement

If the scope of any provision of the contract is determined to be too broad in any respect whatsoever to permit enforcement to its full extent, then such provision shall be enforced to the maximum extent permitted by law, and the parties hereto consent and agree that such scope may be judicially modified accordingly and that the whole of such provisions of the contract shall not thereby fail, but the scope of such provisions shall be curtailed only to the extent necessary to conform to the law.

2.33 Funding Out Clause

Payment to a Contracting Vendor resulting from this RFP shall be payable solely out of the income, revenues, and receipts of the Lottery's Internet Wagering operations. In no event shall the Contract(s) resulting from this RFP constitute or create an obligation, either general or special, debt, liability, or moral obligation of the State of Delaware, or any municipality, political subdivision, or governmental

unit thereof or constitute or give rise to a pecuniary liability of the State of Delaware, or any municipality, political subdivision, or governmental unit thereof nor shall the general credit or taxing power of the State of Delaware, or any municipality, political subdivision, or governmental unit be pledged, therefore.

2.34 Equal Employment Opportunity

During the performance of the awarded contract, the Contracting Vendor agrees as follows:

1. The Contracting Vendor will not discriminate against any employee or applicant for employment because of race, creed, color, sex, age, or national origin. The Contracting Vendor will take affirmative action to ensure that applicants are employed and that employees are treated equally during employment without regard to their race, creed, color, sex, age, or national origin. Such action shall include, but not be limited to the following: advertising, lay-off or termination, rates of pay or other forms of compensation, and selection for training including apprenticeships. The Contracting Vendor agrees to post in conspicuous places, notices to be provided by the contracting agency setting forth the provisions of this non-discrimination clause.
2. The Vendor will, in all solicitations or advertisements for employees placed by or on behalf of the Contracting Vendor, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, sex, age, or national origin.

2.35 Assignment; Subcontracts

1. Any attempt by a Contracting Vendor to assign or otherwise transfer any interest in the contract without the prior written consent of the Lottery shall be void; however, such consent shall not be unreasonably withheld.
2. Services specified by the contract shall not be subcontracted by a Contracting Vendor, without prior written approval of Lottery.
3. Approval by the Lottery of Contracting Vendor's request to subcontract or acceptance of or payment for subcontracted work by the Lottery shall not in any way relieve Contracting Vendor of responsibility for the professional and technical accuracy and adequacy of the work. All subcontractors shall adhere to all applicable provisions of the contract.
4. Contracting Vendors shall be and remain liable for all damages to the Lottery caused by negligent performance or non-performance of work under the contract by a Contracting Vendor, its subcontractor or its sub- subcontractor.
5. The compensation due shall not be affected by Lottery's approval of the Contracting Vendor's request to subcontract.

2.36 Indemnification

2.36.1 General Indemnification

All Contracting Vendors shall indemnify, save harmless and forever defend the State of Delaware, the Lottery and their respective officers, agents, directors, employees, other contractors, and Licensed Video Lottery Agents from and against any and all claims, liabilities, losses, damages, costs, injuries or expenses (including but not limited to reasonable fees and disbursements, expenses of attorneys of the Lottery's choice, investigation, litigation, settlement, judgment, interest, penalties and court

costs), arising from or in conjunction with any of the following:

1. Any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from (i) the products provided or (ii) performance of the work, duties, responsibilities, actions or omissions of that Contracting Vendor or any of its subcontractors under this contract, or (iii) a breach of any representation or warranty made by the Contracting Vendor in the Contract.
2. Any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or related to occurrences that the Contracting Vendor is required to insure against as provided for under the Contract.
3. Any claim, demand, action, citation or legal proceeding against the State, its employees and agents 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 Contracting 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.
4. Any claim, demand, action, citation or legal proceeding against the State, its employees and agents which results from an act or omission of the Contracting Vendor or any of its subcontractors in its or their capacity as an employer of a person.

These indemnification clauses shall not apply to the extent, if any, that such death, bodily injury, property damage or other damages are caused by the negligence or reckless or intentional wrongful conduct of the State.

2.36.2 Patent/Copyright Infringement Indemnification

Contracting Vendor shall warrant that all elements of its solution, including all equipment, software, documentation, services and deliverables, do not and will not infringe upon or violate any patent, copyright, trade secret or other proprietary rights of any third party. In the event of any claim, suit or action by any third party against the State of Delaware or the Lottery, the Lottery or the State of Delaware shall promptly notify the Contracting Vendor in writing, and the Contracting Vendor shall defend such claim, suit or action at Contracting Vendor's expense.

All Contracting Vendors shall indemnify, defend and hold harmless the State of Delaware, the Lottery, its employees and agents from and against all losses, liabilities, damages (including taxes) and all related costs and expenses (including but not limited to reasonable fees and disbursements, expenses of attorneys of the Lottery's choice, investigation, litigation, settlement, lost employee time, judgment, interest, penalties and court costs) whether or not such claim, suit or action is successful. All such costs shall be 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, 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.

In addition, should the equipment, software, commodity, service including methods, or the operation thereof become, or in the Contracting Vendor's opinion be likely to become, the subject of a

claim of infringement, the Contracting Vendor shall at the Contracting Vendor's own expense (i) procure for the State the right to use the equipment, software, commodity, or service, (ii) or if such option is not reasonably available to the Contracting Vendor, replace or modify the same with equipment, software, commodity or service of equivalent function, quality and performance so that becomes non-infringing.

All obligations of Indemnification in this Section 2.36 shall survive the termination of a Contract.

2.37 Taxes, Fees and Assessments

A Vendor shall pay all taxes, fees and assessments upon the Solution, however designated, levied or based. The Lottery is exempt from Federal, State and Local sales and use taxes on the services provided pursuant to a Contract. Such taxes must not be included in the Proposal prices.

2.38 News Releases and Public Disclosure

Vendors may not release any information about this RFP. The Lottery reserves the right to pre-approve any news or advertising releases concerning this RFP, the resulting contract, the work performed, or any reference to the Lottery regarding any project or contract performance. Any such news or advertising releases pertaining to this RFP or resulting contract shall require the prior express written permission of the Lottery.

2.39 Advertising

A Vendor agrees not to use the Lottery name, logos, images, nor any data or results arising from this procurement process or Contract as a part of any commercial advertising without prior written approval by the Lottery.

2.40 Loss of Statutory Authority

If statutory authority to operate is lost for the Lottery, then the Contract shall be null and void. In the event of such an occurrence, neither party shall have any remaining obligation or liability thereafter.

2.41 Compensation During Implementation

A Contracting Vendor for this RFP will not receive any compensation from the Lottery until a complete implementation has been affected, Production Operations are fully supported by the Contracting Vendor, the Lottery has formally accepted the Solution, and sales begin.

2.42 Authority of Lottery

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 Lottery shall be final and binding.

2.43 Set-Aside and Supplier Diversity Program

It is the policy of the Lottery to contribute to the establishment, preservation and strengthening of small businesses and businesses owned by women and minorities in our procurement activities. Toward that end, the Lottery encourages Vendors to provide for the participation of Delaware small businesses and Delaware businesses owned by women and minorities through partnerships, subcontracts, and other contractual opportunities.

2.44 Non-Discrimination and Affirmative Action Provisions

Every Contract executed by the Lottery shall contain the following provisions. Any Contracting Vendor agrees and warrants: That, in the performance of the Contract such Vendor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation or physical disability, including, but not limited to, blindness, unless it is shown by such Vendor that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the State of Delaware. Any Contracting Vendor further agrees to take affirmative action to ensure that applicants with job-related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, or physical disability, including, but not limited to, blindness, unless it is shown by such Vendor that such disability prevents performance of the work involved; and That, in all solicitations or advertisements for employees placed by or on behalf of the Contracting Vendor, such Contracting Vendor agrees to state that it is an "affirmative action and equal opportunity employer".

2.45 Management of Software and Documentation

In the event the Primary Vendor is unable to perform its duties as specified in this RFP, before Conversion to a new Primary Vendor begins, delivery to the Lottery or to the Lottery approved escrow agent, is required of a complete set of the Primary Vendor's software source programs, program object code, operations manuals, service manuals, written procedures, and any such other materials necessary for the Lottery to operate the Solution. The software source and object programs can be delivered on mutually agreeable media. This stipulation includes all software executed on the equipment pertaining to the Internet Wagering Solution and installation packages for third party software products, including those offered by the Non-Primary Vendors. License must be transferable to the Lottery. These materials would allow the Lottery to continue operations in the event the Primary Vendor becomes unable to perform and to the confirm that only authorized software is installed on the Solution.

As Solution changes are implemented, both the change and change documentation shall be provided to the Lottery to continue the Lottery's protection. Changes to Lottery's copy of these materials must be affected within one (1) week of the installation in production operations. As part of the change control process, all documentation should be completed as part of system and UAT testing. Documentation should be affected prior to changes being made.

2.46 Hosting and Data Requirements

All Vendors are required to abide by laws and policies mandated by the State of Delaware and the Federal Government. As such, Vendor(s) are required to utilize a primary and backup facility that shall house all confidential player information within the United States. Such confidential player or customer information shall include, but is not limited to, personal data (e.g., individual records, personal identifiers or other customer specific information), financial data (e.g., credit card information, bank accounts), or any other sensitive detailed information that are entrusted to the State of Delaware to safeguard.

All data including the primary site, the disaster recovery site, and remote back must remain with the United States. It is required that each Vendor agrees to abide by the rules and regulations of the various local privacy and data protection laws. This holds true for both the Primary Vendor, Game Vendors and Support Service Vendors.

All hosting and backup services must abide by State and Federal law, with the goal of allowing the Vendor to select the most cost-effective service within that criterion. Vendors may access confidential player data from outside the United States in accordance with carrying out the duties in this RFP so long

as such data remains located within the United States. For the avoidance of doubt, such information may not be downloaded, processed or transmitted outside the United States.

The location of the primary and backup hosting facilities shall be sufficiently distanced from one another to ensure the maximum integrity of the Solution, and as such shall be subject to Lottery approval.

2.47 Adherence to an Open Architecture

The Primary Vendor will adhere to maintaining an open architecture for integration of third-party games, and as such the Lottery shall have final say over the selection of Game Vendor and the Licensed Video Lottery Agents will have final say over the selection and placement of the individual game(s). The Primary Vendor assures to comply with such demands.

2.48 Product Readiness

The Vendor acknowledges that integration with the Licensed Video Lottery Agent's existing land-based casino management system (CMS) is required and will work with their respective casino management software providers to ensure that such systems will be completed by the target launch date. Integration may include file data transfer from the Vendor to the Licensed Lottery Agent's CMS.

2.49 Confidential Information

Any Vendor, its officers, employees, agents, representatives, and subcontractors, shall not disclose to any other person or entity any information pertaining to the Lottery's methods, systems, programs, procedures, or operations at any time without prior written approval of the Lottery, except as may be necessary in its performance of this Contract. The Lottery, its officers, employees, agents, representatives, and contractors, to the extent permitted by law shall not disclose to any other person or entity any confidential, secret, or proprietary information or know-how, concerning the equipment, programming, software, trademarks, trade or commercial secrets, of the Vendor or its subcontractors, at any time without the express prior written approval of the Vendor, except as may be necessary in its performance of this Contract.

In the event that any demand, claim, action, or proceeding of any nature whatsoever is made, asserted, or instituted that has as its purpose or object, or may have as its consequence, the disclosure to any person of any of the information referred to herein, each party shall immediately: notify the other party thereof; and, if legal action is successfully taken by a party to prevent disclosure, the other party shall not disclose such information unless, until, and only to extent required to do so, by the final order of a judicial, legislative, executive or administrative authority having actual jurisdiction thereof.

Support Service Vendors agree that the information shared in any Proposal related to this RFP, regardless of the pages are marked confidential or proprietary shall be shared with the successful Primary Vendor, which at the time the information is shared will be under strict confidentiality with the Lottery. If there is any proprietary information that the Support Service Vendor believes could create a conflicting situation than the Support Service Vendor shall clearly identify the conflicting information and the Lottery will take into consideration.

2.50 Compliance with Industry Standards Associations

All services, products, systems, and procedures to be employed by any Vendor must comply with the issue of standards current at the time of Contract performance as issued by any association—such as International Organization for Standardization ("ISO"), Payment Card Industry (PCI) and Data Security Standards ("DSS"), Telecommunication Industry Assoc. ("TIA"), etc.

2.51 Foreign Vendor Requirements

Foreign Vendors who will not have a workplace with employees in Delaware and are not incorporated in Delaware must appoint an agent for service of process in Delaware.

PART 3 – TECHNICAL BACKGROUND INFORMATION AND SPECIFICATIONS FOR THE INTERNET WAGERING SOLUTION

3.0 Introduction

This section describes the products and services specifications for Solution. All Vendors must be capable of meeting the requirements to the extent the specifications relate the Vendor's product offering as well as adhere to State IT standards published at <http://dti.delaware.gov/information/standards-policies.shtml> as well as the Technical Standards which shall be published no later than December 12th, 2023. .

3.1 Central Configuration

The Lottery requires a computer configuration capable of handling the immediate and long-range Internet Wagering needs of the Lottery as defined in **Appendix F Delaware State Department of Technology & Information (DTI) Standards, Policies and Response Documents**.

3.2. Game Software Requirements

3.2.1. Game Software Certification: All game software must be approved and certified by an independent testing laboratory under contract with the Lottery. Vendors will be responsible for the costs of independent testing.

3.2.2. Randomness Testing: For all games offered that offer an element of chance, the Vendor shall provide evidence of randomness in the game play. This evidence shall be capable of being tested and verified. The Lottery requires the Vendor to store game outcomes for the purpose of conducting periodic output-based randomness testing. Such testing will be at the discretion of the Lottery.

3.2.3. Continuation of the Game Malfunction: Each game must be capable of continuing the current game with all current game features after a game malfunction is cleared. The current wager and all credits appearing on the player screen prior to the malfunction must either remain active or returned to the player. Any deviation must be explained in Sections 4.2.3.9.10 and 4.3.2.15.2 of this RFP.

3.2.4. Percentage Payout: Payouts for Video Lottery games shall not be less than 87% and not greater than 95%, on an average annual basis for each game, unless approved by the Lottery Director. The payouts for other games shall follow that of a Delaware Video Lottery Agent's gaming floor and shall be approved by the Lottery Director.

3.3. Software Security and Control Features

The Solution must provide particular features and functions to meet requirements for secure and efficient operation.

3.3.1. Transaction Logging: All processing activities are to be recorded immediately on multiple electronic media. Backup, recovery, and redundancy features will be supported using these log files for recovery, if necessary. The transaction logging process includes periodic checkpoints.

3.3.2. Event (Game) Recording: All game processing activities, including play, winning events, other play related transactions, error conditions and operating system messages are recorded

immediately so that these data are available to access by the Lottery or Licensed Video Lottery Agents.

3.3.3. System Auditing: The Solution can be audited for appropriate usage and freedom from error.

3.3.4. Online Clock Reporting: The on-line slot system shall maintain an internal clock that accurately reflects the current time (in hours, minutes and seconds) and date that shall be used to provide for the following:

- Time stamping of significant events;
- Time stamping of reports;
- Reference clock for reporting;
- Time stamping of configuration changes.

If multiple clocks are used, then a means shall be provided that will update all clocks in devices attached to the system, including the gaming devices, at least once in each 24-hour period.

3.3.5. Unique Transaction Number: The serial number assignment method used by the Vendor must account for the fact that transactions may reside for an extended period in the System.

3.3.6. Transactions Protected: The Solution must ensure that transactions cannot be tampered with. The Lottery reserves the right to review any and/or all System narratives, source program listings and operational procedures to ensure data and System integrity.

3.3.7. Game Application Monitoring: Real-time monitoring of transactions must be provided. The Lottery shall receive immediate notification of abnormal System operations and their causes, such as selling or cashing problems, communication difficulties, computer downtime, etc.

3.3.8. Secure On-Site and Off-Site Storage: The Contracting Vendor must provide for secure on-site and off-site storage of critical files, software, and back-up data, subject to approval of the Lottery. Archived backups must be retained for a minimum of five (5) years. Media stored in archives must be checked and/or exercised periodically to ensure their physical integrity.

3.3.9. Configuration Management: The Solution shall operate under a defined procedure for changes to documentation, procedures, specifications, program source and object code, and other major System components. Strict performance according to principles of configuration management is required:

1. Solution components shall have version or release numbers, or model and serial numbers.
2. Components shall be traceable, identifying the history, use, and location of a component.
3. The System must provide reports showing when and by whom a change was made and must avoid multiple update conflicts.
4. The Solution shall have the ability to produce a configuration status report or listing.

A Contracting Vendor manages procedural and system controls such that only approved changes, on

an approved schedule, can be made.

3.3.10. Segregation of Duties: The System operation must employ principles of segregation of duties and “need to know,” and must restrict super-user privileges for the Primary Vendor’s staff.

3.4. Software Features and Capabilities

The Solution shall provide a range of features and capabilities that taken together, accomplish all tasks to manage and control the Internet Wagering Solution.

3.4.1. Control Of Operations: The Internet Wagering Solution management application must support the ability to manage a safe and secure rules-based system including responsible gaming, geo-location, fraud, collusion, identification/authentication with the ability for authorized users to shut off and resume application functions.

3.4.2. Secure Use and Password Management: Use of the management software must be password and audit-trail protected. All management sign-on attempts whether successful or not must be logged. Log entries must reference time, date, and valid/non-valid sign-on. **All transactions through the management software representing modifications to the system (such as game control parameters) must be logged and protected by verification steps.** A List of qualified users (as well as the security levels and report/function access availability) will be supplied by the Lottery to the Primary Vendor.

3.4.3. Reporting: Authorized Lottery personnel may research transactions and operations when required for standardized, custom and ad-hoc reports. The database/System log will include detailed records of transactions including those listed in **Appendix E: DTI IT Reports**. Reports on transaction log entries must allow standard queries and sorts as well as time stamping. Such reports may be accessed by all authorized employees of the Lottery, the State of Delaware, Licensed Video Lottery Agents, and other authorized individuals. Such reports shall be accessible via secure remote access.

3.4.4. Portal Management: The Primary Vendor’s Solution must have the ability to manage multiple sites, one website for each of the current Video Lottery Agents as well as additional sites to account for the potential of additional Licensed Video Lottery Agents.

3.4.5. Remote Publishing: The Solution must have the capability to enable the Video Lottery Agents the ability to manage their own marketing, promotions, and player communications, along with the ability of the Lottery to approve of all marketing and promotions prior to execution. Each Licensed Video Lottery Agent will have the ability to remotely create, publish and manage individual promotions including onsite banners, email campaigns and other direct communication with the players. The system must allow for all Video Lottery Agent promotions to be approved by the Lottery prior to publishing on their respective portals.

3.4.6. Promotions and Messaging: The management application must support the ability for an authorized user to create, send and track marketing campaigns, bonuses, promotions and other messages to all or selected groups of players to be printed out at home and redeemed onsite.

3.5. Data Management and Player Tracking Reporting

The Lottery requires the Primary Vendor’s system to offer multi-level player tracking and report. The

system should offer a minimum of three levels of tracing (e.g., Lottery -> Video Lottery Agent -> Affiliate or campaign code).

3.5.1. Database Access: The Lottery requires access to Internet Wagering information collected by the Primary Vendor Solution. Queries and reports must be accessed from the Lottery's and the Video Lottery Agents' own permitted computers.

3.5.2. Management Reports: Management software must be capable of producing standard and ad hoc reports/custom reports on an as need basis. Reports must be able to be viewed on-screen as well as downloadable into various formats including excel, .csv or other standard reporting and management tools.

3.5.3. Lottery Access to Data through File Transfers Integration: The Lottery requires various forms of data provision to feed Lottery administrative systems. For some applications a data file must be supplied, of a specific format and frequency.

3.6. Internet Wagering Solution Accounting

The Vendor's Solution shall adhere to the following Video Lottery Agent accounting specifications:

3.6.1. Account Setup: The System must permit the addition of new Licensed Video Lottery Agents.

3.6.2. Accounting Period: The normal accounting cycle for computing monies between the Video Lottery Agents and the Lottery is currently Monday through Sunday. The accounting period is also referred to as an accounting week or business week. However, the Primary Vendor's system must provide flexibility to allow for daily or other periods in the event a business need arises for this. The Lottery reserves the right to change the accounting period during the terms of the contract.

3.6.3. Adjustments and Reimbursements: The Solution must provide an application for the Lottery to make Internet Wagering account adjustments and reimbursements. Authorized management application users must have the ability to make adjustment entries to the player accounts with a complete audit trail of adjustment amounts, date of adjustment, user who entered the amount and description/reason for the adjustment.

3.6.4. Tracking for Account Changes: The Solution must provide for tracking all changes to the Video Lottery Agent's master file and accounting files. There must be displays and reports that show past changes and statuses of the files. This includes but is not limited to any and all changes made to a player's account that must be tracked by the individual making the adjustment as well as the day, time and other related information.

3.7. Internet Wagering Program Planning

The Primary Vendor must apply its best efforts to support the Lottery's Internet Wagering program planning, assisting the Lottery to achieve its financial objectives. The Primary Vendor must, allow for growth into new features and functionality that the Lottery may determine would be productive if made available in Delaware and which will assist the Lottery in maintaining market leadership. As the Lottery may direct in such a case, the Primary Vendor is obligated to put forth a good faith effort to implement such a version or variation of internet wagering, or if need be, to acquire rights and/or software and any other mechanisms on behalf of the Lottery to implement such a wagering product.

- 3.7.1. Additional Game Types:** The Lottery reserves the right to add additional types of games at any time later in the Contract. Some new game types have been referred to in this RFP.
- 3.7.2. Additional Third Party or External Games:** The Lottery may identify additional games not in the initial library of Vendors that would be productive if available.
- 3.7.3. Additional Game Features:** The Lottery reserves the right to add new features to existing or new games such as side betting software.
- 3.7.4. Additional Payment Methods:** The Lottery may identify additional payment methods not initially selected by the Primary Vendor.

3.8. Primary Vendor Facilities

As outlined in **Appendix F- DTI Standards, Policies and Response Documents**, the Primary Vendor must support a primary site and a separate remote backup site, and additional Primary Vendor service facilities as needed

- 3.8.1. Local General Office and Service Center:** The Lottery prefers but does not require the Primary Vendor to have an office in Dover Delaware. While a local office is not required, the Lottery expect timely responsiveness from the Vendor for day-to-day operations. The presence of a local office does not affect the scoring of this RFP.
- 3.8.2. Business Continuity and Disaster Recovery Plan:** All Contracting Vendors must provide and annually update a business continuity and disaster recovery and contingency plan for the computer centers and administrative facilities used in this Contract. The plan must be delivered no later than two (2) months after the Production Operations launch date. plan must define the number of tests performed annually and the extent must meet state standards for disaster recovery testing.

3.9. Support Services and Operations Security Plan

The Primary Vendor is required to provide the Lottery a variety of services as described below.

- 3.9.1. Operations Services:** The Primary Vendor shall provide operations and monitoring services for the Solution. These duties shall include network management, player monitoring, customer service, System monitoring, report generation, file backups, start-up and shutdown tasks and various operational procedures to enable the correct operation of the System, including System recoveries.
- 3.9.2. User Documentation:** Quick reference guides on the correct procedures are required. Such documentation must contain, at a minimum, information and instructions on, obtaining and using the reports, creation and implementation of promotions and other marketing tools, first line support procedures, adjustments and other required documentation.

The Primary Vendor shall update training materials and any user and player documentation. Copies shall be supplied to the Lottery and to the Licensed Video Lottery Agents by two (2) weeks prior to the start date of any change.

- 3.9.3. Delaware Staff Training and Support:** The Primary Vendor must provide training for Lottery

staff, Licensed Video Lottery Agents, and all relevant parties involved in the Lottery's management of the Internet Wagering Solution, at the Lottery offices, or appropriate locations as approved by the Lottery. Training for the Lottery must include all aspects of the Solution both at installation as well as on-going, including for each major upgrade. Such support shall include an overview from each department responsible for managing the Solution. In addition, training will also cover the specific responsibilities required by the Lottery and Video Lottery agents including reporting, marketing and promotions, affiliate management, managing and updating player exclusion lists, venue player management (deposit/withdrawals). Frequent on-going training and communication between the Primary Vendor and the Lottery/Video Lottery Agents will be required and shall include the following:

1. **Trouble Tracking, Dispatch, and Reporting System (Hotline Support):** The Primary Vendor shall staff a hotline function for general questions and issues, and shall maintain a database and reporting system that fulfills the following criteria:
 - a. **Tracking:** Tracking and reporting all of support contacts and incidents regardless of whether or not actual problem(s) are found.
 - b. **Maintenance Information:** The Primary Vendor is required to provide maintenance data for the Contract term, with at least twelve (12) months of data online.
2. **Call Management:**
 - a. **Staffing and Hours.** Customer Services must be staffed and managed to ensure timely, professional and accurate response to all calls. Calls must be taken on a 24/7 basis.
 - b. **Call System.** The Primary Vendor must provide a call management capability, both a call system and toll-free circuits.

3.10. Key Components Requirement and Responsibility Matrix

Operations Expertise: Management and support of the Internet Wagering Solution

Item	Description	Responsibilities
RESPONSIBLE GAMING		
Responsible Gaming	Set and manage operator and/or regulator policies to ensure the Solution upholds the highest standards for a fair and safe gaming experience that protects players from the adverse consequences of gaming.	The Primary Vendor is responsible for advising the Lottery and the Licensed Video Lottery Agents on its policies for responsible gambling. The Lottery shall have final approval of all responsible gambling policies.
	Manage the player interaction once policies are close to being reached or have been reached.	The Primary Vendor will work in conjunction with the Video Lottery Agents in managing communication with both the

	Examples include wager and deposit limitations, self-exclusion, cooling off, etc.	<p>players as well as the Lottery.</p> <p>The Primary Vendor will be responsible for managing voluntary and involuntary player exclusion lists for the Lottery and the Licensed Video Lottery Agents as it pertains to Internet Wagering.</p>
Fraud & Collusion	<p>Manage actual and potentially fraudulent activity and player collusion including stolen credit cards, identity fraud, poker table collusion (chip dumping, whipsawing), money laundering, etc.</p> <p>Manage the communication with the player as well as reporting such activity to the appropriate parties</p>	<p>The Primary Vendor shall suggest the policies for all fraud and collusion for the Delaware Internet Wagering Solution. All policies shall be approved by the Lottery.</p> <p>The Primary Vendor shall implement and manage fraud and collusion policies for the detection and prevention of potentially fraudulent activity.</p> <p>The Lottery and the Delaware Division of Gaming Enforcement are advised of all incidents relating to fraud and collusion. The Licensed Video Lottery Agents are notified of all system-wide incidents of fraud and collusion as well as any individual incidents that specifically relate to the players.</p>
FINANCE		
Transaction Management (Payment Gateway)	<p>Manages an integrated payment solution that offers an array of payment methods including ACH, credit/debit cards, e-wallet, wire transfer, pre-paid cards, pre-paid accounts and cash at specified retailers.</p> <p>Sets and manages the policies and limitations surrounding all</p>	<p>The Primary Vendor shall manage the processing of financial transactions as well as all related activity including third party authentication on deposit and withdrawal.</p> <p>The Primary Vendor shall manage the relationship with the payment processors and financial</p>

	<p>financial transactions including setting deposit/withdrawals limitations (delays for withdrawals, maximum amounts, frequency, payment methods)</p> <p>Ideally, the payment solution will also assist in value-add services such as anti-money laundering and fraud checking.</p>	<p>institutions on the Lottery's behalf.</p> <p>The Lottery shall define the policies that relate to all transaction management, namely deposit and withdrawals.</p> <p>The Primary Vendor shall implement these policies as well as advise the Lottery on an ongoing basis. The Primary Vendor may offer suggestions to the Lottery that improve the integrity of the of the Internet Wagering Solution with regard to transaction management to minimize any potential of fraud or abuse.</p> <p>The Lottery and the Delaware Division of Gaming Enforcement is advised of all incidents relating to any issues regarding payments. The Licensed Video Lottery Agents are notified of all system-wide incidents of any payment related issues as well as any individual incidents that specifically relate to their players.</p>
Funds Management	Sets policies and manages the movement of funds to/from players, payment processors, Primary Vendor, Lottery and the Licensed Video Lottery Agents including reconciliation of the payments and game play activity.	<p>The Lottery shall define the policies that relate to controlling the flow of funds.</p> <p>The Primary Vendor shall implement these policies as well as advise the Lottery on an ongoing basis. The Primary Vendor may offer suggestions to the Lottery that improves the movement of funds.</p>
MARKETING		
Player Acquisition & Retention Marketing	Develop, manage and execute online and offline marketing and bonus promotions including management of promotions and	The Primary Vendor shall provide training and ongoing guidance to the Lottery and the Licensed Video Lottery Agents in developing,

	<p>other marketing campaigns for deposit, re-deposit, game play, event sign-up, venue player sign up, etc.</p> <p>Also includes onsite tools to assist in marketing on the apps and website through database marketing, app store and search engine optimization, digital campaigns etc. .</p>	<p>managing and executing their own online and offline marketing and bonus promotions.</p> <p>Primary Vendor monitors bonus requirements and player activity around the bonus promotions to mitigate fraud and bonus abuse. The Lottery approves all marketing promotions created by the Video Lottery Agents.</p>
eCRM and player communication & Player Segmentation	<p>Electronic customer relationship marketing includes a wide array of communication touch points to a player including welcome/signup pages/emails, all ongoing email campaigns, banners, buttons and any other message the player sees. Messaging can be general or targeted to a specific segment.</p>	<p>The Primary Vendor may provide eCRM expertise to the Licensed Video Lottery Agents, depending on the needs of individual Video Lottery Agent.</p> <p>The Primary Vendor shall provide training, guidance as well as on-going communication with the Licensed Video Lottery Agents to assist them in managing their own marketing and player communication.</p>
VIP Management	<p>Structure a multi-level program for high value players with rating criteria for each VIP level as well as associated bonuses and gifts.</p> <p>Select and manage the high value players across all products.</p> <p>Determine policies of the VIP program for initial selection and retention.</p>	<p>The Video Lottery Agents are responsible for managing their own VIP programs.</p> <p>The Primary Vendor will assist the Video Lottery Agents in structuring their VIP programs including establishing VIP criteria, communication and bonus offering.</p> <p>Provide training and guidance as well as on-going communication with the Video Lottery Agents to manage their own VIPs.</p>
GENERAL MANAGEMENT		

Conduct and Management of Internet Wagering Solution	Manages the general policies and thresholds with regard to the Internet Wagering operations including a universal set of Player Terms and Conditions, prize payouts, sign-up restrictions, play mechanics, etc.	<p>The Lottery shall have complete authority and discretion in setting the policies and thresholds with regard to the day-to-day operations of the Internet Wagering Solution.</p> <p>The Primary Vendor shall advise the Lottery on such policies and may make suggestions on an on-going basis.</p>
OPERATIONS		
Reporting	Create, manage and execute all standardized, custom and ad-hoc reports that relate to all aspects of the Internet Wagering Solution.	<p>The Primary Vendor shall be responsible for creating standard, custom and ad-hoc reports for all aspects of the Internet Wagering Solution.</p> <p>The Lottery and the Licensed Video Lottery Agents will be responsible for accessing and downloading the reports.</p>
Player Identification & Authentication (KYC)	<p>Sets and manages policies and communications for all “Know Your Customer” (KYC) policies for authenticating players to ensure the integrity of the Internet Wagering Solution. This includes policies for age related matters (e.g., near underage), residency, player wager limits for affidavits, criteria for photo identification, etc.</p> <p>Manages the relationship with third party Support Service Vendors to assist in carrying out the KYC checks.</p>	<p>The Primary Vendor shall set and manage all of the player KYC policies. The Lottery shall have the right to approve such policies.</p> <p>The Primary Vendor will be responsible for managing the relationship with all third-party Support Service Vendors assisting player identification and authentication.</p> <p>Primary Vendor will report any incidents that violate Lottery policies or where known KYC checks failed.</p>

Geolocation	<p>Sets and manages the policies for location-based decisions with regard to players including when players are potentially at risk or near risk of being outside the State of Delaware or other restricted area as well as players spoofing their IP to look like they are inside state borders.</p> <p>Manages the relationship with third party Support Service Vendors to assist in identifying player location.</p>	<p>The Primary Vendor shall set and manage all player geolocation policies. The Lottery shall have the right to approve such policies.</p> <p>The Primary Vendor shall be responsible for managing the relationship with all third-party Support Service Vendors assisting in player location.</p> <p>Primary Vendor will report any such incidents that violate Lottery policies.</p>
Hosting and Infrastructure	<p>Provides the physical facilities for the Lottery to store the required hardware (including primary and backup sites) to run the Internet Wagering Solution.</p> <p>The facility must be 'state of the art' and should meet or exceed the State's Data Center Policy guidelines (http://dti.delaware.gov/pdfs/pp/DataCenterPolicy.pdf) outlined in Appendix F.</p>	<p>The Primary Vendor shall manage the relationship with the hosting Vendor.</p> <p>The servers will be owned or leased by the Primary Vendor.</p> <p>The Primary Vendor, together with a hosting partner, shall suggest the requirements and policies for security, encryption, business continuity, disaster recovery and other hosting related considerations.</p> <p>The Lottery shall have approval of such responsibilities and policies.</p>
GAMES		

Casino Game Software	<p>Selects and manages the suite of games offered on the Video Lottery Agent websites. This includes organization and placement of the games on the websites as well as customization of the games (logos on tables, load pages).</p> <p>The Lottery's Internet Wagering Solution will offer one version of casino table games, internet sports betting, poker and bingo (not necessarily from the same Game Vendor) and will offer multiple Video Lottery Games from multiple Vendors.</p>	<p>The Licensed Video Lottery Agents shall select the games subject to the approval of the Lottery.</p> <p>The Primary Vendor shall advise the Lottery and the Licensed Video Lottery Agents on such decisions in an effort to leverage the Primary Vendors experience as it relates to quality, integration cost/ time to support such games.</p> <p>The Primary Vendor shall manage the relationship with the Game Vendors with regard to the day-to-day operations.</p> <p>The Lottery will contract directly with the Game Vendors and shall be responsible for the financial payments to the Game Vendors.</p>
Internet Sports Betting	<p>The Lottery is seeking a full service offering to include all of the core operations sports-betting capabilities. The Lottery may from time to time seek to add special game formats such as a quick pick and/or statewide contests such as a handicapping or survivor/elimination.</p>	<p>The Primary Vendor will be responsible for the following components of the internet sports betting</p> <ul style="list-style-type: none"> • Event Creation • Market Creation • Odds Compilation • Risk Management • Bet Settlement • Content Management • Fraud detection including collusion, syndicate players and other general player abuse • Custom game formats/ contests.
Network & Progressive Management	<p>The management of the day-to-day operations for peer-to-peer games, sports contests, and casino progressive bonuses including setting up and managing the games, rooms and tournaments on a 24/7 basis to maximize game play and liquidity.</p>	<p>The Primary Vendor will be responsible for the day-to-day network management including setting and enforcing network policies. Primary Vendor shall be responsible for the management of both network wide and Video Lottery Agent's individual rooms and</p>

	Also includes chat moderating/ hosting for bingo as well as setting policies for progressive and jackpot management.	tournaments.
Player Education	Content that educates players to better understand the intricacies of the various games including poker, blackjack, baccarat, craps, etc. Content includes dedicated written instructional pages, video-based lessons and interactive playing lessons.	<p>The Primary Vendor will supply a basic level of player education content.</p> <p>To the extent the Licensed Video Lottery Agents want additional or customized content, they will be responsible for developing such content as their own expense.</p>
CUSTOMER SUPPORT		
<p>First Line Customer Service</p> <p>Customer Support Services via email, telephone and online chat in English</p>	Communication with players to assist in any incidents or other questions using a variety of communication methods including in-bound calls, chat, email.	<p>The Primary Vendor will be responsible for all first line communication with the players.</p> <p>Customer service will be conducted in English, operated 24/7 and will cover all products offered.</p> <p>The Lottery shall have the ability to monitor such activity including access to customer incidents and communication such as phone conversations, emails and chat history.</p> <p>The Primary Vendor will report critical incidents immediately, and non-critical incidents on a weekly basis to the Lottery and to the extent relevant with Video Licensed Agents</p>

Second Line Customer Support	All communication between the Primary Vendor and third-party Vendors including internal software, hardware and services such as hosting, game software, payments, player identity, geo-location etc.	<p>The Primary Vendor will be responsible for all incidents not resolved by the first level support. The Primary Vendor will be responsible for communication with both Game and Support Service Vendors including technical and operational issues.</p> <p>The Lottery will have oversight of second line communication and as such will have access to telephone conversations, emails and chat history.</p> <p>The Primary Vendor will report critical incidents immediately, and non-critical incidents on a weekly basis to the Lottery and to the extent relevant with Video Licensed Agents.</p>
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PAM Platform: System that integrates the game software (multiple Video Lottery games, internet sports betting, poker, bingo, casino table games, and other games) as well as proprietary and third-party products and services as determined by the Lottery. The Primary Vendor will be responsible for developing and managing the following components:

Item	Description
Account Management Module	<p>Database that stores the customer details including address, birthday, bet history, deposit history as well as player activity, game history, financial transactions, customer service call logging, etc.</p> <p>Core of the system to service all other aspects of the Internet Wagering Solutions for player and operations management.</p>
Registration Module	First direct point of communication with the player. The registration module includes a multi-level system for obtaining player data. Levels include: (1) free play registration and (2) play for real money registration as well as bonus options at point of registration, player segmentation (table games, Video Lottery games, poker, etc.) and password management.

Multi-Level Reporting Module	Standard, custom and ad-hoc reports that are generated from the account management module. Monitors site performance, individual activity, reconciliation of player activity and cash balance. Reporting module offers multiple levels of reports including (1) the Lottery reports, (2) Video Lottery Agent reports, (3) affiliate reports/marketing campaigns and (4) other internal reports.
Player Authentication Module	A tool set that enables operators to manage a suite of third-party Vendors to verify and locate players against an internal set of criteria/policies set by the Lottery.
eCRM and Communication Module	eCRM (electronic customer relationship management) tools to manage activity generated by direct communication with the player including banner tracking, email creation, analysis and management (e.g., welcome email, deposit or redeposit email) and other communication with the player.
Content Management Systems (CMS)	Enables an operator the ability to create and publish content throughout the site (specified pages). The CMS offers a single point of change for the operator to seamlessly change multiple pages or campaigns. Content can include specific text or banners. CMS system also offers seamless integration of third-party content feeds.
Marketing Module	<p>Suite of tools to monitor the bonus creation, monitoring, wager requirements, bonus trigger, multi-level VIP requirements non-cash tools, VIP rating.</p> <p>Marketing module must have internal approval controls to enable the Lottery to approve all Video Lottery Agent promotions.</p>
Single Account Wallet with Integrated Cashier	Platform to allow third party payment gateways to plug multiple payment processor into one cashier. Ideally allows seamless movement of chips throughout site without the need for a chip transfer across products. Manages multiple currencies, deposit limits and other responsible gaming provisions.

Network Management Tools	Platform to manage multiple operators in a common pool of players including poker, bingo and casino progressive bonus. Tools include game and tournament scheduling at both the operator and network level.
Customer Service Module	Multi-level communication platform/tracking system that incorporates inbound/outbound email, telephone, fax and chat. Intelligence system, with IVR to enable customer service reps to effectively resolve customer enquiries.
API Integration	Set of protocols to enable a variety of third-party products and services to be integrated into the Primary Vendor's platform, including games, other standard products and services as well as video streaming, event feeds, information services and other external systems.
Fraud & Security Module	Set of tools to monitor player activity from inception when a player clicks a banner to final withdrawal. Real time tracking and alerting of unusual player behavior against internal policies to identify potential unwanted player activity such as collision, IP spoofing etc.
Responsible Gambling	Set of tools to monitor player behavior and mitigate unwanted potential threats. Tools are managed against internal policies and include session limits, player spending tracking and limits and other self-exclusion tools.
Jurisdiction Compliance	Set of tools to easily and seamlessly manage compliance in a multi-jurisdictional environment including game offering, bonus treatment, KYC, tax liability, self-exclusion provisions, etc.
Operations Management	A suite of tools to enable a single operator the ability to offer partners (skins) their own branded site with an adequate level of customization including bonusing, marketing and promotions as well as player communication and VIP management.
	The system accounts for multi-level tracking (e.g., the ability to track a white label campaign code) to allow skins and licensees the ability to track player activity as well as access reports for their players.

Site/App Optimization	A suite of tools that enables operators to manage their website for search engine optimization or app for app store optimization.
Frontend Design	Deliver a seamless user journey throughout app and website. Optimize positioning and contents of navigation bars, account pages, game tiles and toggling across game genres.

PART 4: VENDOR RESPONSE FORMAT**4.0 Introduction**

All Vendors are to complete Section 4.1. Sections 4.2, 4.3 and 4.4 shall be filled out by those Vendors who are submitting for the Primary Vendor, Game Vendor and Support Services Vendor, respectively. **Vendors are required to complete the DTI required response documents in Appendix F.**

Each of the sections below should be answered in full. To the extent any section below does not require an answer, Vendor shall indicate a willingness or ability to comply with such statement. If the Vendor does not comply, please explain.

To the extent a Vendor currently does not operate or offer products or services for any of the below sections, (e.g., White Label tools or services), please indicate “Not Offered” and any such plans to offer in the future.

For companies that offer a vertically integrated product (i.e., more than one section), a Vendor has the option to offer a proposal for multiple sections such as Primary Vendor and Game Vendor. Vendors that are submitting for multiple sections (i.e., Primary Vendor and Game Vendor) are able to cross- reference their answers if they have already provided a similar response in another section. The same holds true for answering questions within the Primary Vendor section in which the Primary Vendor is a sole submission. All cross-referenced answers must supply the appropriate numbered section indicating where the answer is cross-referenced.

4.1 ALL VENDORS BACKGROUND INFORMATION

This section is to be completed by all Vendors. This section should be completed individually for each company that is named in the Proposal as well as each significant subcontractor.

4.1.1. Trading Name and Registered Business Address

Provide the registered name as well as any trading name. If applicable, provide the primary function for each of the trading names. Also include the jurisdiction of incorporation if different than registered business address.

4.1.2. Office Locations

Provide details about each of the Vendor’s offices or facilities:

1. Name of subsidiary (if different than Corporate).
2. Office Address.
3. Primary business function (e.g., sales, development, operations, customer services).

4.1.3. Role in the Proposal

Specify the business function(s) included in this submission by Vendor: PAM platform, Operations Management Expertise, Game Vendor or Support Services. If Support Services Vendor, please identify the specific product or service (e.g., payments, know-your-customer, geolocation, etc.).

4.1.4. Brief description of the company

Give a description of the Vendor’s operation of business, specifically highlight the products or services the Vendor is proposing for this RFP process. Please be specific as it relates to Vendor’s business to assist the Lottery in understanding the Vendor’s lead unique selling point (USP).

4.1.5. Number of years in Business.

Provide the total number of years in business. In addition, provide the number of years in specifically in the Internet Wagering business if different from total years in the business.

4.1.6. Executive Team

Provide the Name, Title and Tenure with the company of each of the offices and directors in the company.

4.1.7. Organization Size

Provide the number of personnel for each of the following categories:

1. Number of full-time employees (breakdown by office location above).
2. Number of part-time employees (breakdown by office location above).
3. Number of contractors, subcontractors or consultants (breakdown by office location above).

4.1.8. Organizational Chart

A breakdown by business function/unit, listing the number of employees and contractors in each function including any parent and subsidiary.

4.1.9. Jurisdictions of Operations

4.1.9.1. Explanation of internal policies for operations dictating which countries the products and service are offered or restricted.

4.1.9.2. List all states and countries the Vendor is providing products or services in regulated markets. Specify which products or services are offered in each specific jurisdiction.

4.1.10. Gaming License(s)

4.1.10.1. Total Gaming Licenses: Provide the total number of gaming licenses, by country and/or region as well as by license type (operator, supplier, services).

4.1.10.2. iGaming License(s): Name of each license, by jurisdiction for those that relate to Internet Wagering only.

1. Provide a copy of all licenses.
2. Specific products and services that are licensed, by jurisdiction.
3. Year in which each license was obtained.
4. Certification company, if any, that conducted the product or services certification testing. Provide a copy of all certifications.

4.1.10.3. Lost License(s): List of any jurisdictions withdrawn, denied or lost license. Reason for such activity.

4.1.11. Business Customer(s)

Provide detailed information for third party licensees and customers as it relates to the following:

4.1.11.1. Total Number of Customers: Provide the total number of licensees or customers, by state, country and/or region.

4.1.11.2. Internet Wagering Customers: List each licensee or customer by name:

1. Specific products or services licensed to each customer.
2. Date of commencement of product or service.
3. Jurisdictions in which products or services are licensed.

4.1.11.3. Terminated or Suspended: List all terminated or suspended customers in the past three (3) years for the Vendor including subsidiaries, intermediate companies, parent company or holding company as well as for any substantial subcontractor.

1. Name of licensee in full detail (private company, government agency, etc.). Include address and telephone number.
2. Reason for leaving or any order, judgment or decree of any federal or state authority barring, suspending or otherwise limiting the right of the Vendor to engage in any business, practice or activity, or if trading in the stock of the company has ever been suspended, with date(s) and explanation(s).

4.1.11.4. Pipeline: Provide a brief description of the major current projects/customers in development or in pipeline (i.e., contracted yet not live). Provide the entity type (e.g., commercial casino, Indian casino, state or federal lottery, North America, Europe etc.), location of entity and product type (e.g., PAM, games, support services, etc.).

4.1.11.5. Average Customer (Licensee) Performance: Provide the average size of licensee as it relates to Internet Wagering only:

1. Average number of players per month (if applicable).
2. Average Gross Gaming Revenue or Average Revenue (if Support Service Vendor).

4.1.11.6. Largest Customers (Licensees): Provide the three (3) largest or most recognized licensed customers (by Gross Gaming Revenue):

1. Products and services supplied.
2. Percentage of total revenue.

4.1.11.7. Provide an example, along with supporting detail, of a recent successful implementation of the Vendor's proposed Internet Wagering Solution into newly regulated markets. Please provide as recent an example as possible.

4.1.11.8. Provide an example, along with supporting detail, of a recent unsuccessful implementation of Vendor's proposed Internet Wagering Solution into newly regulated markets. Describe the lessons learned which would be applicable to Delaware's Internet Wagering initiative.

4.1.12 Government Relationships

Provide explanation or examples of business relations, if any, with a government entity. If no relationship with a government entity exists, please state "none".

4.1.13 Corporate Ownership Structure

List of any individual or company with over 5% ownership.

4.1.14 Financial Viability

In order to ensure the Vendor's financial ability to perform under the contract, the Lottery requires the following financial information. **This should be submitted with the original Proposal on an electronic media device only (as referenced in Section 1.10).**

4.1.14.1 Submission of Financial Statements. All Vendors and substantial subcontractors must submit certified financial statements, or federal income tax returns if the Vendor or substantial subcontractor does not have certified financial statements prepared for the last two (2) fiscal years. Certified financial statements must be the result of an audit of the entity's records, prepared in accordance with Generally Accepted Auditing Standards (GAAP) by a certified public accountant, or non-US equivalent. The certified financial statements shall be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and must include balance sheets, income statements, statements of cash flows, statements of retained earnings, notes to the financial statements for both years, and any management letters that have been received for those years. For non-U.S. entities, the equivalent non-U.S. accounting standards apply.

4.1.14.2 Subsidiaries. If a Vendor or substantial subcontractor is a subsidiary of a parent entity and the Vendor or substantial subcontractor does not have its own, separate financial statements, the Vendor or substantial subcontractor may satisfy its financial responsibility submission requirements by submitting the consolidated financial statements of its parent entity if the consolidated financial statements include the activity of the Vendor or substantial subcontractor. If a Vendor or substantial subcontractor submits the consolidated financial statements of its parent, the parent must serve as financial guarantor of the Vendor or substantial subcontractor.

4.1.14.3 Parent Corporation Resources. If the Vendor is a subsidiary and will rely on the financial resources of the parent to perform this contract, the parent must certify, in writing in a form acceptable to the Lottery, the availability of its resources to the Vendor. Parent entities that serve as financial guarantors of subsidiary firms shall be held accountable for all terms and conditions of the RFP and the resulting contract and shall execute the Contract as guarantor.

4.1.14.4 External Borrowing. The Vendor must provide a letter of commitment in a form acceptable to the Lottery from a creditor acceptable to the Lottery, if outside borrowing will provide any or all of the funding for this project.

4.1.15 Recognition or Awards

List any recognition and awards received by the Vendor. Specifically state the name and year of the award. Provide objective data to support industry reputation and product recognition claims.

4.1.16 Litigations

Provide a description of any current or pending litigation.

4.1.17 Primary Research

The Lottery values companies that invest resources into improving the player experience and understanding as well as gaming related initiatives. Provide details of any such internal initiatives that have been conducted over the past 36 months, project and high-level findings. Describe how the Vendor's company is using the information to improve their products and services.

4.1.18 Adherence to Industry Standards

List, describe and demonstrate proof of industry standards that the Vendor adheres to ensure best practices for both US and international standards associations. (e.g., ISO, PCI, DSS etc.) **Respondent**

Note: All products offered for use in the Internet Wagering application shall meet all OSHA safety standards as required. State if all OSHA standards are adhered to in the workplace, or any non-US equivalent standard for workplace health and safety.

4.1.19 Affiliations and Membership

List any affiliations or memberships received by the Vendor. Specifically state the name and the year obtained.

4.2 PRIMARY VENDOR SUBMISSION

The Lottery is seeking a Primary Vendor that is highly experienced to provide an end-to-end solution inclusive of a PAM and managed services in a single submission. The Primary Vendor may own and operate the PAM and/or managed services itself or sublicense such expertise to a third-party vendor. In addition, the Primary Vendor may be a B2B vendor or an existing operator in another state.

4.2.1 General Information of Primary Vendor(s):

If the Primary Vendor is sublicensing any part of the submission, list all companies that are included in the submission and each company's specific role.

4.2.1.1 Participating Primary Vendor(s): List the name of the individual company. If the Proposal includes sublicensees, list name of each company and their respective role in the submission. Also describe each company's specific role as the Primary Vendor relationship including the respective products and services to supplied by each Vendor.

4.2.1.2 Vendor(s) Pending Workload: Please provide a brief description of current projects that are scheduled to deploy in 2023/2024 which may cause conflict or divert resources away from this project to launch on a timely manner. **Response Note:** each Company named in the Proposal as a Primary Vendor must provide a timeline of other project commitments that may be concurrent with this implementation and provide evidence that it would be possible to conduct multiple implementations without schedule and quality delays due to resource overload.

4.2.1.3 Project Management Capabilities:

4.2.1.3.1 Demonstrate management capacity to conduct the implementation and oversight of a solution critical to this project. Describe quality practices, and in particular whether the Primary Vendor's project staff is certified under the Project Management Institute PMP program or other recognized project management practices standards.

4.2.1.3.2 Provide an example of a current B2B or B2G contract management structure currently in practice, which would be similar to the one proposed for the Delaware Internet Wagering Solution. If Primary Vendor does not have any experience in working with a government entity, demonstrate ability to manage a B2B relationship in a highly regulated environment.

4.2.1.4 Primary Vendor Project Team: The Primary Vendor must provide information, as specified below, that documents its organizational structure and the staffing with which Internet

Gaming Solution will be implemented and run. The Vendor must identify substantial subcontractor staff and consultants by name, where such subcontractors or consultants are anticipated to be part of the implementation and ongoing operational support efforts. The Proposal must make clear which company each team member is associated, and which are subcontractors or consultants.

4.2.1.4.1 Implementation Staff. The Primary Vendor shall provide an organization chart showing names of all management, supervisory, and key technical personnel who will be active in

the implementation of the Internet Wagering Solution. The Primary Vendor must indicate what specific Contract function(s) staff will perform and how long it is anticipated they will be engaged. For staff not yet identified, the Proposal shall identify individuals by title and describe qualifications.

4.2.1.4.2 Ongoing Operating Staff. The Primary Vendor shall provide an organization chart and high-level position descriptions listing names of all management, supervisory, and key technical personnel who are expected to be active in the ongoing operations of the Internet Wagering Solution. For staff not yet identified, the Proposal shall identify and quantify them by title.

4.2.1.4.3 Resumes. In accordance with the information required in Section 2.18, the Primary Vendor shall provide biographies or resumes of all management, supervisory and key technical personnel planned to be involved in the installation, implementation, and operation of the Internet Wagering Solution, and shall provide for each such person:

1. Full name.
2. Address.
3. Most recent five (5)-year employment history.
4. A specific description of experience that person has with internet wagering systems and/or managed services.
5. Specific indication of the role the individual will have in this project.
6. Any additional helpful information to indicate the individual's ability to successfully perform the work involved in the Contract.

4.2.1.5 Implementation Strategy: The Primary Vendor is at liberty to propose an implementation strategy that would best support the Lottery's needs. The Primary Vendor must provide a detailed implementation plan and time chart (Gantt, PERT, or similar) identifying the major milestones to be accomplished for the business requirements definition, construction, equipment delivery, software programming, installation, testing, and file preparation. **The Lottery wishes to have the Internet Wagering Solution live and taking wagers with each Licensed Video Lottery Agents' apps and/or websites no later than November 1st, 2023.**

4.2.1.5.1 Installation and Acceptance Testing: The Lottery will conduct a series of acceptance tests, which the Primary Vendor is obliged to support. The Lottery may be represented by a third party engaged for software testing in Delaware.

- 1. Schedule for Acceptance Testing.** To support acceptance testing, the Primary Vendor must have the facilities, computer hardware, communications hardware, and System software, installed and operational at least ten (10) days prior to production. At that time the Operations Security Plan must be ready for approval.
- 2. Release Notes.** Each release of software that requires testing by the Lottery prior to production installation must be accompanied by change control documents. These documents must evidence good configuration management practices, namely each change or release must be identified by a version number and the changes must be succinctly defined. This requirement shall extend throughout the Contract.
- 3. Project Reporting and Monitoring:** The Primary Vendor must propose a dedicated on-

site technical project manager for the implementation. The Primary Vendor must propose a project team structure, process, and tools that facilitate Lottery oversight of the implementation. Regular reporting, walkthroughs, and project status meetings are required.

- 4.2.1.6 Primary Vendor Service Level Agreement (“SLA”):** Describe in detail the standard levels for support that would be included in an SLA. Include a high level standard Service Level Agreement that the Primary Vendor will adhere to in managing the Internet Wagering Solution. Include uptime, response time to inquiries for players (telephone, email, chat, fax), hours of operation, customer complaint communication, Lottery inquiry communication. The SLA shall comply with the Liquidated Damages clause in Section 2.14.
- 4.2.1.7 White Label Experience:** Provide a description of any and all instances where the Primary Vendor has operated multiple brands on a single technology stack similar to the current Delaware iGaming structure. For clarity, the Lottery’s current structure includes a single technology stack that is supporting three separately branded operators.
- 4.2.1.7.1 For such instances provide a description of the level of customization to differentiate the three brands.
- 4.2.1.7.2 Provide a list of examples of such brands/skin including app names and/or websites. whereby the Primary Vendor acts as a Turnkey Supplier for a third party brands. Describe the specific products and services provided by the Primary Vendor.
- 4.2.1.7.3 Number of Brands/Skins currently supported or in pipeline.
- 4.2.1.7.4 Name of Brand/licensee offered or in pipeline (to the extent it does not violate any confidentiality).
- 4.2.1.7.5 URL of apps and/or websites as well as sample of screen shots of examples of brand/skin.
- 4.2.1.7.6 Date of commencement of W apps/websites
- 4.2.1.7.7 Describe the products and services that are being provided by the Primary Vendor on behalf of the operator(s) . With regard to marketing services, be specific as to which marketing services are supplied by the Primary Vendor. If the brand is managing their own marketing, specify what marketing services/guidance, if any, the Primary Vendor is providing.
- 4.2.1.7.8 Brand Performance:
1. Average number of players per month.
 2. Average Gross Gaming Revenue.
- 4.2.1.7.9 Describe in detail what the responsibilities are of the brand/skin.
- 4.2.1.7.10 Describe in detail the most recent relevant implementation of a successful brand/skin.

- 4.2.1.7.11 Describe in detail the most recent relevant implementation of an unsuccessful brand/skin and lessons learned that could be applied to Delaware's Internet Wagering initiative.

4.2.2 OPERATIONS MANAGEMENT EXPERTISE

This section is to demonstrate the Primary Vendor's operations management expertise. The operations management expertise demonstrates the ability of the Primary Vendor to oversee the Internet Wagering Solution by providing the services that are required to operate the underlying platform as well as games management, customer service, player onboarding, and player acquisition, retention, etc.

It is required that the Primary Vendor demonstrates operations management expertise on a business-to-business or business-to-government capacity, by currently supplying Internet Wagering products or services to one or more clients in North America or Europe.

4.2.2.1 General Experience

4.2.2.1.1 **Relationship Management Expertise:** The Primary Vendor shall describe up to three (3) implementations and provide references for the most recent gaming industry licensing arrangements of similar complexity. If the experience is provided by a strategic partner or substantial subcontractor, then information for that entity must be included.

4.2.2.1.2 **Third Party Vendor Management Expertise:** Give example(s) and brief description of the Vendor's experience in managing relationships with multiple third-party Vendors including

1. Games (casino table games, Video Lottery games, live dealer, and/or poker)
2. Payments
3. Hosting
4. KYC, Fraud, Player Identification
5. Account Management (if applicable)
6. Other casino management systems (if applicable)

4.2.2.1.3 **Product Management Expertise:** Provide the most relevant example of providing Direct-to-Consumer, Business-to-Business or Business-to-Government products or services for the following product verticals. Note: if the Primary Vendor does not have experience in a particular product vertical, respond "Not Applicable".

1. Casino
2. Sports
3. Poker
4. Bingo

4.2.2.1.4 **Service Management Expertise:** Provide the most relevant example of providing Direct-to-Consumer, Business-to-Business or Business-to-Government products or services in the following functional areas:

1. Marketing and Promotions (player acquisition, bonusing, VIP)
2. eCRM and Player management (VIP, retention)
3. Operations management (account management, player journey)
4. Payments & Fraud
5. Customer service
6. Responsible gambling
7. Other, please specify

4.2.2.1.5 **Communication Procedures:** Describe planned communication procedure and

documentation with the Lottery and the Licensed Video Lottery Agents. Specify the communication measures in place to ensure seamless communication between Primary Vendor and other Vendors as well as the Lottery and the License Video Lottery Agents. Areas of communication include but are not limited to:

1. Software upgrades
2. New product releases
3. Planned service downtime
4. Unplanned downtime
5. Major incident notifications
6. Player account closure
7. Player fraud or abuse (bonus abuse, structured rings, poorly structured bonus)
8. Violation in player identity (SSN etc.), geolocation, responsible gaming, etc.
9. Any other unplanned or disruptive events

4.2.2.2 Responsible Gaming & Player Protection

4.2.2.2.1 Describe existing player protection and responsible gaming policies.

Describe how a responsible gaming program is integrated into the rest of the organization (e.g., when a player is identified as a potential risk, how is the message communicated throughout the organization).

4.2.2.2.2 Describe internally how player protection is managed against the goals for growth of the business. For publicly listed companies, describe how the process may be different and how it is managed.

4.2.2.2.3 Describe how self-exclusion and other player protection features are handled internally i.e., can the action be performed by the player and/or manually through customer service on the player's behalf?

4.2.2.2.4 Describe the communication process with player once a player has been identified as a potential threat, namely how they are protected from future marketing communication.

4.2.2.2.5 Describe any existing player education programs and how they are communicated and implemented.

4.2.2.3 Payments & Wallet Management

4.2.2.3.1 Describe the types of payment technologies and payment Vendors currently employed in the Primary Vendor's existing operations.

4.2.2.3.2 Describe the current payment options offered by the Vendor's existing operations and the relative ease or friction of each payment method.

4.2.2.3.3 Provide details with regard to specific payment methods you would recommend and an expectation of the percentage of revenue they would represent in Delaware.

4.2.2.3.4 Explain how credit card security is maintained including what payment details are recorded

and what data is encrypted.

4.2.2.3.5 Describe the process of reconciling each payment provider as well as the requirement to maintain a sufficient reserve with each, on behalf of the Lottery and the Licensed Lottery Agents.

4.2.2.3.6 Describe the process for withdrawals with regard to delays for investigation prior to authorization. Specifically describe how the process may change over the player lifetime.

4.2.2.3.7 Describe the Vendors experience with cashless gaming and/or suggestions of integration of iGaming wallet with a retail cashless gaming wallet.

4.2.2.4 Player Identification & Verification

4.2.2.4.1 Describe the process and third-party Vendors contracted with to ensure best practice for player identification and player verification. Has the Primary Vendor implemented a multi-level waterfall for KYC with multiple KYC vendors.

4.2.2.4.2 Describe the suggested policies in place for Know-Your-Customer throughout player lifetime i.e., registration, deposit, and withdrawal as well as any specific player behavior that would trigger additional controls.

4.2.2.4.3 Describe the process for detecting and preventing minors from depositing and/or wagering for real money. Also describe parent controls options that may be provided.

4.2.2.4.4 Describe the process for the prevention of duplicate accounts or accounts from the same household.

4.2.2.5 Compliance and Fraud Prevention

4.2.2.5.1 Describe the resources required in order to detect fraud and prevention of money laundering for an operation similar to that of Delaware's Internet Wagering Solution.

4.2.2.5.2 Describe Primary Vendor's suggested policies and procedures for supporting the prevention of fraud and money laundering In Delaware.

4.2.2.5.3 Describe the Primary Vendor's organizational structure that would be required to support these policies and procedures.

4.2.2.5.4 Suggest reporting requirements that would be necessary to communicate to the Lottery including any internal procedures that would need to be place.

4.2.2.5.5 Describe how the Primary's Vendor's resources would be allocated internally to support the needs of the Lottery.

4.2.2.5.6 Describe the process for the prevention of duplicate accounts, or deliberate or structured fraud including but not limited to multiple accounts in same household, odd betting patterns, etc.

4.2.2.6 Player Geolocation

- 4.2.2.6.1 Describe all of the resources leveraged, both in-house and third-party providers, in determining player location.
- 4.2.2.6.2 Describe the process internally that is followed when identifying a person that is located or playing near or outside of the Delaware border including all internal and external communication.
- 4.2.2.6.3 Suggest reporting requirements and internal procedures that would be necessary to communicate to the Lottery and would need to be place for when a violation of geolocation occurs.
- 4.2.2.6.4 Describe the suggested communication policies that would be in place for a player that is:
 - 1. Nearing the border on a mobile or remote device.
 - 2. A resident already signed up when inside Delaware border and then accessing the Solution while outside the Delaware border.
 - 3. A non-resident signed up when inside the Delaware border and then accessing the Solution while outside the Delaware border.
- 4.2.2.6.5 Describe any experience with using geolocation information for reasons other than restricting player outside the state, e.g., marketing purposes, business analytics, etc.

4.2.2.7 Customer Service and Support

- 4.2.2.7.1 Describe the Primary Vendor's customer service structure and capabilities. Experience includes:
 - 1. Size of operation (number of individuals) and organization structure.
 - 2. Years in business and years in Internet Wagering business.
 - 3. Location(s) of customer support team and number of people in each location by function (manager, rep, product type, daytime).
 - 4. CS team high level structure, e.g., manager to Customer Service Rep ("CSR") ratio.
 - 5. Demonstrate ability to manage clients in varying time zones.
 - 6. Number of customers/brands currently supported. Include products type for each brand/customer and number of years supporting each customer.
- 4.2.2.7.2 **Customer Service Performance Metrics:**
 - 1. Provide the average number of calls per hour.
 - 2. Average speed to answer a customer service call.
 - 3. Efficiency ratio (e.g., calls to CSRs) to assist in keeping cost controlled.
 - 4. Percentage of requests completed successfully (fulfillment rate).
 - 5. Average time to complete a customer service request.
 - 6. Average call abandonment rate.
- 4.2.2.7.3 Describe the operating procedures for the customer Service solution including incident logging, escalation and closure as well as customer service queue management.

- 4.2.2.7.4 Describe the software, either proprietary or third party, used to support the customer service operations.
- 4.2.2.7.5 Provide documentation that demonstrates the maturity and sophistication of customer service operation such as policies and procedures.
- 4.2.2.7.6 Describe the security procedures for all data and player information. Describe the internal process for employing and promoting CSRs to minimize CSR turnover. Describe the hiring processes and internal screening.
- 4.2.2.7.7 Describe the anticipated resources (CSRs, managers) that would converse in American English. Describe if these CSRs and managers would be new hires and where they would likely be located.
- 4.2.2.7.8 Describe the number of anticipated number of CSRs and managers would be required for the Delaware Internet Wagering operations assuming Gross Gaming Revenue of \$25 million per annum across all three Licensed Lottery Agents. describe if the CSR team would be located in United States as well as proximity to Delaware.
- 4.2.2.7.9 Provide the most popular standard reports that are available specifically for customer service. Provide any reports that highlight resolution management and measure performance as well as the ability to provide custom and ad-hoc reports.
- 4.2.2.7.10 Describe any internal quality assurance processes such as manager listening capabilities, dialogue recording and contact monitoring.
- 4.2.2.8 Marketing & Promotions**
 - 4.2.2.8.1 Describe the Primary Vendor's internal marketing team structure including the number of people in each of the marketing channels including acquisition, retention, eCRM, business analytics, SEO/SEM. Describe the marketing team's expertise varied by online marketing channels, off-line marketing channels, promotions.
 - 4.2.2.8.2 Describe the market team that would be dedicated to the Lottery and its Licensed Lottery Agents including the number of people full-time equivalent (FTE) marketing team.
 - 4.2.2.8.3 Provide a sample internal report that monitors the player funnel including clicks, download, registration, deposit, redeposit churn and player value.
 - 4.2.2.8.4 Describe any proprietary or third-party software that the marketing department uses in analyzing the success of a marketing campaign.
 - 4.2.2.8.5 Describe the high-level internal processes and procedures for campaign and promotion management from inception of a campaign, creative, approval, implementation and management.
 - 4.2.2.8.6 Provide examples of three of the Primary Vendor's most successful promotions.
 - 4.2.2.8.7 Provide process for player segmentation and associated targeted communication.

4.2.2.8.8 Describe the process for identification and management of players in the VIP program. Describe the VIP program including multiple VIP levels etc.

4.2.2.8.9 Describe the policies for accounting for progressive casino games across a network of sites. Namely what are the on-going contributions and how are they accounted for.

4.2.2.8.10 Describe the typical policies for promotions for

1. Registration
2. Deposit
3. Redeposit promotions

Does this vary by game genre? Are players allowed one initial deposit bonus per game genre (e.g., if casino, sports and poker are offered, is the player allowed a \$1,500 first deposit match for casino and a separate first wager bonus on sports). What the typical withdrawal policies is when accepting a bonus. Is the withdrawal automatically restricted by accepting a bonus promotion until certain wagering requirements are met? Discuss if the bonus and cash are tied into one account or if the bonus and cash are kept separate until the bonus is earned.

4.2.2.9 Operations Training

4.2.2.9.1 **Overview of Operations:** Describe the process for educating and training the Lottery and the Licensed Video Lottery Agents to understand the necessary level of operations that the Primary Vendor will be managing. Describe the level of education both initially as well as on-going.

1. Provide suggested team(s) to provide training.
2. Describe the areas of operations to be included.
3. Describe what on-going education will be provided and frequency.

4.2.2.9.2 **Marketing and promotions:** Describe the process for educating and training the Lottery and the Licensed Video Lottery Agents to manage the player communication, marketing and promotions. Describe the level of education both initially as well as on-going.

1. Provide suggested team(s) to provide training
2. Describe the type of marketing and promotions to be included
3. Describe how the Primary Vendor will advise the Licensed Video Lottery Agents on an on-going basis.

4.2.2.10 Other Operations

4.2.2.10.1 **Management changes and IT governance:** Provide a list of all industry standards certifications, requirements and frameworks the current proposed Solution adheres to and how the Solution will remain compliant.

4.2.2.10.2 **Audit:** describe any audits that have been regularly executed on the proposed Internet Wagering Solution.

1. Include the types of audits by standards associations as well as financial.
2. Provide how often the audits occur and contact person carrying out audit.
3. Describe any process changes resulting from audit findings.

4.2.3 PLAYER ACCOUNT MANAGEMENT PLATFORM (PAM)

This Section is to demonstrate the expertise in developing a managing a sophisticated player account management system that is successfully deployed in the market and ensures the maximum flexibility and scalability.

Note: respondents are able to cross-reference their answers if they have already provided a similar response in another section so long as they provide the cross-referenced section number.

4.2.3.1 General Experience

4.2.3.1.1 Product Implementation History: Describe the time to complete a standard implementation for a newly regulated market offering casino tables games, video lottery games, live dealer, poker, and/or keno. Please make the example as relevant as possible to Delaware's Internet Wagering Solution.

4.2.3.1.2 Integration of Third-Party Products and Services:

1. Describe the Primary Vendor's ability to maintain an open architecture, allowing for the easy integration of standard third-party products and services. Describe the Vendor's approach to integrating third party Vendors. Include evidence of standards compliant Application Programming Interfaces (APIs).
2. Describe the various components including the player registration, player information, administrative functions and financial reconciliation that would be managed between the Primary Vendor and a third party.

4.2.3.2 Current Internet Game Offering: Provide a list of the Game Vendors and game aggregators that are currently integrated into the Primary Vendor's PAM, include both proprietary games (own developed) or integrated from third party Game Vendors. If integrated into a game aggregator, provide a list of Game Vendors offered through the aggregator. For Game Vendors not currently offered, provide a list of Game Vendors that are in development or in the process of being integrated into Primary Vendor's platform. For each game vendor provider, the number of:

1. Number of casinos, game titles, by genre type (table game, video lottery game, internet sports betting, poker, bingo etc.)
2. Date of integration of Vendor's games, for existing and upcoming integrations
3. Top feature(s) that the Game Vendor offers (free spins, progressive bonus, meta games, etc.).

4.2.3.3 Integration Experience

4.2.3.3.1 Integration of Support Services and other Third-Party Vendors: Provide a detailed list of all other relevant related products or services that the Primary Vendor has integrated and whereby there is a live instance of the integration. List by Business Function (e.g., payment providers, geo- location services, hosting providers, e-vault, identification, fraud, promotions rewards programs, or other). Information to be include:

1. Name of Vendor

2. Commencement of product or service
3. Brief description of the relationship
4. If the product or service is not listed above, specify the type of product or service
5. Specify, if possible, if the third-party Vendor offers their products or services legally in the United States

4.2.3.3.2 **Land Based Casino Management Systems:** Describe the method the Vendor believes to be the most effective method (taking into account both quality and cost) for integrating with the Licensed Video Lottery Agents' existing CMS. This can be achieved by either (i) integrating into the existing land based platforms, (ii) extracting the data from the land-based systems into the Primary Vendor's PAM, or (iii) extracting the data from both the Primary Vendor and land-based systems into the Licensed Video Lottery Agent's operating platforms.

4.2.3.3.3 **Payment Integration:** Describe/list the currently supported types of payment integration with the existing gaming system. Provide examples of the various types of integration that has been implemented within the proposed Solution including both payment service providers and as well as individual banking solutions.

4.2.3.3.4 **Existing Self-Exclusion and Involuntary Exclusion Databases:** The Lottery and each of the Licensed Video Lottery Agents have an existing self-exclusion database that is expected to be integrated into the Internet Wagering Solution. Note: The Lottery maintains a separate database for self-exclusion and involuntary exclusion. The Lottery's exclusions lists will affect players on a statewide basis. Describe any previous integration with a responsible gaming database within a certain jurisdiction.

4.2.3.4 **Responsible Gaming**

4.2.3.4.1 Describe the interaction a player would have with the proposed self-exclusion features from the Internet Wagering Solution. Describe the configuration options available to players.

4.2.3.4.2 Describe the system's capability to integrate numerous self-exclusion and involuntary databases from the Lottery, the Primary Vendor and potentially the Video Lottery Agents. Describe the process managing the maintenance of the combined database to keep the list current.

4.2.3.4.3 Describe the tools in place for disseminating the information regarding violations of responsible gaming to the Lottery and on an as need basis to the Licensed Video Lottery Agents.

4.2.3.5 **Player Protection (Fraud, Identification and Geolocation)**

4.2.3.5.1 Provide a list of third-party Vendors currently integrated into the Primary Vendor's PAM to support in the assistance of identity checks, verification, geolocation and other related potential threats or fraud. List the specific task each Vendor supplies.

4.2.3.5.2 Describe how/if the list above for third-party support Vendors would differ for the United

States and specifically for the Delaware Lottery.

- 4.2.3.5.3 Describe how the tools in the proposed Vendor's Solution are available to assist in actively identifying potentially fraudulent activity including underage gaming, player identification, money laundering and bonus abuse.
- 4.2.3.5.4 Describe any unique features offered that is superior to others in the market or competitor's player protection features.
- 4.2.3.5.5 Describe how information is used internally within the organization to assist in managing player registration and player activity. If outsourced, describe which potential Vendors or geolocation methodologies are recommended.

4.2.3.6 Network Architecture & IT

- 4.2.3.6.1 **Detailed Overview:** Describe in detail the end-to-end technology architecture proposed by the Vendor. Include any comprehensive diagrams that demonstrate robustness and scalability. Describe the details of the operations systems and software used at the various levels including web, application and database levels. Address each of the significant components of the system, including all proprietary components. Describe their relationship to one another and the technology environments in which they are to be operated.
- 4.2.3.6.2 **Modular Approach: Development and Testing:** Describe the network architecture's modular approach separating development, testing and deployment. Describe ability to perform service maintenance without impacting available surrounding services (e.g., take down, upgrade, restart).
- 4.2.3.6.3 **Modular Approach: Critical Apps:** Describe how the network architecture relates to critical applications such as fault tolerance, redundancy, disaster recovery and system backups across various environments including production, testing, staging, reporting. Describe the network architecture's modular approach to ensure no single points of failure (e.g., redundancy).
- 4.2.3.6.4 **Modular Approach: System Functionality:** Describe the network's architecture's modular approach in compartmentalizing business critical functions such as marketing, cashier and registration. Be specific as it relates to the Lottery and the ability for the Licensed Video Lottery Agents to potentially manage their own bonus, promotions, marketing, communication and VIP program.
- 4.2.3.6.5 **System Partitioning:** Describe how the system is partitioned to ensure that less critical functionality is decoupled from more critical services (e.g., memory leak from loyalty point calculation separated from more critical applications or services).
- 4.2.3.6.6 **Rolling Upgrades:** Describe the capability for system upgrades without a degradation in service (i.e., are rolling upgrades available)? If available, are there any restrictions associated with this type of rolling upgrade (i.e., is it possible for major upgrades of the service API or it possible if the API remains backwards compatible)?

- 4.2.3.6.7 **Health Monitoring:** Describe the framework for monitoring the system's health and allowing proactive measures when service degradation is detected.
- 4.2.3.6.8 **Reliance of Third-Party Vendors:** Describe the use of third-party technology, service providers or applications in which the Platform is dependent, and the Vendor does not have complete control. Describe the mitigation strategy to reduce the risk of using third party suppliers (e.g., content management system).
- 4.2.3.6.9 **System Robustness:** Provide metrics for downtime of the system over the past 12 months for the Vendor's three (3) largest customers by revenue. Metrics include planned and unplanned outages, total number of outages per year, total minutes system was unavailable, longest single continuous outage.
- 4.2.3.6.10 **Outage Examples:** Describe the circumstances of the three (3) most serious outages over the past 12 months.
- 4.2.3.7 Data Security**
- 4.2.3.7.1 Provide a detailed flow of information as it relates to players and their transactions including authentication tokens. Include any data sent from the player between the Primary Vendor and the Game Vendor's and/or Support Service Vendors.
- 4.2.3.7.2 Include any information with regard to the encryption of data for both stored and in transit as well as how it is encrypted.
- 4.2.3.7.3 Indicate any systems that store any personal information on the player and what encryption controls are in place for the data while at rest and in transit.
- 4.2.3.7.4 List any third-party Vendors who would have access to any player data or other related data that would be generated as part of the Delaware Internet Wagering Solution. (i.e., hosting providers, managed service providers, subcontractors, consultants and other off- site employees).
- 4.2.3.7.5 Provide a full list of information that will be stored which relates to the player and provide an explanation of how that may be used to create possible player segmentation and identify trends for marketing purposes.
- 4.2.3.8 Account Management**
- 4.2.3.8.1 Describe the process of managing new feature requests from multiple existing clients as well as those clients in development or pipeline.
- 4.2.3.8.2 Described how priorities are set and managed amongst the various client demands as well as how the new feature requests are managed to products already in the development pipeline.
- 4.2.3.8.3 Describe the process for the Lottery or the Licensed Lottery Agents to manage and/or change

onscreen and error messages when players are interacting throughout the app and/or website.

4.2.3.9 Detailed Features Overview

4.2.3.9.1 Registration

1. Provide a list of the data that is captured during the registration process. Specify what is required for a free play registration and what is required for real money wagering registration.
2. Describe the flexibility to reconfigure the registration pages to maximize player conversions. (e.g., single page registration versus multiple page registration).
3. Describe how player identification is achieved at the registration level while controlling the cost of third-party identity checks.
4. Describe the tools available to assist in converting players during the registration process. For example, the ability to retain partial records when players abort the registration process or automated pop-up chat window.

4.2.3.9.2 Cashier and Wallet

1. Describe the specific features and functionality of Vendor's cashier. Is the cashier proprietary to the Primary Vendor with direct integrations into payment providers or requires an integration of a payment gateway. Describe the options available to the Lottery
2. Describe the processes in place to allow players the ability to use multiple payment options when depositing and withdrawing (i.e., does the player have to deposit and withdraw to the same payment method or specific credit card?). Does the platform have the capability to support multiple payment options from the same account? Describe the tools in place to combat fraudulent activity with regard to payment processing.
3. Describe the capability of providing a seamless wallet across products to avoid the need to have chip transfers across the multiple products. Describe how the integration of third-party games is managed to ensure a seamless wallet.
4. Provide examples of the Primary Vendor's cashier pages for deposit and withdrawal.
5. Provide a sample of the reports the player is able to see in the cashier.

4.2.3.9.3 Payments

1. Describe experience with integrating various payment Vendors. Delineate if the payment is integrated directly or through a payment gateway.
2. List all of the relevant payment methods currently supported by Vendor's solution that support other operators in the United States:
 - a. Name of the Vendor.
 - b. Date integrated.
2. Describe the deposit and withdrawal process and whether the withdrawals are batched or automatically approved. Describe the functions, which are automated, and those that are manual as well as the skill set, and resources required.
3. Describe the average length of time to integrate new a payment method or credit card processor of Delaware's choice.
4. Describe details of experience in assisting existing customers to gain Payment Card Industry (PCI) compliance. Specify the PCI compliance awards that existing customers

have been granted.

5. Describe the capability for an operator to allow multiple payment options for a single account. Describe the tools in place to combat fraudulent activity as it relates to payments.
6. Describe how the solution facilitates investigations into potentially fraudulent activity, initially and in subsequent investigations.
7. Describe the audit trail to which the actions are recorded, tracked and time stamped.
8. Explain if the system monitors transactions in real-time.

4.2.3.9.4 **Customization** Describe the capabilities of the system to customize the player experience for each of the Licensed Video Lottery Agents. Customization is both at the platform level as well as the game level. Customization includes game selection, game placement, lobby, logos, color, audio, game menus, cashier, registration, installer, sign on/log out and player communication.

4.2.3.9.5 **Fraud & Collusion:** Describe in detail the tools and feature sets that the Vendor's system offers to prevent any fraud and collusion for operators

1. Describe the tools and each feature set supporting and monitoring potentially fraudulent activities such as money laundering.
2. Describe the communication tools in place to disseminate the information throughout the Primary Vendor's organization.
3. Describe the tools available to proactively detect collusion amongst players especially for poker as well as the use of bots.
4. Describe the popular forms of fraud and collusion.

4.2.3.9.6 **Geolocation**

1. Describe any geolocation, IP verification features included in the product feature set or integration tools for third party Geolocation Vendors.
2. Describe how the geolocation features are implemented to facilitate IP blocking and spoofing to ensure that only those present in Delaware may wager.

4.2.3.9.7 **Customer Service**

1. Describe the feature sets that are available to the customer service representatives to assist them in addressing customer queries on a timely basis and quickly resolving the issues.
2. Describe the various communication methods available to the customer service representatives (chat, email, telephone)
3. Describe features and tools available to the managers of the customer service department to assist them in managing the team effectively.
4. Describe the flexibility of the system for administrative user control. Describe the details of a privilege-based system for multiple level access to restrict access based on role and experience.
5. Describe the ability for administrative users to be able to perform the following functions on the users' behalf:
 - a. Update personal details and preferences.
 - b. Add or remove payment information.
 - c. Deposit and withdraw funds.

- d. Make manual adjustments.
6. Describe the tools in place to manage inbound communication from multiple branded sites from the same single operator.
7. Provide the metrics available for evaluating customer service satisfaction or completion rate to ensure the customer service department is effectively managed.

4.2.3.9.8 **Marketing Tools (Loyalty Program & Promotions)**

1. Describe in detail all of the features and functionality of the bonusing and promotional tools to be used in the proposed Solution. Specifically address the features and tool sets available to rewards players based on deposit as well as ongoing player activity not related to deposit.
2. Describe the tools and procedures in place to assist in preventing bonus abuse and other bonus related fraud. Describe if the system is set up to monitor the abuse in real time.
3. Describe how the bonus modules support promotional activity for play on third party games. Describe the tools available for player segmentation and ability to dynamically generate promotional messages based on the player segmentation. Describe the promotional tools' ability to target promotions aimed at specific groups of customers to optimize CRM spending (i.e., gender, location, plays a specific game on a regular basis).
4. Describe the promotional tools' ability to track player activity in real time and send targeted messages immediately based on game play results (e.g., bad beat promotion).
5. Describe how the loyalty features integrate across the various products offered. Do the bonus and promotional tools assist in cross-promotion across the various products (casino, poker, sports)? For example, for play on casino does the system have the capability to generate promotional credits or free bets for redemption on poker or internet sports betting.
6. Describe the features of the VIP loyalty program. Describe how players are identified, managed and tracked for the VIP program. Does the system offer a 'rate me' option whereby players propose themselves for inclusion in the VIP program?
7. Describe how tools for managing progressive jackpots. Describe the funding model available for the jackpots. Describe how the individual jackpots can be shared across multiple games, across the Licensed Video Lottery Agents, and how the funds in progressive jackpots are held and accounted for.
8. Describe the tools and features available for user generated promotions such as Refer a Friend or other similar promotions.
9. Describe the tools in place for managing product segmentation across product verticals, e.g., if a player comes through a casino promotion and accepts a casino bonus yet ends up majority playing poker, describe how/if is that player tracked and automatically transferred to a poker player on the next redeposit.

4.2.3.9.9 **Reporting and Communication**

1. Describe the Platform's native reporting capabilities, tools and feature sets for the creation of standard, custom and ad-hoc report queries for player activity, marketing analytics, system performance, and other types of reporting.
2. Provide a list of reports currently available. Highlight the key reports and provide a sample of each of them.
3. Describe how the reporting is managed between querying the live system in real time

and a static database.

4. Describe the Solution's capability to accommodate multi-level reporting to account for Delaware's Licensed Video Lottery Agents as well as potential inclusion of affiliates. Describe the number of levels of tracking and reporting e.g., Lottery, Licensed Video Lottery Agents, individual campaigns.
5. Describe the reporting capabilities and functionality available with regard to player fraudulent activity. Describe each report available and provide sample reports. Describe the reporting capabilities for reconciliation of player data, i.e., the checks in place to ensure the various reports are accurate and that the Platform is accurately reporting.
6. Describe the player communication when implementing product upgrades and new releases.

4.2.3.9.10 **Game Management and Malfunction**

1. Describe the process for game malfunction for both proprietary (if any) and third-party games that are integrated into the PAM platform(e.g., game resumes if it was in process at point of failure or credits returned back to the player).
2. What is the level of control with the third-party Game Vendor?
3. Describe the communication with third party Game Vendors for game malfunctions.
4. Describe the communication process with the player for game malfunction.
5. Describe how credits are handled with the player for a game malfunction.
6. Explain any deviation in policy for a game malfunction.

4.2.3.9.11 **Responsible Gaming**

1. Describe in detail the features available in the Solution to ensure responsible gaming such as deposit limits, self-exclusion, tools to protect against compulsive gaming as well as parental controls.
2. Describe the functionality supporting exclusion of individual players from the site. Examples include but are not limited to time-based exclusion or breaks, cooling off, re-installing the player, stop marketing, partial access to the games.
3. Describe the tools for communicating responsible gaming features with the player (e.g., alerts, emails, chat).
4. Describe the reports available internally to manage responsible gaming as well as any internal communication features such as alerts based on the hitting of pre-specified limits or rules.
5. Describe the features currently available to support the ability to communicate with players with regard to any new terms and conditions that will be or have been implemented.
6. Describe the tools in place for communicating responsible gaming violations with the Lottery and the Video Lottery Agents.

4.2.3.9.12 **Information Technology and Security**

1. Provide details of the Vendor's DSS compliance elements.
2. Describe the player communication features when implementing product upgrades and new releases.
3. Describe the tools in place to effectively communicate with the selected hosting providers to mitigate any potential threats or concerns with regard to hosting and data

security.

4. Describe the capacity for data archiving, purging and storage capacity required for a 24-month retention period.

4.2.3.10 Platform Hosting

(If any of the following questions pertaining to hosting is duplicative with response required in the DTI-IT Requirements RFP, please indicate as duplicative and reference the location where the response is answered).

4.2.3.10.1 Recommended Facility Location for the Lottery. Provide a recommendation of a likely location for Delaware's Internet Wagering Solution within the United States including

1. Total size of the facilities (sq. ft.) specifically dedicated to hosting floor. Detail if there are any limits to expansion
2. Current and future capacity for racks
3. Owner of buildings as well as terms of the lease
4. Transportation available to facility (i.e., a minimum number of major roads)
5. Staff on site, specify how many dedicated to data center
6. Hours of operation (24x7x365)
7. Average room temperature
8. Air conditioning systems
9. Other amenities in the building
10. Surrounding amenities and parking facilities
11. Potential of interference from lightening, flood, seismic disturbances, flight path, fire protection (VESDA, FM200)
12. Cleaning services: In-house or outsourced
13. Detail alarm system and general protection against forced entry

4.2.3.10.2 Software Requirements: Describe the software required to operate the hosting facility including network monitoring as well as trouble management/ticketing.

4.2.3.10.3 Incident Management: Describe the process for when an incident is identified and how that would be communicated with the Lottery.

4.2.3.10.4 Downtime Management: Describe the processes for planned maintenance, unplanned outages and other emergencies. Describe how that would be communicated with the Lottery.

4.2.3.10.5 Security Protocols: Describe the policies in place to ensure maximum security of the facility. Please be as specific as possible

1. The procedures for access into the hosting facility and on the hosting floor
2. Monitoring cameras (in-room, on site). Describe how they are monitored
3. How long the footage is stored
4. Entry/exit procedures for staff and visitors
5. Type of security tags used within facility
6. Details of perimeter security: fencing type, security guards, zone lighting
7. Change of control procedures
8. Policy for allowing mobile devices into the facility

9. The details of very early aspiring smoke detection and fire suppression systems including locations and testing
- 4.2.3.10.6 **Power Supply:** Describe the Vendor's power source alternatives including
1. How power is delivered to the sites, back-up power suppliers.
 2. Provide details on the various alternative sources of power including USP and generators. Describe where they are located, the length of time under full load, how they are tested and refueled, what else is included as part of the power.
 3. Describe the frequency and duration of power disruptions.
- 4.2.3.10.7 **Network Communication:** Describe the network communication and peering capabilities that are available in the suggested facility.
1. List the network providers currently with connectivity to Vendor's hosting facilities. Describe the relationship.
 2. Demonstrate diverse entry points into the hosting facility.
 3. Describe the connectivity options available (IP/Ethernet/ MPLS/IPLC).
 4. Describe the architecture of the diverse feeds to the site and the proposed cabinet.
 5. Describe the upstream capacity and utilization.
- 4.2.3.10.8 **Product Options:** Describe in detail the products and services offered as part of the hosting facility. Describe if the Vendor
1. Supplies racks and cages, cabling.
 2. Support levels available on the site with details of skills and availability of personnel.
- 4.2.3.10.9 **DDOS Prevention:** Describe the policies in place to ensure maximum site uptime. Describe in detail the services available to prevent a site from Denial-of-Service attacks.
- 4.2.3.10.10 **Peak Traffic:** Describe the flexibility in capacity as well as the capabilities in managing operations to accommodate bursts in peak traffic.
- 4.2.3.10.11 **Examples:** Describe the three (3) largest or most impactful period of downtime in the past three (3) years. Provide examples as it would best relate to the Lottery. Provide details of the reason for the downtime, the process for recovery and lessons learned.
- 4.2.3.10.12 Provide a sample of a standard Service Level Agreement including penalties that cover any latency or downtime.
- 4.2.3.11 Product Roadmap**
- 4.2.3.11.1 Provide details of Vendor's technology roadmap for the next three (3) years including planned delivery dates, confidence levels as well as details of the budgeted R&D investment.
- 4.2.3.11.2 Describe some of the benefits to customers from the Vendor's documented product roadmap. Support with one or two examples.
- 4.2.3.11.3 Describe the internal processes used to follow new development projects at various stages of the process and how the management of milestones is conducted.

4.2.3.12 Training and Support

- 4.2.3.12.1 Describe the level of training to be delivered to the Lottery and the Licensed Video Lottery Agents as part of the overall Solution. Describe the process for training and use of manuals that will be used as part of the training requirements.
- 4.2.3.12.2 Describe the level of ongoing support and maintenance that will be offered to the Lottery and the Licensed Video Lottery Agents. Include details of a standard Service Level Agreement and target resolution times.

4.3 Game Vendor Submission

The Lottery intends to offer games from a variety of Game Vendors. The criteria will evaluate the quality and experience of the Game Vendor and how widely deployed the games or game platform is across different PAM platforms. The Lottery prefers Game Vendors that mitigate any potential delays in Production Operation (i.e., will favor Vendors whose games have already completed integration and are live with the Primary Vendor's PAM Platform). Since the Primary Vendor is unknown at the time of the Proposal submission due date, the Lottery will favor Vendors that it believes will help simplify this process. This holds true for selection of the Primary Vendor, Game Vendor as well as the Support Services Vendors. Preference will also be shown to game titles that players in Delaware and its surrounding states may be familiar with on a brand name basis.

The Lottery also realizes the sensitivity around games especially proprietary mathematical models that Game Vendors are cautious to disclose. In an effort to allow the Lottery the ability to offer the most compelling breadth of game choice as soon as possible, Game Vendors will have to submit their Proposal without knowing who the Primary Vendor will be.

Game Vendors are asked to respond to each question. Those Vendors that are submitting for multiple Sections (i.e., Primary Vendor and/or Support Services) are able to cross-reference their answers if they have already provided a similar response in another section and provide the exact numerical section of the cross-referenced answer.

The Lottery, in conjunction with the Licensed Video Lottery Agents, are responsible for the game selection and together have established a set of criteria for such game selection. For casino style games, criteria will focus on the deployment of successful online games, branded or themed games offered, total number of games available by a Vendor, type of game from a specific Vendor that may or may not be patented (e.g., patented table games) as well available on the gaming floor. With regard to evaluation of the specific games offered by the Vendors, selection criteria cover areas such as game features (free spins, intricacy of bonus rounds, game preview, audio, video or game animations), quality of the graphs/video and audio, pay table or return to the player, game volatility as well as the offering of Franchise Games.

Internet sports betting vendor criteria will focus on the wide deployment of a turnkey service sportsbook inclusive of platform and managed services, number of markets offered on a single event, sport specific marketing tools to encourage player retention.

4.3.1 Key Team Members

Vendors must identify the Key members of their team with primary responsibility for the management and integration of their games into the Internet Wagering Solution. Include the main contact for the Lottery as well as business function responsibility such as customer service, technology development, product development marketing services, operations management, game development, network management, product management, etc. All Game Vendors are required to provide DSL a single point of contact that DSL will use for all customer support and game malfunction issues. It is the responsibility of the Game Vendor to ensure the point of contact up be kept current and available 24/7. Vendors should include each key member's:

4.3.1.1 Name

4.3.1.2 Company and title *

- 4.3.1.3 Duration with current company*.
- 4.3.1.4 Years employed in the online gaming sector.
- 4.3.1.5 Prior roles in the Internet Wagering sector (including company and title)
- 4.3.1.6 Current resume.
- 4.3.1.7 Other relevant information.

* If title has changed while with the company, list each title and associated years in that role.

4.3.2 All Game Vendors: General Experience

4.3.2.1 Operator deployment: List the operators that currently offer the Vendor's games. Denote the 5 largest operators (by total Gross Gaming Revenue).

4.3.2.2 PAM Integrations:

4.3.2.2.1 Please provide a list of PAM solutions for which the internet sports betting platform has completed an integration including any operators with proprietary platforms.

4.3.2.2.2 Please include the launch date the games or game platform went live on the particular platform. Please describe the level of API integration into a PAM to provide sufficient access to data without the importing/exporting of all data. If necessary, please provide a sample of what the Lottery would see as part of the PAM reporting, if possible.

4.3.2.3 Product Implementation History: Describe the time it takes to complete an integration into a new PAM as well as time to launch a new operator with a PAM already integrated into. Please make the example as relevant as possible to Delaware's Internet Wagering Solution.

4.3.2.4 Client Requests: Describe the process of managing multiple client requests for either new or modified games or gaming platform. Describe how the requests are prioritized and managed with existing work already in development. Describe how the status of new feature requests is communicated to customers.

4.3.2.5 Reporting: Describe the reporting capabilities of the Vendor. Provide a complete list of reports for the Lottery with brief description of report as well as a selection of most relevant reports/frequently used report.

4.3.2.6 Product Roadmap: Describe how the Vendor's offering may change over the next 24 months i.e., what are the trends the Vendor is experiencing and how that will impact the product development strategy.

4.3.2.7 Provide a URL, which features the Vendor's Games for the Lottery to trial the games.

4.3.2.8 Quality Assurance: In addition to meeting standards of third-party certification vendors, the Lottery expects the Game Vendor to be responsible for managing the testing of their games to ensure optimal game performance of the game software including reliability and integrity.

4.3.2.8.1 Describe standard testing processes that are performed internally to test games. To what

extent and to what level are tests automated?

4.3.2.8.2 Describe the Vendor's test organization (i.e., in-house or outsourced, location, team structure).

4.3.2.8.3 Describe how the Vendor is able to demonstrate test results to the Lottery's quality assurance team.

4.3.2.8.4 Describe development process including source code control tools, branching strategy, bug reporting.

4.3.2.8.5 Describe the types of testing performed (i.e., functional stress, load, regression, security). Provide examples of a test strategy, plan and test cases typically used by the Vendor.

4.3.2.8.6 Describe the type of security and vulnerability testing performed. Include frequency and resources used.

4.3.2.8.7 Describe testing infrastructure and the ability to test several releases at the same time in separate environments.

4.3.2.9 Operational Support

4.3.2.9.1 Describe the Vendor's support communication process including direct telephone to operator's support team, 2nd line support, chat support etc. as well as willingness to provide telephone support to the operations/customer support of the Solution, i.e., 2nd line support.

4.3.2.9.2 Has the Game Contact Vendor been asked to provide first line support directly with players? If so, provide details of the process.

4.3.2.10 Delivery and Implementation

4.3.2.10.1 Demonstrate Game Vendor's ability to adhere to deliverables and integrate their games in a timely manner, assuming they are not already integrated into the Primary Vendor's PAM platform.

4.3.2.10.2 Describe the release schedule as well as the frequency and advance scheduling the Vendor is willing to commit.

4.3.2.10.3 Describe the process of delivering the marketing materials to the Primary Vendor and licensed Lottery Agents to support game promotion.

4.3.2.11 Support Services: The Lottery expects Game Vendors to work directly with the Primary Vendor in supporting the ongoing operations of their games. Any additional pricing for support should be highlighted in detail in PART 5 (Pricing Section). **Some of the questions may not be applicable. Please indicate with "Not Applicable" along with a reason why it is not applicable.**

- 4.3.2.11.1 Describe the service and support plan offerings for the Primary Vendor managing the Internet Wagering Solution.
- 4.3.2.11.2 Describe in detail the standard level of support offered by the Game Vendor's typical Service Level Agreement (SLA). Include uptime, hours of standard support and response times for inquiries for telephone, chat, email, bugs, issues, etc.
- 4.3.2.11.3 Describe standard supporting tools (online manuals, webinars, telephone support groups etc.).
- 4.3.2.11.4 Describe process and commitment for fixing bugs and other non-compliant issues related to games that are either in development or live.
- 4.3.2.11.5 If the Primary Vendor does not provide direct access to a live production system, describe how the Game Vendor would support and troubleshoot issues without having direct external access to a live production system
- 4.3.2.11.6 **Warranty:** Describe any Warranty on products or services that is associated with the Game Vendor's offering.
- 4.3.2.12 Product Roadmap and Release Management:** Delaware is interested in working Game Vendors who have experience in balancing between maintaining a competitive product and offering a stable and cost-effective operation.
 - 4.3.2.12.1 Describe the product lifecycle management process from release planning to implementation, including testing and certification of games.
 - 4.3.2.12.2 Please provide a copy of the Vendor's change control documentation.
 - 4.3.2.12.3 Describe the reporting process for testing and changing the game. Please provide a copy of a sample change control documentation.
 - 4.3.2.12.4 Provide documentation that demonstrates the Vendor's ability to manage changes, which may or may not require re-certification with an accredited third-party testing laboratory.
 - 4.3.2.12.5 Describe minor and major release frequency policy.
 - 4.3.2.12.6 Provide product release and upgrade plans.
 - 4.3.2.12.7 Provide a product roadmap for new game rollouts, game variants, new features and upgrades/releases. Provide detail, if possible, of any new games or releases. Include the number of games launched in the past 24 months and also the following 12 months.
- 4.3.2.13 Product Training**
 - 4.3.2.13.1 Describe any training that is required for the Primary Vendor and/or Lottery management team. Include any training manuals that will be included.

4.3.2.13.2 Describe any on-going training that is offered including location and frequency of training.

4.3.2.13.3 Describe if there are any online training tools for ongoing support or future training sessions.

4.3.2.14 Staffing

4.3.2.14.1 Describe any additional staffing requirements during implementation that would be needed by the Lottery and/or Primary Vendor. Indicate estimated number, role/skills varied by the numerous phases (development, integration, testing, certification, implementation and training)

4.3.2.14.2 Describe any ongoing staffing requirements that would be required by the Lottery or Primary Vendor. Describe if that would change during product upgrades and new releases.

4.3.2.15 Game Vendor Platform Features and Functionality

4.3.2.15.1 Describe the Game Vendor's platform features. If appropriate, give specific examples when the Game Vendor's promotional tools were used when not acting as the PAM or when the Game Vendors tools should have been used and they were not.

4.3.2.15.2 Describe the process for reconciliation for game malfunction under the following circumstances:

1. when the game is integrated with a third-party Vendor's PAM or game aggregation platform
2. when the game is on the Vendors own and/or proprietary platform

4.3.2.16 Hosting Environment

The Lottery requires that all Game Vendors host their operations. Hosting for all casino-style games is required to be located in the United States and for internet sports betting within the state of Delaware. **See Appendix F for DTI Standards, Policies and Response Documents.**

4.3.3 GAME GENRE SPECIFIC: CASINO AND VIDEO LOTTERY GAME VENDORS

4.3.3.1 New Game Releases: Describe how often and the number of new game releases. What is the typical interval. Include examples of the last 3 releases and the games included.

4.3.3.2 Product Release Rollout: Describe how a new game or release is rolled out to each of the Vendor's licensees. (i.e., is each game released on a per customer basis or does each customer receive the same package?). Provide a description of the method by which the Vendor releases games and the benefits of this method.

4.3.3.3 Casino Game Integration History: Describe the Vendor's history of developing and integrating games into proprietary and/or third-party platforms including employing a remote gaming server, game aggregator and/or integrating to offer games locally deployed on an operator's or third party's platform. Include evidence of standards compliant

Application Programming Interfaces (APIs). Also describe the Vendor's history, if any, with integrating other third-party services such as payments and player authentication.

- 4.3.3.4 Integration Mode:** Describe the Game Vendor's deployment intention for Delaware's Internet Wagering Solution, i.e., if Game Vendor plans to offer the games through a game aggregator or direct deployment into the PAM of the Primary Vendor. If it depends on the Primary Vendor, please describe analysis of decision.
- 4.3.3.5 Game Integration Level:** Describe the level of integration capable of the Game Vendor. Describe any unique features capable such as real time data feeds that are able to trigger promotions and player communication in real time.
- 4.3.3.6 Game Library** List the game/titles and provide as much detail as possible to the below items.
- 4.3.3.6.1 Game Type (e.g., casino table, video lottery, mini/side game, live dealer casino, scratch, skill etc.). Note for video lottery games provide the type of video lottery (reels, lines, video, bonus rounds, scatter, wilds, multiplier, progressive).
 - 4.3.3.6.2 Game payout ratios.
 - 4.3.3.6.3 Release date.
 - 4.3.3.6.4 Release number.
 - 4.3.3.6.5 List any third-party IP that is associated with the game (i.e., Franchised (branded) or another 3rd party IP).
 - 4.3.3.6.6 Owner/Developer of game (if licensed, if proprietary then respond 'proprietary')
 - 4.3.3.6.7 The number of PAM and game aggregator platforms the games are integrated.
 - 4.3.3.6.8 The number of operators that have licensed or offer the Vendor's games.
 - 4.3.3.6.9 List the names of the independent certification companies that have approved the games/RNG. Specify for which jurisdictions in the United States.
 - 4.3.3.6.10 Denote if currently available in a land-based gaming environment (and if yes, indicate if deployed in Delaware)
- 4.3.3.7 Top Performing Games:** List the twenty (20) best performing games and most popular features used by the Game Vendor's largest operators. Describe any other unique features or tools offered.
- 4.3.3.8** Describe the denomination spread across the various Video Lottery games
- 4.3.3.9** Describe how the video, audio, quality of graphics and game speed compares to that of other providers.
- 4.3.3.10** Describe the unique selling point or differentiator the Game Vendor's Games offer relative to other solutions in the market.
- 4.3.3.11** When creating a game, describe the process employed to avoid infringing on United States Intellectual Property rights. This includes both known and unknown Intellectual Property.
- 4.3.3.12** List any games that were cite for infringement on any Intellectual Property rights. Describe the process for rectifying such situation, either adjusting the game to eliminate the

violation or proactively seeking approval rights from IP owner.

4.3.3.13 Describe the degree of control the Lottery will have over the game parameters. Also describe if this differs for games from third party developers.

4.3.3.14 Game Customization

4.3.3.14.1 Describe the process and options for customizing the games to be branded for each of the Licensed Video Lottery Agents. Describe the various levels of customization (i.e., dashboard colors, game load logo, audio, in-client content, back of cards etc.). Address the varying pricing options in Part 5 of the Proposal.

4.3.3.14.2 Describe the process for the Lottery or Primary Vendor to customize the game. Is customization available within a supplied module, or does the Lottery need to revert to Game Vendor's resources in order to customize the game.

4.3.3.14.3 Provide examples of games that have been customized for an operator.

4.3.3.14.4 Describe any other tools or features that are offered for customization for the Licensed Video Lottery Agents.

4.3.4 GAME GENRE SPECIFIC: POKER VENDORS

4.3.4.1 Poker Genre: List the numerous poker variants currently available along with the percentage of the revenue that the poker variant represents for the Game Vendor.

4.3.4.2 Lobby Functionality: Describe the functionality of the lobby to find tables (Table lists, quick seat algorithms, different types of lobbies or open similar table).

4.3.4.3 Network Experience: Describe the software's capabilities to effectively manage the ecosystem to accommodate players with varying skill levels and other features to enhance player experience. Describe the Primary Vendor's current capability of managing a network of sites into a common liquidity pool e.g., poker.

4.3.4.4 Network Policies: Describe the Primary Vendor's current network policies as well as suggested policies for the Lottery and the Licensed Video Lottery Agents. (e.g., limitations of multiple accounts, tournament payout withholding, player bots, collusion refund for check down, chip dumping etc.).

4.3.4.5 Table Features: List or describe the features that are connected to the table experience (e.g., multi-tabling, keyboard shortcuts, table tiling).

4.3.4.6 Game Variants and Features: List the unique game variants currently available as well as unique features. Highlight those that are top performing. (e.g., speed, webcam, rush poker variant, private games, tie-ins with Facebook etc.).

4.3.4.7 Game Play Options: List or describe the various game options for the player (e.g., hand history replay, auto presets, variable betting slider, favorite seat, auto buy-in, player notes,

time bank, avatars etc.)

- 4.3.4.8 Rake Management:** Describe the Game Vendor's policy and strategy with regard to maximizing rake for the operator (e.g., charging higher per table, increasing player duration, increasing hand speed) while maintaining customer satisfaction.
- 4.3.4.9 Schedule Management:** Describe the administrative tournament scheduling and table management tools. Include details such as various types of tournament prizes, batch uploading of tickets, etc.
- 4.3.4.10 System Performance:** Describe the Vendor's system performance for the poker network including simultaneous players, max single tournament players and max number of observers for a single game.
- 4.3.4.11 Hardware Efficiency:** Provide estimation of how much hardware is required to run a full-size installation capable of serving 25,000 seated players (maximum peak).
- 4.3.4.12 Effective Rake Structure:** Describe the ideal rake structure to maximize revenue and maintain customer satisfaction.
- 4.3.4.13 Fraud Management:** Describe the policies and techniques in place to proactively monitor against network fraud outside of that of the standard tools of the PAM (if applicable).
- 4.3.5 GAME GENRE SPECIFIC: BINGO VENDORS**
 - 4.3.5.1** List the top performing game variants currently available as well as top performing features (75-ball, 90-ball, 80-ball, speed bingo, derivative ball-based bet types). Provide the percentage of revenue for each game variant.
 - 4.3.5.2** List the top performing side/mini games currently available along with percentage of revenue.
 - 4.3.5.3** Describe the options for mini-side game integration i.e., are the games in the same client as the bingo game.
 - 4.3.5.4 Schedule Management:** Describe the administrative scheduling and room management tools. Include details such as various types of jackpot prizes, batch uploading of tickets etc.)
 - 4.3.5.5 Room Features:** List or describe the features that are connected to the bingo room experience (e.g., auto-daubing, chat monitor features, card auto-shuffle, speed bingo) as well as any unique features that are popular with bingo players (e.g., bonus rounds, fairy dust).
 - 4.3.5.6 Liquidity Division:** Describe the capability to offer multiple network liquidity networks, i.e., the ability for players to participate in games at a single Lottery Agent, across all Delaware sites as well as across larger networks (either nationwide or international).

- 4.3.5.7 System Performance:** Describe the Vendor’s system performance for the bingo network including simultaneous players, max number of observers for a single room.
- 4.3.6 GAME GENRE SPECIFIC: INTERNET SPORTS BETTING VENDORS**
- 4.3.6.1 Internet Sports Betting Offering**
- 4.3.6.1.1 Please list the sports, leagues and markets your platform currently supports and provide a list of sports that are to be added.
- 4.3.6.1.2 Please specify which eSports and novelty bets are included.
- 4.3.6.1.3 Please provide the process for adding new sports that are not currently offered by the provider.
- 4.3.6.2 Third-Party Data Providers**
- 4.3.6.2.1 Please provide a list of all third-party data providers for odds fees and specify for which sports/league/market for pre-match and in-play. If Vendor is utilizing such third-party data providers, these entities must all be identified together with summary integration detail including but not limited to
1. Data formats used
 2. Feed type and any backup systems
 3. Integration protocols and security
 4. Fraud detection and prevention protocols
- 4.3.6.2.2 Third-Party Content Providers: Please provide a list of all third-party content providers currently integrated into the platform and operational. This includes but not limited to data visualization, third party statistics, etc.
- 4.3.6.3 Internet Sports Betting Features:** Please provide a list of features included in your offering, e.g., early cash out, prebuilt parlays, oddsboosts, parlay insurance, monthly clubs, contests etc.
- 4.3.6.4 Public Data:** Please provide details on how your company addresses official and public data
- 4.3.6.5 Trading & Risk Management:** Describe the process and resources for setting and managing risk level for the operation overall and Factoring of individual players.
- 4.3.6.5.1 Describe risk management services, including which markets are actively managed and which are passive data feeds.
- 4.3.6.5.2 Setting and Managing Risk Level: Describe how the Lottery has the ability to initially set their own risk level and how that is managed going forward. Please describe the ability and/or process in which the operator has the option to increase level of control over trading and/or pricing overtime.

4.3.6.5.3 Describe the process for Factoring individual players risk management. Describe how the factoring of players is communicated with the Lottery.

4.3.6.5.4 Describe which of the following tools are used for risk management of the sportsbook. Please provide the name of each source, if completed by a third party.

1. Risk Manager(s)
2. Event/Market creation
3. Event Settlement
4. Sports Feeds
5. Event Visualization

4.3.6.6 Event Creation

4.3.6.6.1 Please describe the process for setting up new events. How are all new events generated and populated into the platform?

4.3.6.6.2 Does the operator have access to the data or data provider login to be able to manipulate the data for event creation (e.g., ability to change the name from boxers from last, first to first, last or ability to change Milwaukee Bucks to Bucks)?

4.3.6.6.3 Which data feed providers are integrated into Vendor platform?

4.3.6.6.4 Does the Lottery have the ability to add events manually, if desired (e.g., wants pricing up for local games sooner than vendor offers or future bets on select games, leagues, teams)?

4.3.6.6.5 What is the level of automation to allow the operator to create new events in the system?

4.3.6.7 Posting Odds & Scores

4.3.6.7.1 Please describe the process for posting odds and scores by Vendor or third-party data providers. What is the method and level of communication between the Lottery and the Vendor to ensure timely responses for day-to-day questions regarding game results such as player initiated questions about mis-grades and posted results?

4.3.6.7.2 Please describe the Lottery's ability to prioritize the sequencing of specific sports, events, markets for posting results.

4.3.6.7.3 Please provide the communication process for time-sensitive issues such as event mispricing or mis-grades.

4.3.6.7.4 If there is a mis-grade, does the Lottery team have ability to upgrade and/or regrade score? If not, please provide the process under the various circumstances if Gaming Enterprise' team believes Vendor is taking too long for the score to be posted. What is the process/ability to override a mis-grade to repost?

4.3.6.8 Content Management

The Lottery requires the Vendor to assist in offering a current internet sports betting offering featuring upcoming and popular sports, leagues and events that are refreshed on a continuous basis. Please describe the Vendor's tools to assist the Primary Vendor in

managing the various content assets for the Licensed Lottery Agents for the following functions.

1. Ability to manage site inventory and links to promotional
2. Ability to manage odds, banners, upcoming events and special offers such as odds and profit boosts.
3. Ability to tailor the user interface/layout for the three Licensed Lottery Agents.

4.3.6.9 Sports Specific Reporting

4.3.6.9.1 Please provide a list of sports wagering specific reports with a brief description of each report (marketing, regulatory etc.)

4.3.6.9.2 What is the process for ad hoc reports along with estimated turnaround time?

4.3.6.9.3 Specifically, please a sample of Vendor's reports that provide risk management measurement e.g., comparing a player's bets against the closing line.

4.3.6.9.4 Please provide a list to assist the operator in identifying any potentially fraudulent activity

4.3.6.10 Promotions and CRM

(Only answer if provided through the internet sports betting platform only i.e., not the PAM)

4.3.6.10.1 Please provide a list of standard promotions offered for activation, reactivation, cross promotion. Please separate out for activation (first wager, first wager rebate, bet and get, etc.) and retention (odds boosts, profit boosts, parlay insurance, contests, etc.).

4.3.6.10.2 If parlay insurance is offered, please describe the features or limitations of such parlay insurance, e.g., available on all sports, on a particular game, on cross-sports, same-game parlays.

4.3.6.10.3 Please describe the integration and interaction between the platform and segmentation/data analytics module? Is the data between the two modules automated or is manual importing of information required from third party business intelligence tools?

4.3.6.10.4 Please describe the level of automation for trigger-based bonuses (e.g., Bad beat)

4.3.6.10.5 Provide a list of CRM tools offered to communicate with players for retail and mobile including but not limited to email, SMS marketing, geolocated and non-geolocated push notification (for both native app and desktop), inbox app marketing (dedicated inbox with targeted messaging)

4.3.6.10.6 Please provide a list of tools for the identification and management of a player VIP.

4.3.6.10.7 Please provide what tools, if any, are offered to manage player communication through social media channels.

4.3.6.10.8 **Contests and other complementary offerings:** Please describe any real money sports contests or other similar offerings that could be offered, either proprietary or any

integrations from third-party vendors. Please describe Vendor's willingness to develop an offering to complement our overall sportsbook and if that offering is paid for by Lottery or included with Vendor's fee.

4.3.6.11 Sports Specific Segmentation and Risk Factoring: Please provide the tools and functionality to assist with player segmentation and factor players to help manage risk. Please note: the team is looking for features specific to internet sports betting platform (vs Player Account Management Platform).

4.3.6.12 Custom Internet Sports Betting Options

4.3.6.12.1 Describe the Vendor's willingness to provide unique pricing/markets for the Lottery including but not limited to daily specials, contests (e.g., quick pick, handicap contests), custom pricing and other custom promotions.

4.3.6.12.2 Describe how custom promotions unique to the Lottery would be handled, permitted and charged

4.3.6.13 Use of Official Data vs Non-Official Data: Describe the Vendor's approach and ability to offer and to offering official data and unofficial data with regard to Tier 1 and Tier 2 wagers, whereby:

- “Tier 1 sports wager” means a sports wager that is determined solely by the final score or final outcome of the sports event and is placed before the sports event has begun.
- “Tier 2 sports wager” means a sports wager that is not a tier 1 sports wager.

4.4 Support Services Vendor Submission

The Support Services Vendors include the critical products and services that are required by the Primary Vendor to operate the Solution. Once selected, the Primary Vendor will be responsible for managing all aspects of the relationship with the Support Service Vendors. If it is required, the Lottery may contract directly with the Support Service Vendor.

All Support Service Vendors must complete Sections 4.4.1 and 4.4.2. The following sections are to be filled out accordingly:

1. Section 4.4.3 is to be completed by payment Vendors only.
2. Section 4.4.4 is to be completed by geolocation Vendors only.
3. Section 4.4.5 is to be completed out by identification and verification Vendors only.

For those Support Service Vendors that provide a product or service not listed in this Section 4.4 and believes to be of critical importance for the Lottery in offering an Internet Wagering Solution, the Vendor should complete Sections 4.4.1 and 4.4.2, and provide additional detailed information of a similar level of depth as found in this Section 4.4.3-4.4.5 for other Support Service Vendors. Provide an outline so the information is clearly laid out and easy to follow.

4.4.1 Key Team Members

Vendors must identify the Key members of their team with primary responsibility for the management and integration of their products and services into the Internet Wagering Solution. Include the main contact for the Lottery as well as business function responsibility such as customer service, technology development, product development marketing services, operations management, game development, network management, product management, etc.

Vendors should include each key member's:

1. Name
2. Company and title *
3. Duration with current company *
4. Years in the online gaming sector
5. Prior roles in the Internet Wagering sector (including company and title)
6. Current resume
7. Other relevant information

* If title has changed while with the company, list each title and associated years in that role

4.4.2 General Expertise. Demonstrate operating experience in respective business for the following:

4.4.2.1 Experience: Specifically demonstrate how the Vendor's experience will be useful to the Lottery. Provide two (2) examples of services provided to existing companies that will demonstrate the Vendor's respective leadership and make it as relevant to the Lottery as possible.

4.4.2.2 Account Representative Expertise: Describe the leadership and experience of the Vendor's account representative that will be responsible for the relationship with the Lottery.

4.4.2.3 Dedicated Resources: If awarded a contract describe the resources (personnel) that would be

required in providing the Lottery an Internet Wagering Solution described in this RFP.

- 4.4.2.4 Customer Support:** The Lottery requires a direct contact 24/7 for all customer service issues with all Vendors. Describe Vendor's standard customer support structure and policies with licensed operators (response times, mode of communication). Describe any situation this may differ than standard operating polices.
- 4.4.2.5 Compliance:** List any and all compliance measures to ensure data and player protection.
- 4.4.2.6 Reporting:** Provide examples of sample standard reports available by the Vendor for a typical licensee (operator) as well as custom reports that have been created and ad-hoc reports for one-off requests that demonstrate the Vendor's ability to handle custom reporting. Highlight the reports that are more critical. Describe how reports are access by the Lottery, Licensed Video Lottery Agents and the Primary Vendor.
- 4.4.2.7 Product Training:** Describe the standard training process, if required for the Primary Vendor including a description of the team involved.
- 4.4.2.8 Integration History:** If applicable, describe the integration process with leading Internet Wagering Platforms in the market to date (i.e., resources required, length of implementation). If possible, provide technical specifications documents that can be used for integration for the lottery. Describe if there are any specific methods of connection required (e.g., SOAP, XML).
- 4.4.2.9 Support Documentation:** Describe the Proposed Vendor's documentation and ongoing support for the Vendor's proposed solution's including installation, administration, update, recovery, installation and back-up execution.

4.4.3 PAYMENT VENDOR SUBMISSIONS

- 4.4.3.1** Describe the Vendor's solution in detail (various products) and how it compares to other options in the market. Describe why the proposed Vendor's product and/or service are the leading solution for the Lottery.
- 4.4.3.2 Payment Solution:** Describe the various options for payment methods currently available for online gaming operators. Provide analysis of the Pro's and Con's for each method.
- 4.4.3.3 Payment Vendor Relationships:** List all of the payment methods and/or entities for which the Vendor currently offers it product or services. Describe how each payment method may vary in importance by jurisdiction or region.
- 4.4.3.4 Payment Recommendation:** Describe the ideal payment solution for the Lottery and how the Vendor will assist Delaware in achieving its goals.
- 4.4.3.5 Payment Method Availability:** Demonstrate ability for players to fund an account using a variety of payment methods as well as distribute funds from the Lottery to player accounts. Specifically describe Vendor's method for distributing funds.

- 4.4.3.6 Value-Add Capabilities:** Describe how Vendor’s specific service could assist the Lottery in minimizing the administrative work while still offering a robust end-to-end solution. Describe how Vendor’s service could help streamline the myriad of bank accounts required as well as assist in account reconciliation and optimization of cash flow.
- 4.4.3.7 Technical Requirements:** Describe the method in which transactions are processed. Please be specific in describing the details of credit and debit transactions (pre-authorization, end of day issues etc.) as well as the alternative payment methods such as e-wallets, pre-paid cards and wire transfers. Describe the method for dealing with exceptions to these processes.
- 4.4.3.8 Transaction Processing:** Describe the timing of an average deposit and withdrawal. Describe when and why this may deviate and if/how this would vary by product type and channel
- 4.4.3.9 Payment Compliance:** Describe the security measures in place to protect cardholder privacy and minimize fraud. Include industry standards such as PCI compliance and how these industry standards are achieved.
- 4.4.3.10 Settlement Process:** Describe the settlement process for credit and debit transactions with both the merchant and acquiring bank. Name the various options available as well as cut-off times.
- 4.4.3.11 Chargeback Management:** Describe the Vendor’s ability to demonstrate expertise in minimizing chargebacks for an operator. Describe the procedures and timing for chargebacks as well as any communication procedures and policies for a when a chargeback occurs.
- 4.4.3.12 Reconciliation:** Describe processes and reporting capabilities to assist the Primary Vendor and the Lottery in reconciling the various payment methods and associated financial institutions contracted with the Lottery in carrying out Internet Wagering.
- 4.4.3.13 Financial Institution Relationship**
- 4.4.3.13.1 Describe in detail the Vendor’s relationship with financial institutions providing settlement services.
- 4.4.3.13.2 Describe arrangements with each of the card associations including functionality and if relevant any services that cannot offer in its own name. Describe how such relationships will assist the Primary Vendor in mitigating risk including settlement risk, credit and liquidity risk and operational risk

4.4.4 GEOLOCATION VENDORS SUBMISSIONS

- 4.4.4.1 Experience:** Describe the Vendor's experience in working with clients in the United States and specifically Delaware, if applicable. Provide a list of resources that are currently employed for a US based solution.
- 4.4.4.2 Network Efficiency:** Describe how the solution is architected to minimize bandwidth requirements.
- 4.4.4.3 Data Inputs:** Describe in detail the various inputs (data collected) employed in the proposed solution for creating the greatest accuracy for geolocation including fixed devices (stationary device for download and non-download software) as well as remote/mobile devices, (i.e., what data is used to determine the player location). Describe how the Vendor's proposed solution compares with other solutions available in the market.
- 4.4.4.4 Input Management:** Describe the process for using multiple sources for identifying location including IP address, ISP, WI-FI, satellite, GSM/GPS modem, network cards, USB/Key Dongle. Describe if and/or how the data from multiple sources is cross-referenced in the solution. Describe how the Vendor is able to locate a service when the end user does not allow GPS tracking and when a device is not Wi-Fi enabled.
- 4.4.4.5 Longitude & Latitude Positioning:** Describe ability to identify the positioning data in the form of longitude and latitude coordinates and provide the accuracy level of such positioning.
- 4.4.4.6 Accuracy Level Defined:** Describe how the Vendor's proposed solution allows accuracy level required for positioning to be defined. Provide the smallest size inclusion and/or exclusion zone that the Vendor is able to allow or block.
- 4.4.4.7 Fixed Device Accuracy:** For fixed devices (computer), describe the accuracy level in determining positioning a player in each of the following: country, state, town, zip code and other pre-specified confined locations (i.e., within a building). Describe if the accuracy varies at the different regional levels. Describe if the accuracy varies for download and non-download.
- 4.4.4.8 Remote Device Accuracy:** For remote or mobile devices, describe the accuracy level in determining positioning a player in each of the following: country, state, town, zip code and other pre-specified confined locations (i.e., within a building). Describe if the accuracy varies at the different regional levels. Describe if the accuracy varies for different devices.
- 4.4.4.9 IP Masking:** Describe in detail the Vendor's proposed solution for identifying players who mask or forge their actual IP location using proxy servers, VPNs or another use of IP spoofing techniques. Describe the elements that would be part of a check on a user who was spoofing their location. Describe why the Vendor's proposed solution is believed to be better comparatively to other methods in the market of preventing IP spoofing.
- 4.4.4.10 Reasonable Certainty Test:** Describe the proposed Vendor's standard Service Level Agreement and how that would satisfy both the Delaware and US government's

requirement to provide a level of service at or above the 'reasonable certainty' level cited in the Unlawful Internet Gaming Enforcement Act.

- 4.4.4.11 Connection Capability:** Describe the types of connections and the connection speeds available that are supported: T1-T3, DSL, cable, ISDN, etc. as well as the connection speeds that will be available.
- 4.4.4.12 Updates on Request:** Describe how the Vendor's proposed solution supports updates on request (one-shot position update).
- 4.4.4.13 Monitoring Roaming Devices:** Describe how the Vendor's proposed solution allows for monitoring of roaming devices.
- 4.4.4.14 Error Management:** Describe how the Vendor's proposed solution provides error management mechanisms when querying a position.
- 4.4.4.15 Manual Queries:** Describe the process for manual queries. Does the solution provide the same information for entering an IP address manually versus an automatic request.
- 4.4.4.16 Map Visualization:** Does the proposed Vendor's solution offer visualization using a geographic map.
- 4.4.4.17 In-Motion Monitoring:** Describe how the Vendor would be able to configure repeat geo-locations if a user is approaching a border or prohibited area (i.e., if a player were traveling on a bus at 55 MPH, how the system would monitor and block the player accordingly). Describe the customer experience (varying by device and application software) as well as the requirements for the user to be reliably and accurately located.
- 4.4.4.18 Rules Based Configuration:** Describe how the Vendor is able to block users based on rules and boundary requirements. Describe how the Vendor manages the blocking of reported fraud or high-risk devices.
- 4.4.4.19 Configurable Backend:** Describe how the architecture of the Vendor's proposed solution is configurable for the addition of new rules or new data sources.
- 4.4.4.20 Device Listing:** Describe the Vendor's ability to blacklist or whitelist a device.
- 4.4.4.21 Desktop Software Security:** Describe the process for managing security software on a players' device. Describe the Vendor's capability to detect running processes and running remote desktop software, i.e., if a player accesses a computer using remote software that is within Delaware.
- 4.4.4.22 Failure Communication:** Describe the process in which the Support Services Vendor communicates to the Primary Vendor and/or the Lottery failures or vulnerabilities that are identified on one of the proposed equipment and/or software components and the process to rectify such fault.
- 4.4.4.23 Internal Security:** Describe the Proposed Vendor's internal security processes for

managing access rights and user accounts.

4.4.4.24 Anonymous Access: Describe the Vendor's process for preventing anonymous access.

4.4.4.25 Updates and New Releases: Describe the Vendor's policy for managing updates and new releases.

4.4.4.26 Alert Process: Describe the alert process when problems occur within the solution.

4.4.4.27 Device Anomalies: Describe how the Vendor uses device detection anomalies such as language, browser, time zone, screen resolution etc.

4.4.4.28 Communication Protocols: Describe the proposed Vendor's communication web protocols (RMI, WS), interfaces (WSDL) and security mechanisms (WS-Sec, SSL etc.).

4.4.5 PLAYER AUTHENITCIATION AND IDENTIFICATION VENDOR SUBMISSIONS

4.4.5.1 Describe the Vendor's solution in detail (various products) and how it compares to other options in the market. Describe why the proposed Vendor's product and/or service are the leading solution for the Lottery.

4.4.5.2 Describe the process for identification and authentication when a player begins registration, to deposit, post deposit and withdrawal.

4.4.5.3 List the sources of information used in solution. Highlight the sources that are most critical for the US market.

4.4.5.4 Provide a detailed breakdown of the data sources used to determine a player's identity in the United States. Provide

4.4.5.4.1 A complete detail list of all of the acceptable documentation for identification and authentication check.

4.4.5.4.2 Name all of the data fields captured (what is believed to be mandatory and what is optional).

4.4.5.4.3 Specify the length of activity (in years) that data is available.

4.4.5.5 Provide a list of all customers in the United States, if any, and how long they have been customers. Provide a brief description of their business.

4.4.5.6 Describe how the Vendor's solution as it pertains to the user (player) journey during registration, deposit and withdrawal. Describe other player activity which would trigger/invoke interaction with the Vendor's solution and the player.

4.4.5.7 Describe the Vendor's methodology and process for testing accounts.

- 4.4.5.8** Describe the Vendor's ability to enable Delaware to implement all checks electronically (versus manually).
- 4.4.5.9** Describe the Vendor's rating method for the various points of data.
- 4.4.5.10** Describe the process for conflict resolution on those queries where the data was either inconclusive or conflicting.
- 4.4.5.11** Describe the speed at which the queries are completed. Describe any reduction in speed during high or peak traffic hours.
- 4.4.5.12** Describe the accuracy or hit rate of the Vendor's solution in the United States.
- 4.4.5.13** Describe the alert process that would be in place to inform the Primary Vendor, Licensed Video Lottery Agents, the Division of Enforcement and/or the Lottery for suspicion of fraud, money laundering, DOB conflict, bankruptcy, etc.
- 4.4.5.14** Describe the system's flexibility to perform increased level of KYC. Provide a description for managing the anti-impersonation checks.
- 4.4.5.15** Describe how the Vendor's solution would interact with Licensed Video Lottery Agent's player loyalty program, if the Lottery desires. .
- 4.4.5.16** Describe the procedures for the Vendor's solution to identify existing players that have already completed player authentication checks and now may need or not need to be rechecked.
- 4.4.5.17** Describe how the Vendor's solution could accommodate face-to-face KYC checks. This may occur at the Licensed Video Lottery Agent facilities.
- 4.4.5.18** Describe the Vendor's solution to investigate applicants identified from ant-terrorists lists or on sanctioned lists with fraud indicators.
- 4.4.5.19** Describe the Vendor's solution to report and investigate applicants where there is insufficient electronic evidence to proceed without further checking, (i.e., additional electronic checks on additional data inputs as well as communicating with the Primary Vendor for additional customer documents).
- 4.4.5.20** Describe the Vendor's ability accommodate changes to the regulation, i.e., add changes in processes to increase the security of identification accuracy. Provide past examples as proof.
- 4.4.5.21** Describe how the Vendor's solution provides for the ability for authorized persons to change the existing scoring or rules for KYC as well as introduce new scoring rules as required by law or desired by the Lottery.
- 4.4.5.22** Describe the standard service level agreements the Vendor would be adhering to. Provide

details of the service level it would expect to work towards, and the service credits it proposes for any performance failures. Note: do not include any pricing in this Section.

4.4.5.23 Describe the Vendor's solution for security and data protection including role-based security and associated audit trails.

4.4.5.24 Describe the Vendor's average response time for standard online identity checks. Describe how this would relate to the Lottery. For purposes of clarity, the identity check assumes at time of an initial check and encompasses an end-to-end check.

PART FIVE – PRICING

5.0 Introduction

This section describes the manner in which the Vendors will submit pricing for the Lottery's consideration.

5.1 Separately Sealed Price Proposal

Each Vendor is required to provide pricing in a separately sealed Proposal. The price Proposal must include a submittal letter signed by an individual authorized to obligate the company to the Proposal.

5.2 Duration of the Price Proposal

The Price Proposal must be valid for twelve (12) months.

5.3 Form of the Price Proposal

The Vendor will acknowledge that this is the only form of compensation it will receive under a contract resulting from this RFP. The Vendor must submit pricing in the following format.

- 5.3.1 Compensation Metrics:** Pricing may be provided as a percentage of Net Gaming Revenue or, when appropriate, as a fee quoted in USD. For the purposes of the RFP, Net Gaming Revenue shall be defined as Gross Gaming Revenue less (i) player payouts less, (ii) promotional incentives (free bets, vouchers, discounts, rebates etc.), (iii) chargebacks and (iv) void and unsettled bets.

For the avoidance of doubt, the Net Gaming revenue shall not be reduced by the State share of any related gaming activity.)

- 5.3.2 Pricing Mechanism:** The three (3) sections (Primary Vendor, Game Vendor and Support Services Vendor) are to be priced individually (a Single Section Price). For those respondents who are submitting more than one section, (e.g., as a Primary Vendor and also as a Game Vendor) respondents have the option to submit a bundled price for both sections (a Bundled Price).

Note: If submitting a Bundled Price, respondents will be held to both prices in the proposal (Single Section Price and Bundled Price). When submitting a Bundled Price, the Bundled Price will only account for those transactions in which player is using both products and services simultaneously.

For example, if the Primary Vendor is to submit multiple sections as both Primary Vendor and Game Vendor, then the Primary Vendor must submit two (2) Single Section Prices, one as Primary Vendor and one as Game Vendor. The Primary Vendor may also choose to submit a Bundled Price for those occasions when the player chooses to play the Primary Vendor's game. However, for those occasions when the player selects another Game Vendor's game, the Primary Vendor is only entitled to a revenue share from the Single Section Price as the Primary Vendor.

Offered Options

For products and services not specified in this RFP, the Vendor is encouraged to propose innovative functions, features, services, and solutions to the Lottery, called Offered Options. **These Offered Options must be clearly noted in the Technical Proposal (although without pricing information) and their corresponding prices listed in the Price Proposal as separate line item.**

5.4 Pricing and Scoring of Options

To make the evaluation tractable, the Evaluation Committee intends to score

5.4.1 Baseline Price: This is the pricing for specifications in this RFP and includes

1. Single Section Price: each vendor must fill out at least one individual Section price.
2. Bundled Price (Multiple Sections): this is only for Vendors who are submitting for more than one section and are offering a combined price for both sections.

5.4.2 Offered Options: This includes suggestions described above by the Vendor not identified in this RFP.

All pricing should assume a five (5) year contract and be in accordance with the parameters set out in Parts two (2) and three (3) of this RFP.

Response Note: The Lottery will not score Offered Options that are separately priced and designated outside of the Baseline Price as defined in the Vendor's Technical and Price Proposals. Such Offered Options may be considered at Contract negotiation time or later. Those Offered Options that are included within the Baseline price may or may not favorably influence the Vendor's Proposal score in the relevant technical section.

5.5 Price Quotation Sheet

5.5.1 Baseline Pricing

5.5.1.1 Single Section Pricing: Vendors are required to quote the following items as a percentage of Net Gaming Revenue, carried to four (4) decimal places. **TBD pricing is not allowed.**

1. **Primary Vendor:** In the Single Section Pricing, Primary Vendor must provide a fee structure that only represents the PAM, game aggregation (if applicable) and Operations Management of the solution. Within the pricing as Primary Vendor, the Primary Vendor may offer one price for all products or price each product type/vertical individually. Pricing discounts, based on volume and/or Net Gaming Revenue is permitted; however, it is expected that the Vendor is offering most competitive rate in the Vendor's Proposal. The pricing shall include the following.

	% of Net Gaming Revenue	Set Up, Minimum Revenue and/or Monthly Fees, Estimated Hardware Costs
Casino Table Games		
Video Lottery Games		
Live Casino Table Games		
Internet Sports betting		
Poker		
Keno		
Bingo		
Other		

The Primary Vendor has the option to charge a set-up, minimum revenue guarantee and/or fixed monthly fee but this will be taken into overall consideration of the pricing.

The Price above shall exclude any marketing services that may be performed by the Licensed Video Lottery Agents including website management, bonus promotion management, marketing management such as search engine optimization, pay per click management and offline/online campaign management. The Primary Vendor shall provide a pricing breakdown of the following services. If the Primary Vendor does not believe it is not in the best of the Lottery to provide such services than the Primary Vendor may leave blank, but an explanation shall be required.

Please describe any potential increases or other changes to the pricing above, if internet sports betting is required simultaneous to Productions Operations Lunch date for iGaming (i.e., will the inclusion of internet sports betting simultaneous to iGaming incur any increases in cost or time). Please provide any changes to pricing above if internet sports betting is not included at all in the future.

	Service Fee (% of Net Gaming Revenue, Fixed Fee or Monthly Fee)
Gaming Operations	
App/Portal Development & Maintenance	
Acquisition Marketing	
Retention Marketing	
Customer Service	
Fraud & Payments	
eCRM Management	
Graphic Design	
ASO/SEO/SEM	
Affiliate Management (if applicable)	
Other	

Please describe any potential increases or other changes to the pricing above, if internet sports betting is required simultaneous to Productions Operations Lunch date for iGaming (i.e., will the inclusion of internet sports betting simultaneous to iGaming incur any increases in cost or time). Please provide any changes to pricing above if internet sports betting is not included at all in the future.

2. **Game Vendor:** The Game Vendor may offer varying pricing for different games across varying product types (casino table games, Video Lottery Games, internet sports betting, poker, keno and bingo). All products are based on Net Gaming Revenue. Pricing discounts-based volume and/or Net Gaming Revenue is permitted; however, it is expected that the Vendor is offering most competitive rate in the Vendor's Proposal.

Casino Game Vendors

	% of Net Gaming Revenue	Set Up, Minimum Revenue and/or Monthly Fees/ Estimated Hardware Costs
Casino Table Games		
Video Lottery Games		
Live Casino Table Games		
Poker		
Bingo		
Other		

Internet Sports Betting Vendors

	(1) % of Net Gaming Revenue (NGR), (2) One-Time/Setup Fees, and/or (3) Hourly, Monthly, Annual, Fixed Fees
Internet Sports Betting Platform	
Event & Market Creation	
Event Settlement	
Odds Feeds/Compilation	
Official League Data (1)	
Risk Management (if includes an estimated of FTE traders, specify number of FTEs)	
Content Management	
Event Visualization	
Custom Game Formats	
Integrity Monitoring	
Other (Please Specify)	

- (1) Please provide pricing for both use of Official Data and Non-Official Data as well as a recommended approach for the Lottery for both Tier 1 and Tier 2 wagers.

The Game Vendor has the option to charge a set-up, minimum revenue guarantee and/or fixed monthly fee but this will be taken into overall consideration of the pricing.

Response note: Pricing for Franchise Games and game variants with a game type above the Baseline Price will be evaluated separately and not be included in the evaluation of the Price Scoring.

3. Support Services Vendors: Given the varying nature of all of the different types of support services required, Support Service Vendors should price their services in accordance with industry standard practice.

5.5.1.2 Bundled Pricing (Multiple Sections): For Vendors that are only submitting for Single Section

Pricing, disregard this section. Vendors who are also submitting for Bundled Pricing are required to quote the following items as a percentage of Net Gaming Revenue, carried to four (4) decimal places. As stated above, this pricing will hold true for circumstances whereby the players are consuming multiple products by the Vendor (i.e., services/platform plus games and/or plus payments). Single Section Pricing will stand under those circumstances where this is not the case.

Similar to Single Section Pricing, Vendors have the option to vary the pricing by product vertical /type or other logical breakdown that is industry standard practice. The Primary Vendor has the option to charge a set-up, minimum revenue guarantee and/or fixed monthly fee but this will be taken into overall consideration of the pricing.

- 5.5.2 Offered Options Pricing:** The Vendor **may** attach sheets for any Vendor-offered optional items. Clearly identify the items offered and the terms under which they are offered. Vendors are not required to submit any Offered Options. **To Be Determined (TBD) pricing is permitted.**

PART SIX – PROPOSAL EVALUATION

6.0 Introduction

This section describes the evaluation process that will be used to determine which Proposal provides the greatest overall benefits to the Lottery. The ability of the Lottery to evaluate a Vendor's Proposal is dependent upon the completeness and proper submission of the Proposal. The failure of a Vendor to provide information requested by this RFP, to submit according to the required format, or to respond appropriately to a clarification request or demonstration request, may result in rejection of the Vendor's Proposal or reduction in scoring during the evaluation. The evaluation process is governed by 29 Del. C. ch. 48 and §§6981-2.

6.1 Evaluation Committee and Lottery Director

The Lottery intends to conduct a comprehensive, fair, and impartial evaluation of Proposals received in response to this RFP. In making this determination, the Lottery will be represented by an Evaluation Committee ("the Committee"). The Committee will evaluate each Proposal that is properly submitted by a Vendor. The Evaluation Committee shall make a recommendation regarding the award to the Lottery Director, who shall have final authority, subject to the provisions of this RFP and 29 Del. C. § 6982, to award a contract to the Successful Vendor in the best interests of the Lottery and the State of Delaware.

The Evaluation Committee will be composed of representatives of the State of Delaware who will evaluate Proposals on a variety of quantitative criteria. The Committee shall determine which Vendors meet the minimum requirements pursuant to selection criteria of the RFP and procedures established in 29 Del. C. §§ 6981 and 6982. Neither the lowest price nor highest scoring Proposal will necessarily be selected for negotiations.

The State of Delaware and the Evaluation Committee reserve full discretion to determine the competence and responsibility, professionally and/or financially, of Vendors. The Evaluation Committee may contact any Vendor in order to clarify uncertainties or eliminate confusion concerning the contents of a proposal. Proposals may not be modified as a result of any such clarification request. Vendors are to provide in a timely manner any and all information that the Evaluation Committee and they may deem necessary to make a decision.

The Evaluation Committee reserves the right to refuse to consider any Proposal from a Vendor who:

- has been convicted for commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of the contract or subcontract;
- has been convicted under State or Federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or other offense indicating a lack of business integrity or business honesty that currently and seriously affects responsibility as a State contractor;
- has been convicted or has had a civil judgment entered for a violation under State or Federal antitrust statutes;
- has violated contract provisions such as:

- knowing failure without good cause to perform in accordance with the specifications or within the time limit provided in the contract; or
- failure to perform or unsatisfactory performance in accordance with terms of one or more contracts;
- has violated ethical standards set out in law or regulation; and
- any other cause listed in regulations of the State of Delaware determined to be serious and compelling as to affect responsibility as a State contractor, including suspension or debarment by another governmental entity for a cause listed in the regulations.

6.2 Evaluation Steps

The evaluation and award process will be comprised of all of the following:

1. Review of Proposals to assess compliance with Proposal submission requirements, including responsiveness to terms, conditions and requirements;
2. Detailed evaluation of proposed functions, features, services, and references, using the requirements and criteria (PART 3) and the Response Format (PART 4) defined in this RFP;
3. Proposal clarifications, site visits and demonstrations (as determined necessary by the Evaluation Committee);
4. Evaluation of Technical Proposals Primary Vendor and Game Vendor;
5. Evaluation of Price Proposals Primary Vendor and Game Vendor;
6. Compilation of technical scores and price scores into a summary score sheet;
7. Evaluation Committee recommendation for Vendor selection;
8. Review and intent to award by the Lottery Director;
9. Issuance of Notice of Award for Primary and Game Vendors;
10. Negotiation and signing of the Contract for Primary and Game Vendors;
11. Evaluation of Proposals (Technical and Price) Support Service Vendors;
12. Issuance of Notice of Award for Support Service Vendors.

6.3 Information from Other Sources

The Lottery reserves the right to obtain from credible sources other than the Vendor, information concerning a Vendor, the Vendor's offerings and capabilities, and the Vendor's performance, that the Lottery deems pertinent to this RFP and to consider such information in evaluating the Vendor's Proposal. References will be checked regarding the Vendor's past performance.

The Lottery and RFP Evaluation Committee may contact any customer of the Vendor, whether or not

included in the Vendor's reference list (please refer to **Appendix D for Business Reference** List form) and use such information in the evaluation process. Additionally, the Lottery or the RFP Evaluation Committee may choose to visit existing installations of comparable systems, which may or may not include Vendor personnel. If the Vendor is involved in such site visits, the Lottery will pay travel costs only for State of Delaware personnel for these visits.

6.4 Proposal Scoring

Each of the technical (non-price) factors in PART 4 will be graded by the Evaluation Committee based on its best professional judgment, considering all Proposal text, clarifications, reference checks, and any presentations, interviews, demonstrations, and qualified sources of information. A weighted scoring system will be used. The weighted scoring system will provide numerical scores that represent the Committee's assessments of the relative technical merits of the Proposals. The scores will be used to develop a preference ranking based on non-price factors. The scoring approach will involve grading technical and management criteria, multiplying the grades by the weights available for each, and then summing up.

The Evaluation Committee shall assign up to the maximum number of points for each Criteria to each of the proposing Vendor's Proposals. All assignments of points shall be at the sole discretion of the Evaluation Committee.

The Proposals all contain the essential information on which the award decision shall be made. The information required to be submitted in response to this RFP has been determined by the State of Delaware to be essential for use by the Committee in the bid evaluation and award process. Therefore, all instructions contained in this RFP shall be met in order to qualify as a responsive and responsible contractor and participate in the Evaluation Committee's consideration for award. Proposals which do not meet or comply with the instructions of this RFP may be considered non-conforming and deemed non-responsive and subject to disqualification at the sole discretion of the Committee.

The Committee reserves the right to:

- Select for contract or for negotiations a proposal other than that with lowest costs.
- Reject any and all Proposals or portions of Proposals received in response to this RFP or to make no award or issue a new RFP.
- Waive or modify any information, irregularity, or inconsistency in Proposals received.
- Request modification to Proposals from any or all Vendors during the contract review and negotiation.
- Negotiate any aspect of the Proposal with any Vendor and negotiate with more than one Vendor at the same time.
- Select more than one Vendor pursuant to 29 Del. C. §6986.

6.4.1 Criteria and Weights (Available Points)

The total score for evaluation purposes is 500 points, of which 400 is for the Technical Proposal and 100 for the Pricing Proposal. A breakdown of the Technical Proposal is found below for reach of the respective

Vendor types.

6.4.1.1 Vendor Score Weighting

PRIMARY VENDOR		
Section	Criteria	
4.1	Vendor Background Information	80
4.2.1	General Information	80
4.2.2	Operations Management Expertise	120
4.2.3	Player Account Management Platform (PAM)	120
		400

GAME VENDORS		
Section	Criteria	
4.1	Vendor Background Information	80
4.3.1	Key Team Members	40
4.3.2	General Expertise (All Game Vendors)	100
4.3.3- 4.3.6	Game Genre Specific Expertise	180
		400

SUPPORT SERVICES VENDORS		
Section	Criteria	
4.1	Vendor Background Information	80
4.4.1	Key Team Members	40
4.4.2	General Expertise	80
4.4.3-4.4.5	Service Specific Expertise	200
		400

Although the criteria will be scored using larger and smaller weights, the Vendor is cautioned that every criterion reflects requirements that must be met regardless of the criterion's weight; and that a poor response to a lesser-weighted criterion still can have a significant impact on the Vendor's final technical score as compared with other Vendors' scores.

6.4.2 Minimum Scores for Evaluation

A technical rating of less than 250 for the total technical rating below will render the Proposal ineligible for further consideration.

6.5 Price Evaluation

Price evaluation will occur after technical scoring, and will involve only the Proposals that are acceptable based on:

1. Meeting Proposal submission requirements and compliance with mandatory technical requirements ("responsive").
2. The achievement of a total technical score of at least 250 of available points.

For each Proposal, the Lottery price evaluation will be based on the Vendor's proposed price, as prescribed in Part 6 of this RFP.

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

$$\text{PRICE POINTS} = 100 \times (\text{LOWEST COST}/\text{PROPOSAL COST})$$

Under this formula, the lowest cost acceptable Proposal receives all the one hundred (100) available price points. A Proposal twice as expensive as the lowest cost acceptable Proposal earns half (1/2) as many, or fifty (50) price points.

Price is one of the many factors, which will be considered by the Committee in making a recommendation to the Lottery Director and as provided by Delaware law, is not determinative. Negotiations will be held with a Vendor(s) based on the Lottery Director's determination of the best interests of the Lottery and the State of Delaware after considering the Committee's recommendation based on the appropriate factors.

For the purposes of establishing baseline pricing the Evaluation Committee will be calculating overall costs based on the following annual revenue assumptions for the Internet Wagering Solution. The revenue assumptions listed below are ***strictly for the purposes of scoring evaluation only and are not intended to provide a Vendor with any expectation of future play or anticipated earnings.***

**Annual Gross Gaming Revenue Forecast for
Online Wagering**

Video Lottery Games	\$15,000,000
Table Games	\$10,000,000
Internet Sports Betting	\$25,000,000
Total Annual GGR	\$50,000,000

Source: Delaware Lottery

6.6 Negotiations and Award

The Evaluation Committee based on their review of the Proposal and their analysis of the evaluation criteria shall recommend to the Lottery Director, the Vendor or Vendors with whom she should consider negotiating. The Lottery Director may negotiate with one or more Vendors concurrently and may, at his discretion, terminate negotiations with any or all Vendors. The Lottery Director shall have final authority, subject to the provisions of this RFP and 29 Del. C. § 6982, to award a contract to the Contracting Vendor in the best interests of the Lottery.

In performance of any contract awarded pursuant to this RFP, all Vendors will be required to comply with all applicable Federal, State and local laws, ordinances, codes, and regulations. The cost of permits and other relevant costs required in the performance of the contract shall be borne by the Successful Vendor. The Vendor shall be properly licensed and authorized to transact business in the State of Delaware as provided in 30 Del. C. § 2301.

APPENDIX A: GLOSSARY OF TERMS**Defined Terms**

AML (Anti Money Laundering): the legal controls that require financial institutions and other regulated entities to prevent, detect and report money-laundering activities.

Baseline Price: The pricing for the Solution including all features and capabilities, without additional pricing for options.

Bond: A bond, letter of credit, or alternatively security in forma and substance and issued by a company acceptable to the Lottery.

Bundled Fee: The bundled fee is the total fee proposed by the Vendor when submitting for multiple sections in Part 4. Note: when submitting a Bundled Fee, the Bundled Fee will only account for those transactions in which player is using both products and services simultaneously, e.g., if the Primary Vendor submits a Bundled fee acting as both the Primary Vendor and the Game Vendor, the Bundled Fee will stand only when the player is playing the Primary Vendor's game.

Contract: The written agreement resulting from the successful Proposal and subsequent negotiations with both Primary Vendor, Game Vendor and required payment facilities. The Contract shall incorporate, among other things, this RFP and the Successful Vendor's Proposal and all modifications. The Contract shall contain such other terms and conditions as may be required by the Lottery and acceptable to a Successful Vendor.

Contracting Vendor (or Successful Vendor): A Vendor who enters into a successful negotiation with the Lottery resulting in a Contract. This includes the Primary Vendor, Game Vendor and potentially Payment Vendors.

Conversion: The implementation of the project during which the existing Internet Wagering Solution used by the Lottery is replaced. This may or may not include the Games as well.

Evaluation Committee: The Evaluation Committee is responsible for evaluating Proposals.

Factoring: Player factoring is a method conducted by an online gaming operator in an effort to limit a player's ability to deposit based on the player's historical behavior. Factoring is typically implemented in internet sports betting for players who are tipsters or arbitraging against other operators. Factoring may also be used for casino or poker to those players as well.

File: A related collection of records containing a consistent set of data fields that describe an entity. A file can be processed by software representing an authorized user to add, modify, or delete records, or to generate a report or display of useful information. A file can be operated on as an object itself, for example to move it from one location to another, or to delete it.

Franchise Games: Video Lottery games that feature well-known brands that are licensed by third party licensees.

FTE: Full Time Equivalent employees

Game Vendor: A developer of Internet wagering games including but not limited to casino table games, Video Lottery games, internet sports betting, poker, keno and bingo that enters into contract with the Lottery.

Gross Gaming Revenue: Defined as the Turnover or amount staked by a player less all player winnings.

iGaming (or Internet Gaming): Specifically refers to the online version of games casino style games typically played in a Licensed Video Lottery Agent facility including Video Lottery Games, table games, poker, keno and bingo.

Intellectual Property Rights: Any rights with respect to inventions, discoveries, or improvements, including patents, patent applications and certificates of invention; trade secrets, know-how, or similar rights; the protection of works of authorship or expression, including copyrights and future copyrights; and trademarks, service marks, logos, and trade dress; and similar rights under any laws or international conventions throughout the world, including the right to apply for registrations, certificates, or renewals with respect thereto, and the rights to prosecute, enforce and obtain damages.

Internet Wagering: Online version of all games typically played in a Licensed Video Lottery Agent facility including but not limited to iGaming Games (Video Lottery Games, table games, poker etc.) and internet sports betting.

Internet Wagering System and Services Solution (the Solution, the Internet Wagering Solution): The products and services provided by all of the Successful Vendors that together comprise Delaware's Internet wagering operation. This includes the Backend Platform Technology, the Operations Expertise, Games and Support Services.

KYC (Know Your Customer): a set of identification checks that allow Internet Wagering operators to know who exactly is signing onto their website.

Licensed Video Lottery Agent: The facilities licensed by the Lottery Director to conduct video lottery operations in Delaware. The three (3) current agents include Delaware Park, Bally's Dover and Harrington Raceway & Casino.

Lottery (DSL): The Delaware State Lottery, the state agency that is part of the State of Delaware.

Lottery Committee. See Delaware Lottery Committee

Lottery Director: The Lottery Director of the Lottery, or an employee authorized to act on behalf of the Lottery Director.

Net Gaming Revenue: As defined in Section 5.3.1

Non-Primary Vendor: Any Vendor that is not the Primary Vendor. This includes the Game and Support Service Vendors.

Offered Option(s): A system feature or capability that may be proposed at the discretion of the Vendor for which the Lottery makes no schedule or quantity commitments, but which may, at the Lottery's sole

discretion, be included in or added to the Internet Wagering Solution.

PAM Platform: The software that manages the Internet Wagering Solution including player accounts, customer service, fraud & collusion, reporting promotions and bonuses, cashier module etc.

Person: An individual, a partnership, a joint venture, a registered limited liability partnership, an association, a corporation, a limited liability company, a trust, an unincorporated organization or any other entity, business or enterprise, authorized to do business in the State of Delaware.

Player Data: player history, deposits as well as qualitative information surrounding the player including player segmentation, analytical profiling, factoring of player.

Personal Information: All data relating to a registered player including name, address, date of birth, credit card and other payment details, credit rating, player history etc.

Platform Provider: The Vendor that provides the Player Account Management or PAM platform on behalf of the Primary Vendor's solution, which may be the Primary Vendor itself. The PAM includes the core modules including account management, cashier, registration, customer service, fraud & collusion and other modules as well as the APIs to integrate other third-party products and services including game provider, geolocation, player authentication, hosted in secure facility.

Proposal: All materials submitted by a Vendor in response to this RFP, together with all addenda, clarifications, and demonstrations.

Primary Vendor: The day-to-day operator of the Internet Wagering Solution providing both the PAM platform as well as the Operations Management Expertise.

Production Operation: The period of time when the Internet Wagering Solution is operational offering players the ability to deposit, withdraw and play the games.

Report: Information produced by the system that is viewed via on screen or saved to a file depending on the needs of the Lottery.

Single Section Fee: The price proposed by the Vendor for each individual section listed in Part 4.

Skins. See White Label.

State: The State of Delaware and its Departments, officers and employees

Substantial Subcontractor: A subcontractor that performs an integral component to the Vendor's products or service, either by value or volume.

Subcontractor: The term "subcontractor" refers to a firm retained by the Vendor to provide a contribution to meet the requirements of this RFP.

Successful Vendor (or Contracting Vendor): any company, institution or individual that contracts, after negotiations directly with the Lottery. This includes the Primary Vendor, Games Vendor and potentially payment companies. If the Game Vendor is included as part of the Primary Vendor submission, then the Primary Vendor will act as both the Primary and Game Vendor under a single contract.

Support Services: Products and services offered in this RFP to assist the Primary Vendor in managing a scalable and safe operation. These products and services are highly specialized and complex, requiring the skill set of a specialist company to assist in providing the product or service. Support Services include but are not limited to payment processing, geolocation, hosting, player identification/authentication, etc.

System: PAM platform and the integrated Game provider. It is not inclusive of the services that manage the operating of the Internet Wagering Solution.

Tier 1 Sports Wager means a sports wager that is determined solely by the final score or final outcome of the sports event and is placed before the sports event has begun.

Tier 2 Sports Wager means a sports wager that is not a tier 1 sports wager.

Turnover: The amount a player wagers or stakes on a particular game.

Turnkey Solution: a fully outsourced or end-to-end solution provided by the Vendors, as a group including the PAM platform, Operations Management, Games and all Support Services.

Vendor: A firm with the potential to submit a Proposal in response to this RFP.

Video Lottery Game: A gaming device that allows players to wager on the outcome of a lottery-based video game. In a retail environment, each terminal is a stand-alone device containing a random- number generator with spinning reels. Each terminal is connected to a centralized computer terminal that issues lottery tickets to the local device as well as allows the lottery to monitor game play. An Online Video Lottery Game acts much the same way with each individual player's device being hooked up to a centralized computer.

Video Lottery Agent. See Licensed Video Lottery Agent.

Wager. See Turnover.

White Label: A site that offers a separately branded version of operator's offering. Enables a basic level of front-end customization including logos, color schemes, game selection, promotions etc.

APPENDIX B**Proposal Bond**

NOW ALL MEN BY THESE PRESENTS That _____ of _____ of the County of _____ and State of _____ principal, and _____ of _____ of the County of _____ and the State of _____ as surety, legally authorized to do business in the State of Delaware, are held and firmly bound unto the State of Delaware in the sum of _____ Dollars or _____ per cent (not to exceed _____ Dollars) of amount bid on Contract No. _____ to be paid to said State of Delaware for the use and benefit of the _____ of said State, for which payment well _____ (hereinafter referred to as Agency)

and truly to be made, we do bind ourselves, our and each of our heirs, executors, administrators, and successors, jointly and severally for and in the whole, firmly by these presents.

NOW THE CONDITION OF THIS OBLIGATION IS SUCH That if the above bounden principal _____ who has submitted to said Agency of the State of Delaware, a certain proposal to enter into a certain contract to be known as Contract No. _____, for the furnishing of certain products and/or services within the said State of Delaware shall be awarded said Contract No. _____, and if said _____ shall well and truly enter into and execute said Contract No. _____ and furnish therewith such surety bond as may be required by the terms of said contract and approved by said Agency, said contract and said bond to be entered into within twenty days after the date of official notice of the award thereof in accordance with the terms of said proposal, then this obligation to be void or else to be and remain in full force and virtue.

Sealed with _____ seal and dated this _____ day of _____ in the year of our Lord two thousand and _____ (20____).

SEALED AND DELIVERED IN THE

Presence Of _____ (Seal)
Name of Bidder (Principal)

Witness _____ BY _____ (Seal)

Corporate
Seal

_____ Title

_____ BY _____ (Seal)
Name of Surety

_____ (Seal)

_____ Title

APPENDIX C

PERFORMANCE BOND

Bond Number: _____

KNOW ALL PERSONS BY THESE PRESENTS, that we, _____, as principal ("**Principal**"), and _____, a _____ corporation, legally authorized to do business in the State of Delaware, as surety ("**Surety**"), are held and firmly bound unto the _____ ("**Owner**") (*insert State agency name*), in the amount of _____ (\$_____), to be paid to **Owner**, for which payment well and truly to be made, we do bind ourselves, our and each and every of our heirs, executors, administrations, successors and assigns, jointly and severally, for and in the whole, firmly by these presents.

Sealed with our seals and dated this _____ day of _____, 20__.

NOW THE CONDITION OF THIS OBLIGATION IS SUCH, that if **Principal**, who has been awarded by **Owner** that certain contract known as Contract No. _____ dated the _____ day of _____, 20__ (the "Contract"), which Contract is incorporated herein by reference, shall well and truly provide and furnish all materials, appliances and tools and perform all the work required under and pursuant to the terms and conditions of the Contract and the Contract Documents (as defined in the Contract) or any changes or modifications thereto made as therein provided, shall make good and reimburse **Owner** sufficient funds to pay the costs of completing the Contract that **Owner** may sustain by reason of any failure or default on the part of **Principal**, and shall also indemnify and save harmless **Owner** from all costs, damages and expenses arising out of or by reason of the performance of the Contract and for as long as provided by the Contract; then this obligation shall be void, otherwise to be and remain in full force and effect.

Surety, for value received, hereby stipulates and agrees, if requested to do so by **Owner**, to fully perform and complete the work to be performed under the Contract pursuant to the terms, conditions and covenants thereof, if for any cause **Principal** fails or neglects to so fully perform and complete such work.

Surety, for value received, for itself and its successors and assigns, hereby stipulates and agrees that the obligation of **Surety** and its bond shall be in no way impaired or affected by any extension of time, modification, omission, addition or change in or to the Contract or the work to be performed thereunder, or by any payment thereunder before the time required therein, or by any waiver of any provisions thereof, or by any assignment, subletting or other transfer thereof or of any work to be performed or any monies due or to become due thereunder; and **Surety** hereby waives notice of any and all such extensions, modifications, omissions, additions, changes, payments, waivers, assignments, subcontracts and transfers and hereby expressly stipulates and agrees that any and all things done and omitted to be done by and in relation to assignees, subcontractors, and other transferees shall have the same effect as to **Surety** as though done or omitted to be done by or in relation to **Principal**.

Surety hereby stipulates and agrees that no modifications, omissions or additions in or to the terms of the Contract shall in any way whatsoever affect the obligation of **Surety** and its bond.

Any proceeding, legal or equitable, under this Bond may be brought in any court of competent jurisdiction in the State of Delaware. Notices to **Surety** or Contractor may be mailed or delivered to them at their respective addresses shown below.

IN WITNESS WHEREOF, **Principal** and **Surety** have hereunto set their hand and seals, and such of them as are corporations have caused their corporate seal to be hereto affixed and these presents to be signed by their duly authorized officers, the day and year first above written.

PRINCIPAL_____
Witness_____
Name_____
Title_____
Date_____
Company Name_____
Company Address**SURETY**_____
Witness_____
Name_____
Title

APPENDIX D

BUSINESS REFERENCE FORM

List a minimum of three business references, including the following information:

- Business Name and Mailing address
- Contact Name and phone number
- Number of years doing business with
- Type of work performed

Please do not list any State Employee as a business reference. If you have held a State contract within the last 5 years, please provide a separate list of the contract(s).

1. **Contact Name & Title:****Business Name:****Address:****Email:****Phone # / Fax #:****Current Vendor (YES or NO):****Years Associated & Type of Work
Performed:**2. **Contact Name & Title:****Business Name:****Address:****Email:****Phone # / Fax #:****Current Vendor (YES or NO):****Years Associated & Type of Work
Performed:**3. **Contact Name & Title:****Business Name:****Address:****Email:****Phone # / Fax #:****Current Vendor (YES or NO):****Years Associated & Type of Work
Performed:**

STATE OF DELAWARE PERSONNEL MAY NOT BE USED AS REFERENCES.

APPENDIX E

DELAWARE STATE DEPARTMENT OF TECHNOLOGY & INFORMATION

IT REPORTS (IFAPPLICABLE)

Checklist Task (if Applicable)	Quarterly	Comments
Network Diagram (including any changes/addition from Phase 1) that clearly represent implementation of n-tier architecture with network segmentation	Required	Beginning right after production
Dataflow diagram showing all current communications	Required	
Firewall configuration	required	Full config with current date
Approved cloud inbound perimeter firewall rules	required	Full config with current date
List of all other firewall rules and ports; outpound and across network layers	required	Full config with current date
Firewall Logs	required	Sample /w current date
IPS/IDS Configuration - Evidence of IPS signatures events details perimeter and tunnel	required	
IPS/IDS logs	required	Sample /w current date
Details of storage encryption and security	required	Configuration copy
Vulnerability scan reports	Required	Scan Summary with template
Backend Application front-end security/SSL	Required	screenshot /w http & https
Backend Application code scans completed and remediated	Required	Scan Summary with template
Portal application code scans	Required	Scan Summary with template
Backend Application logs verified	Required	Sample /w current date
Portal application logs verified	Required	Sample /w current date
Access Management; account, password and provisioning	Required	Process documentation; list of users for validation
Web services encryption, config standard and lockdown	Required	Config
Web services logs	Required	Sample /w current date
System (OS) Compliance assessment results (CIS/NIST hardening standard) /w server host encryption validation	Required	Compliance scan result
System (OS) EndPoint security confirmation	Required	Endpoint security config and list of systems and their status
System (OS) logging	Required	Sample /w current date
Implement database encryption (TDE/Transparent data encryption)	required	Configuration copy
Ensure all database traffic is encrypted in transit and at rest	required	Configuration copy
Implement database auditing of administrative and other security activities	required	Configuration copy
Database logs verified	required	Sample /w current date
Webshield /w DNS FQDN setup for portal	required	Firewall config showing inbound restricted to state CASB
security log management & Retention	required	Sample /w current date
24x7, 365 active security event monitoring and attack response validation	required	Sample incident tickets /w current date
DTI SOC integration verified	required	Validate contact between SOCs
DTI Compliance Integration verified	required	Validate compliance team contact

APPENDIX F**DELAWARE STATE DEPARTMENT OF TECHNOLOGY & INFORMATION****STANDARDS, POLICIES & RESPONSE DOCUMENTS**

Each Vendor must adhere to the following Delaware State Technology & Information standards and policies. By responding to this RFP, all Vendors agree to adhere to the following Delaware State standards and policies.

1. Cloud Security Terms and Conditions FAQ
<https://webfiles.dti.delaware.gov/pdfs/pp/Cloud%20Security%20Terms%20and%20Conditions%20FAQ.pdf>
2. Terms and Conditions Governing Cloud Services Policy
<https://webfiles.dti.delaware.gov/pdfs/pp/Terms%20and%20Conditions%20Governing%20Cloud%20Services%20Policy.pdf>
3. Terms and Conditions Governing State Data Usage
<https://webfiles.dti.delaware.gov/pdfs/pp/Terms%20and%20Conditions%20Governing%20State%20Data%20Usage%20Policy.pdf>

If applicable to the proposed solution, the following forms are required for completion. For the avoidance of doubt, all Vendors are required to complete the DTI-IT Requirements worksheet.

1. Delaware Cloud Services Terms and Conditions Agreement
<https://webfiles.dti.delaware.gov/pdfs/pp/Delaware%20Cloud%20Services%20Terms%20and%20Conditions%20Agreement.pdf>
2. Delaware Data Usage Terms and Conditions Agreement
<https://webfiles.dti.delaware.gov/pdfs/pp/Delaware%20Data%20Usage%20Terms%20and%20Conditions%20Agreement.pdf>
3. DTI – IT Requirements RFP Template (Excel)
<https://webfiles.dti.delaware.gov/rfp/RFP%20template.xlsx>

Each of the following documents may be found on the following pages. A digital copy of the documents may also be found at DTI website at:

<https://dti.delaware.gov/technology-services/standards-and-policies/>



Q1 : What is new?

A1-1: Updated policy for *Terms and Conditions Governing Cloud Services* for procuring X-a-a-S or Hybrid cloud deployments with a simplified *Delaware Cloud Services Terms & Conditions Agreement*.

A1-2: New, separate policy for *Terms and Conditions Governing State Data Usage* simplifies data sharing for audits, research collaboration and other data usage for providers and non-IT staff.

A1-3: Fast-Track for providers/vendors holding cloud security certifications. Leveraging these industry standards the State can validate provider/vendor cloud security controls compliance. Currently the Cloud Security Alliance (CSA) Star and Federal Risk Authorization Management Program (FedRAMP) are accepted certifications.

Q2 : What has been removed?

A2-1: The Data Protection term has been removed. Data Protection language was included in the new Data Usage term for clarity.

A2-2: The Data Dictionary term has been removed. A Data Dictionary agreement should be negotiated outside of this set of terms since it is not security related.

A2-3: The Security Log and Reports term has been removed. The State no longer requires access to logs.

A2-4: The Contract Audit term has been removed. If required, Contract audit terms should be negotiated.

A2-5: The Operational Metrics term has been removed. Operational Metrics should be negotiated in the Service Level Agreement.

A2-6: The Sub-contractor Disclosure term has been replaced. The new Sub-contractor Flowdown term replaces the old term.



Q3 : Why are there now two policies and two agreements?

A3: The revisions recognize that not all engagements require cloud services; some engagements simply revolve around the use of State data. Consequently, a new *Terms and Conditions Governing State Data Usage* policy has been developed, along with its associated agreement. These documents include the terms related to data protection. The *Terms and Conditions Governing Cloud Services* policy now only includes the terms related to cloud provider/vendor responsibilities and accountabilities, and has a separate agreement to match.

Q4: How will these documents be used in an RFP solicitation?

A4: One or both of these sets of documents will be submitted as part of the RFP package depending on use case(s). When provider/vendor selection is determined the necessary terms must be finalized with the provider/vendor.

Q5: Has the Delaware Department of Justice reviewed these policies and terms?

A5: Yes.

Q6: What is the effective date and cutover date for the new policies and agreements?

A6: The current Terms and Conditions will be retired on 6/18/2018. All current engagements and in-flight negotiations will continue to leverage the current *Cloud and Offsite Hosting Policy* terms and conditions. Once the two new policies and their agreements are effective, all new and renewing engagements, contracts, and renewals negotiated after that date will be required to adhere to these. A waiver will only be accepted if engagements adhering to the new policies are deemed impossible to negotiate due to time constraints. A date for bringing the contractual relationship into compliance will be determined at time of waiver.

Q7: If a vendor has already signed the T&Cs, do they need to re-sign the new ones?

A7: Yes eventually! You may go back and insert the new T&Cs into existing contracts but it is not required. What is required is that the new T&Cs are replaced at the next renewal.



Q8: When should I inform my providers/vendors of Delaware’s new policies and agreements?

A8: Procurement Officers should inform providers/vendors of this change as of the new policies’ effective dates. Providers/vendors should understand that compliance will be required at the time of a renewal or extension of that contract.

Q9: Does a blank box in the PUBLIC column on the agreement indicate a term is *not* required?

A9: Yes.

Q10: If data ownership has been transferred from the State to a provider do we still need Delaware Data Usage Terms and Conditions Agreement signed?

A10: No. If Data Ownership has been passed to the provider/vendor no Terms and Conditions are necessary (e.g., Federal agency request for State data—either a one-time or subscription request—where data becomes the Federal agency’s to use).

Q11: What terms apply if we are sending data to a provider or other organization for audit, research, aggregation, or analysis with no Cloud involvement?

A11: These transactions include when another organization is taking action on data on behalf of Delaware for Delaware (e.g., UD research using State data that provides outcomes for State programs) qualifies as a simple data usage agreement. Only the *Delaware Data Usage Terms and Conditions Agreement* would be required.

Q12: Can state organizations add more restrictions beyond these policies and terms?

A12: Yes. In certain cases, an agency or school district may require even tighter data security terms.



Q13: Why require only CSA Star and/or FedRAMP certifications?

A13: These are internationally recognized and provide actual certifications. Certain agencies may require providers/vendors to comply with other recognized cloud security standards (e.g., HIPAA, FISMA, GDPR, etc.)

Q14: How can I find out if the provider is CSA Star and/or FedRAMP certified?

A14: You can start by asking them. For independent verification, check out https://cloudsecurityalliance.org/star/#_registry and <https://marketplace.fedramp.gov/#/products?sort=productName>. The vendor will be required to provide proof of their active certification before the contract is signed.

Q15: Which terms apply to my project? (See table)

A15: There are three important factors to consider:

1. Is this a SaaS, PaaS, IaaS, or simple data usage agreement?
2. Is the classification of the data PUBLIC or NON-PUBLIC
3. Does the provider/vendor hold a FedRAMP authorization or a Cloud Security Alliance STAR certification? ("Certified" below)

	TYPE OF ENGAGEMENT	REQUIRED CLOUD Ts & Cs	REQUIRED DATA USAGE Ts & Cs
1	Certified, SaaS, PUBLIC	CS1-A, CS4	DU1, DU2, DU3
2	Certified, IaaS, PUBLIC	CS1-A, CS4	DU1, DU2, DU3
3	Certified, PaaS, PUBLIC	CS1-A, CS4	DU1, DU2, DU3
4	Certified, SaaS, NON-PUBLIC	CS1-A, CS2, CS3, CS4	DU1, DU2, DU3, DU4, DU5, DU6, DU7
5	Certified, IaaS, NON-PUBLIC	CS1-A, CS2, CS4	DU1, DU2, DU3, DU4, DU5, DU6, DU7
6	Certified, PaaS, NON-PUBLIC	CS1-A, CS2, CS3, CS4	DU1, DU2, DU3, DU4, DU5, DU6, DU7

CLOUD SECURITY TERMS AND CONDITIONS

FREQUENTLY ASKED QUESTIONS



	TYPE OF ENGAGEMENT	REQUIRED CLOUD Ts & Cs	REQUIRED DATA USAGE Ts & Cs
7	Not Certified, SaaS, PUBLIC	CS4	DU1, DU2, DU3
8	Not Certified, IaaS, PUBLIC	CS4	DU1, DU2, DU3
9	Not Certified, PaaS, PUBLIC	CS4	DU1, DU2, DU3
10	Not Certified, SaaS, NON-PUBLIC	CS1-B, CS1-C, CS2, CS3, CS4	DU1, DU2, DU3, DU4, DU5, DU6, DU7
11	Not Certified, IaaS, NON-PUBLIC	CS1-B, CS1-C, CS2, CS4	DU1, DU2, DU3, DU4, DU5, DU6, DU7
12	Not Certified, PaaS, NON-PUBLIC	CS1-B, CS1-C, CS2, CS3, CS4	DU1, DU2, DU3, DU4, DU5, DU6, DU7
13	Data Usage only, PUBLIC	N/A	DU1, DU2, DU3
14	Data Usage only, NON-PUBLIC	N/A	DU1, DU2, DU3, DU4, DU5, DU6, DU7
15	Data Usage when ownership transfers from State to Provider	N/A	N/A

Q16: Do I need signed agreements for each contract/engagement or each vendor?

A16: Agreements become part of the contract. Each contract needs its own agreement(s).

Q17: I understand many cloud providers/vendors have signed Delaware's Terms and Conditions; where is the list?

A17: DTI maintains a log of every contract already including our Cloud Terms and Conditions; we are working to publish this as a reference for our customers. Keep in mind that each contract may be unique to an agency or school district's needs and/or the specific product offering. Incorporating the applicable terms and conditions agreement document(s) into your contract is still important.



STATE OF DELAWARE
DEPARTMENT OF TECHNOLOGY AND INFORMATION
801 Silver Lake Blvd.
Dover, Delaware 19904

Doc Ref Number:	SE-CLD-001	Revision Number: 6
Document Type:	Enterprise Policy	Page: 1 of 7
Policy Title:	Terms and Conditions Governing Cloud Services	

Synopsis:	This policy provides guidance for State of Delaware organizations to utilize offsite or cloud facilities and services, including hosting and computing (XaaS: e.g, Software-, Infrastructure-, Platform-, etc., as-a-Service).
Authority:	Title 29 Chapter 90C Delaware Code, §9004C – General Powers, duties and functions of DTI “2) Create, implement and enforce statewide and agency technology solutions, policies, standards and guidelines, including as recommended by the Technology Investment Council on an ongoing basis and the CIO”
Applicability:	This policy is applicable to all users of the State of Delaware communications and computing resources. DTI is an Executive Branch Agency and has no authority over the customers in Legislative and Judicial Branches, as well as School Districts, and other Federal and Local Government entities that use these resources. However, all users, including these entities, must agree to abide by all policies, standards promulgated by DTI as a condition of access and continued use of these resources.
Effective:	5/15/2013
Reviewed:	9/27/2019
Approved By:	Chief Information Officer
Sponsor:	Chief Security Officer

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STATE OF DELAWARE
DEPARTMENT OF TECHNOLOGY AND INFORMATION
801 Silver Lake Blvd.
Dover, Delaware 19904

Doc Ref Number:	SE-CLD-001	Revision Number: 6
Document Type:	Enterprise Policy	Page: 2 of 7
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I. Policy

EXECUTIVE SUMMARY

Cloud and offsite hosting and services (contracted XaaS: Infrastructure-, Platform-, Software-as-a-Service) offer credible alternatives to traditional IT delivery models. Contracted XaaS can provide benefits such as rapid delivery, enhanced scalability, development agility and new funding models.

PURPOSE

This policy establishes the terms and conditions for contracted XaaS. All IT-related RFPs, Contracts, etc. must abide by this policy and the related *Terms and Conditions Governing State Data Usage* policy. The terms and conditions set forth in these policies will help to protect the State's organizations by mitigating the risks associated with entrusting the State's computing operations and data to a third party.

POLICY STATEMENT

New contracts and amendments to contracts with service providers, as well as agreements regarding others (including but not limited to audit, research, etc.), are expected to include data usage and/or cloud services signed agreements, as applicable, approved by DTI. When it applies, the *Terms and Conditions Governing Cloud Services* policy requires a signed *Delaware Cloud Services Terms and Conditions Agreement*, in addition to the signed *Delaware Data Usage Terms and Conditions Agreement*. The *Terms and Conditions Governing State Data Usage* policy requires a signed *Delaware Data Usage Terms and Conditions Agreement* for any XaaS engagement or other agreement requiring service provider or other (including but not limited to audit, research, etc.) access to, or use of, state data. Contracts or other agreements already in force will be expected to include the applicable signed agreements approved by DTI at the next renewal or revision date. The following standard agreements are available:

- [Delaware Cloud Services Terms and Conditions Agreement \(PDF\)](#)
- [Delaware Data Usage Terms and Conditions Agreement \(PDF\)](#)



Delivering Technology that Innovates



STATE OF DELAWARE
DEPARTMENT OF TECHNOLOGY AND INFORMATION
801 Silver Lake Blvd.
Dover, Delaware 19904

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Nothing in this policy statement or its related agreement precludes state agencies from imposing their own industry-specific terms and conditions as their business might require, above and beyond those promulgated by DTI.

IMPLEMENTATION RESPONSIBILITY

DTI and/or the organization's technical staff will implement this policy during the course of normal business activities, including project execution and the design, development, or support of systems.

Service providers shall be familiar with, and adhere to, security guidelines closely aligned with standardized industry approaches to assessment, documentation, monitoring, and controls for cloud products and services, such as those promulgated by the Federal Risk and Authorization Management Program (FedRAMP), Cloud Security Alliance (CSA), the National Institute of Standards and Technology (NIST), and other accreditation authorities as these become recognized by the industry.

ENFORCEMENT and WAIVER

DTI will enforce this policy during the course of normal business activities, including review of proposed projects and during the design, development, or support of systems. This policy may also be enforced by others during the course of their normal business activities, including contract execution, review or amendment, audits, and design reviews.

Cyber Security Liability Insurance

The State of Delaware places paramount importance on protection of sensitive Personally Identifiable Information (PII) or otherwise confidential information as defined by 6 Del. C. §1202C (15) and §12B-101(7)a, and as noted below under Section II – Definitions.

In accordance with the State's Contracted Computing and Cloud Services Terms and Conditions Agreement Item 4, non-public state data shall be encrypted in transit and, for PII data, at rest. A service provider will employ validated cryptography standards as specified in National Institute of Standards and Technology FIPS140-2 Security Requirements. When the Service Provider cannot offer encryption at rest, they must maintain, for the duration of the contract, cyber security liability insurance coverage



Delivering Technology that Innovates



STATE OF DELAWARE
DEPARTMENT OF TECHNOLOGY AND INFORMATION
801 Silver Lake Blvd.
Dover, Delaware 19904

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for any loss resulting from a data breach. Such a liability protection policy shall comply with the State's requirements, incorporated by addendum to this policy (see Addendum 1: Cyber Security Liability Insurance Requirement).

In the event a service provider fails to keep in effect at all times the insurance coverage required by this provision, the State may, in addition to pursuing any other remedies available, terminate the contract upon the occurrence of such event, subject to the provisions of the contract.

If there is ambiguity or confusion regarding any part of this policy, seek clarification from the point of contact defined in the header of this policy.

II. Definitions

Personally Identifiable Information (PII)

1. Information or data, alone or in combination, that identifies or authenticates a particular individual. Such information or data may include, without limitation, Name, Date of birth, Full address (e.g. house number, city, state, and/or zip code), Phone Number, Passwords, PINs, Federal or state tax information, Biometric data, Unique identification numbers (e.g. driver's license number, social security number, credit or debit account numbers, medical records numbers), Criminal history, Citizenship status, Medical information, Financial Information, Usernames, Answers to security questions or other personal identifiers.
2. Information or data that meets the definition ascribed to the term "Personal Information" under Delaware Code Title 6 § 12B-101 Title 6, §1202C, and Title 29 §9017C or any other applicable State of Delaware or Federal law.

III. Development and Revision History

Date	Revision
5/15/2013	Rev 0 - Initial version
8/27/2014	Rev 1 - Updated version
11/17/2014	Rev 2 - Updated version
11/23/2015	Rev 3 - Removed language regarding the State's inclusion on the insured list.



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STATE OF DELAWARE
DEPARTMENT OF TECHNOLOGY AND INFORMATION
801 Silver Lake Blvd.
Dover, Delaware 19904

Doc Ref Number:	SE-CLD-001	Revision Number: 6
Document Type:	Enterprise Policy	Page: 5 of 7
Policy Title:	Terms and Conditions Governing Cloud Services	

3/1/2016	Rev 4 - Added Tiered Coverage Schedule. Added PII definition. Adjusted Ponemon value. Updated link for The Center for Digital Government 2014 study of Cloud Security Procurements.
10/10/2016	Rev 5 - Added language and references to State standards in the Implementation Responsibility section.
2/1/2018	Rev 5 - Added language and references to State standards in the Implementation Responsibility section.
6/18/2018	Rev 6 - Revised policy titles and agreement references. Added language and references to new Data Usage Terms and Conditions Policy, as well as to State standards in the Implementation Responsibility section; revised DelCode references with respect to definitions of Personally Identifiable Information (PII); moved information regarding Cyber Liability Insurance Requirement to be incorporated by Addendum 1.

IV. Approval Signature Block

Name & Title:	Date
State Chief Information Officer	



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DEPARTMENT OF TECHNOLOGY AND INFORMATION
801 Silver Lake Blvd.
Dover, Delaware 19904

Doc Ref Number:	SE-CLD-001	Revision Number: 6
Document Type:	Enterprise Policy	Page: 6 of 7
Policy Title:	Terms and Conditions Governing Cloud Services	

VI. Listing of Appendices

APPENDIX 1

CYBER SECURITY LIABILITY INSURANCE REQUIREMENTS

- Issued by an insurance company acceptable to the State of Delaware and valid for the entire term of the contract, inclusive of any term extension(s).
- Liability limits will be calculated based on the maximum system record count and the ***Ponemon Institute*** average Public Sector Breach cost per record as published in the most recent *Cost of Breach Study* (e.g., 2017, \$141). Refer to the Tiered Coverage Schedule below.

Tiered Coverage Schedule

Level	Number of PII records	Level of cyber liability insurance required (occurrence = data breach)
1	1-10,000	\$2,000,000 per occurrence
2	10,001 – 50,000	\$3,000,000 per occurrence
3	50,001 – 100,000	\$4,000,000 per occurrence
4	100,001 – 500,000	\$15,000,000 per occurrence
5	500,001 – 1,000,000	\$30,000,000 per occurrence
6	1,000,001 – 10,000,000	\$100,000,000 per occurrence

- Shall include, but not be limited to, coverage for liabilities arising out of premises, operations, independent contractors, products, completed operations, and liability assumed under an insured contract.
- At a minimum, the policy must include third party coverage for credit monitoring; notification costs to data breach victims; and regulatory penalties and fines.
- Shall apply separately to each insured against whom claim is made or suit is brought subject to the Service Provider's limit of liability.
- Shall include a provision requiring that the policy cannot be cancelled without thirty days written notice to the State Chief Information Officer.
- The Service Provider shall be responsible for any deductible or self-insured retention contained in the insurance policy.



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DEPARTMENT OF TECHNOLOGY AND INFORMATION
801 Silver Lake Blvd.
Dover, Delaware 19904

Doc Ref Number:	SE-CLD-001	Revision Number: 6
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Policy Title:	Terms and Conditions Governing Cloud Services	

- The coverage under the policy shall be primary, and not excess, to any other insurance carried by the Service Provider.
- The State of Delaware shall not be a named or additional insured under the policy.

Additional Reference Documents

[21 Steps to the Cloud](#) – Center for Digital Government's Infographic *Guide to Cloud Procurements* best practices.

[Terms and Conditions Governing State Data Usage](#)



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STATE OF DELAWARE
DEPARTMENT OF TECHNOLOGY AND INFORMATION
801 Silver Lake Blvd., Dover, Delaware 19904

Doc Ref Number:	SE-CLD-002	Revision Number: 0
Document Type:	Enterprise Policy	Page: 1 of 6
Policy Title:	Terms and Conditions Governing State Data Usage	

Synopsis:	This policy provides guidance for State of Delaware organizations when State data is utilized or stored offsite through a contract with an offsite facility or Cloud Service Provider, or when State data is used by an entity for audit, research, or other purposes.
Authority:	Title 29 Chapter 90C Delaware Code, §9004C – General Powers, duties and functions of DTI “2) Create, implement and enforce statewide and agency technology solutions, policies, standards and guidelines, including as recommended by the Technology Investment Council on an ongoing basis and the CIO”
Applicability:	This Policy is applicable to all users of the State of Delaware communications and computing resources. DTI is an Executive Branch Agency and has no authority over the customers in Legislative and Judicial Branches, as well as School Districts, and other Federal and Local Government entities that use these resources. However, all users, including these entities, must agree to abide by all policies, standards promulgated by DTI as a condition of access and continued use of these resources.
Effective:	6/18/2018
Reviewed:	9/27/2019
Approved By:	Chief Information Officer
Sponsor:	Chief Security Officer

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Doc Ref Number:	SE-CLD-002	Revision Number: 0
Document Type:	Enterprise Policy	Page: 2 of 6
Policy Title:	Terms and Conditions Governing State Data Usage	

I. Policy

EXECUTIVE SUMMARY

It is important for the State of Delaware to ensure proper measures are employed by providers when handling State data in off-site locations either as part of a cloud services engagement, or for audit, research, or other uses.

PURPOSE

This policy establishes the data usage terms and conditions for provider services when State data is utilized in an off-site location. All IT-related RFPs, contracts, etc. must abide by this policy and the related *Terms and Conditions Governing Cloud Services* policy, if applicable. The terms and conditions set forth in these policies will help to protect the State's organizations by mitigating the risks associated with entrusting the State's data to a third party.

POLICY STATEMENT

New contracts and amendments to contracts with service providers, as well as agreements with any other entity (including but not limited to audit, research, etc.) are expected to include signed data usage and/or cloud services agreements, as applicable, approved by DTI. The *Terms and Conditions Governing State Data Usage* policy requires a signed *Delaware Data Usage Terms and Conditions Agreement* for any XaaS engagement or other agreement granting a service provider or any other entity (including but not limited to audit, research, etc.) access to, or use of, state data. When it applies, the *Terms and Conditions Governing Cloud Services* policy requires a signed *Delaware Cloud Services Terms and Conditions Agreement*, in addition to the signed *Delaware Data Usage Terms and Conditions Agreement*. Contracts or other agreements already in force will be expected to include the applicable signed agreement(s), approved by DTI at the next renewal or revision date. The following standard agreements are available:

- [Delaware Data Usage Terms and Conditions Agreement \(PDF\)](#)
- [Delaware Cloud Services Terms and Conditions Agreement \(PDF\)](#)

Nothing in this policy statement or its related agreement precludes state agencies from imposing their own industry-specific terms and conditions as their business might require, above and beyond those promulgated by DTI.





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801 Silver Lake Blvd., Dover, Delaware 19904

Doc Ref Number:	SE-CLD-002	Revision Number: 0
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Policy Title:	Terms and Conditions Governing State Data Usage	

IMPLEMENTATION RESPONSIBILITY

DTI and/or the organization's technical staff will implement this policy during the course of normal business activities, including project execution and the design, development, or support of systems.

Service providers shall be familiar with, and adhere to, security guidelines closely aligned with standardized industry approaches to assessment, documentation, monitoring, and controls for cloud products and services, such as those promulgated by the Federal Risk and Authorization Management Program (FedRAMP), Cloud Security Alliance (CSA), the National Institute of Standards and Technology (NIST), and other accreditation authorities as these become recognized by the industry.

ENFORCEMENT and WAIVER

DTI will enforce this policy during the course of normal business activities, including review of proposed projects and during the design, development, or support of systems. This policy may also be enforced by others during the course of their normal business activities, including audits and design reviews.

Cyber Security Liability Insurance

The State of Delaware places paramount importance on protection of sensitive Personally Identifiable Information (PII) or otherwise confidential information as defined by 6 Del. C. §1202C (15) and §12B-101(7)a, and as noted below under Section II – Definitions.

In accordance with the State's Contracted Computing and Cloud Services Terms and Conditions Agreement Item 4, non-public state data shall be encrypted in transit and, for PII data, at rest. A service provider will employ validated cryptography standards as specified in National Institute of Standards and Technology FIPS140-2 Security Requirements. When the Service Provider cannot offer encryption at rest, they must maintain, for the duration of the contract, cyber security liability insurance coverage for any loss resulting from a data breach. Such a liability protection policy shall comply with the State's requirements, incorporated by addendum to this policy (see Addendum 1: Cyber Security Liability Insurance Requirement).



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Doc Ref Number:	SE-CLD-002	Revision Number:	0
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In the event a service provider fails to keep in effect at all times the insurance coverage required by this provision, the State may, in addition to pursuing any other remedies available, terminate the contract upon the occurrence of such event, subject to the provisions of the contract.

If there is ambiguity or confusion regarding any part of this policy, seek clarification from the point of contact defined in the header of this policy.

II. Definitions

Personally Identifiable Information (PII)

1. Information or data, alone or in combination, that identifies or authenticates a particular individual. Such information or data may include, without limitation, Name, Date of birth, Full address (e.g. house number, city, state, and/or zip code), Phone Number, Passwords, PINs, Federal or state tax information, Biometric data, Unique identification numbers (e.g. driver's license number, social security number, credit or debit account numbers, medical records numbers), Criminal history, Citizenship status, Medical information, Financial Information, Usernames, Answers to security questions or other personal identifiers.
2. Information or data that meets the definition ascribed to the term "Personal Information" under Delaware Code Title 6 § 12B-101 Title 6, §1202C, and Title 29 §9017C or any other applicable State of Delaware or Federal law.

III. Development and Revision History

Date	Revision
6/18/2018	Rev 0 – Initial version





STATE OF DELAWARE
DEPARTMENT OF TECHNOLOGY AND INFORMATION
801 Silver Lake Blvd., Dover, Delaware 19904

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IV. Approval Signature Block

Name & Title:	Date
State Chief Information Officer	

V. Listing of Appendices

APPENDIX 1

CYBER SECURITY LIABILITY INSURANCE REQUIREMENTS

- Issued by an insurance company acceptable to the State of Delaware and valid for the entire term of the contract, inclusive of any term extension(s).
- Liability limits will be calculated based on the maximum system record count and the ***Ponemon Institute*** average Public Sector Breach cost per record as published in the most recent *Cost of Breach Study* (e.g., 2017, \$141). Refer to the Tiered Coverage Schedule below.



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DEPARTMENT OF TECHNOLOGY AND INFORMATION
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Doc Ref Number:	SE-CLD-002	Revision Number: 0
Document Type:	Enterprise Policy	Page: 6 of 6
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Tiered Coverage Schedule

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1	1-10,000	\$2,000,000 per occurrence
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3	50,001 – 100,000	\$4,000,000 per occurrence
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5	500,001 – 1,000,000	\$30,000,000 per occurrence
6	1,000,001 – 10,000,000	\$100,000,000 per occurrence

- Shall include, but not be limited to, coverage for liabilities arising out of premises, operations, independent contractors, products, completed operations, and liability assumed under an insured contract.
- At a minimum, the policy must include third party coverage for credit monitoring; notification costs to data breach victims; and regulatory penalties and fines.
- Shall apply separately to each insured against whom claim is made or suit is brought subject to the Service Provider's limit of liability.
- Shall include a provision requiring that the policy cannot be cancelled without thirty days written notice to the State Chief Information Officer.
- The Service Provider shall be responsible for any deductible or self-insured retention contained in the insurance policy.
- The coverage under the policy shall be primary, and not excess, to any other insurance carried by the Service Provider.
- The State of Delaware shall not be a named or additional insured under the policy.

Additional Reference Documents

[21 Steps to the Cloud](#) – Center for Digital Government's Infographic *Guide to Cloud Procurements* best practices.

[Terms and Conditions Governing Cloud Services \(PDF\)](#)





STATE OF DELAWARE
DEPARTMENT OF TECHNOLOGY AND INFORMATION
801 Silver Lake Blvd., Dover, Delaware 19904

DELAWARE CLOUD SERVICES TERMS AND CONDITIONS AGREEMENT

PUBLIC AND NON-PUBLIC DATA OWNED BY THE STATE OF DELAWARE

XaaS Contract # _____, Appendix _____
between State of Delaware and _____ dated _____

	Public Data	Non Public Data	Cloud Services (CS) Terms
			PROVIDER must satisfy Clause CS1-A OR Clauses CS1-B and CS1-C, AND Clause CS4 for all engagements involving non-public data. Clause CS2 is mandatory for all engagements involving non-public data. Clause CS3 is only mandatory for SaaS or PaaS engagements involving non-public data.
CS1-A		✓	Security Standard Compliance Certifications: The PROVIDER shall meet, and provide proof of, one or more of the following Security Certifications. <ul style="list-style-type: none">• CSA STAR – Cloud Security Alliance – Security, Trust & Assurance Registry (Level Two or higher)• FedRAMP - Federal Risk and Authorization Management Program
CS1-B		✓	Background Checks: The PROVIDER must warrant that they will only assign employees and subcontractors who have passed a state-approved criminal background checks. The background checks must demonstrate that staff, including subcontractors, utilized to fulfill the obligations of the contract, have no convictions, pending criminal charges, or civil suits related to any crime of dishonesty. This includes but is not limited to criminal fraud, or any conviction for any felony or misdemeanor offense for which incarceration for a minimum of 1 year is an authorized penalty. The PROVIDER shall promote and maintain an awareness of the importance of securing the State's information among the Service Provider's employees and agents. Failure to obtain and maintain all required criminal history may be deemed a material breach of the contract and grounds for immediate termination and denial of further work with the State of Delaware.
CS1-C		✓	Sub-contractor Flowdown: The PROVIDER shall be responsible for ensuring its subcontractors' compliance with the security requirements stated herein.
CS2		✓	Breach Notification and Recovery: The PROVIDER must notify the State of Delaware immediately of any incident resulting in the destruction, loss, unauthorized disclosure, or alteration of State of Delaware data. If data is not encrypted (see CS3, below), Delaware Code (6 Del. C. §12B-100 et seq.) requires public breach notification of any incident resulting in the loss or unauthorized disclosure of Delawareans' Personally Identifiable Information (PII, as defined in Delaware's <i>Terms and Conditions Governing Cloud Services</i> policy) by PROVIDER or its subcontractors. The PROVIDER will provide notification to persons whose information was breached without unreasonable delay but not later than 60 days after determination of the breach, except 1) when a shorter time is required under federal law; 2) when law enforcement requests a delay; 3) reasonable diligence did not identify certain residents, in which case notice will be delivered as soon as practicable. All such communication shall be coordinated with the State of Delaware. Should the PROVIDER or its contractors be liable for the breach, the PROVIDER shall bear all costs associated with investigation, response, and recovery from the breach. This includes, but is not limited to, credit monitoring services with a term of at least three (3) years, mailing costs, website, and toll-free telephone call center services. The State of Delaware shall not agree to any limitation on liability that relieves the PROVIDER or its subcontractors from its own negligence, or to the extent that it creates an obligation on the part of the State to hold a PROVIDER harmless.



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	Public Data	Non Public Data	Cloud Services (CS) Terms
			PROVIDER must satisfy Clause CS1-A OR Clauses CS1-B and CS1-C, AND Clause CS4 for all engagements involving non-public data. Clause CS2 is mandatory for all engagements involving non-public data. Clause CS3 is only mandatory for SaaS or PaaS engagements involving non-public data.
CS3		✓	Data Encryption: The PROVIDER shall encrypt all non-public data in transit, regardless of transit mechanism. For engagements where the PROVIDER stores Personally Identifiable Information (PII) or other sensitive, confidential information, it shall encrypt this non-public data at rest. The PROVIDER's encryption shall meet validated cryptography standards as specified by the National Institute of Standards and Technology in FIPS140-2 and subsequent security requirements guidelines. The PROVIDER and State of Delaware will negotiate mutually acceptable key location and key management details. Should the PROVIDER not be able to provide encryption at rest, it must maintain cyber security liability insurance coverage for the duration of the contract. Coverage must meet the State of Delaware's standard in accordance with the <i>Terms and Conditions Governing Cloud Services</i> policy.
CS4	✓	✓	Notification of Legal Requests: The PROVIDER shall contact the State of Delaware upon receipt of any electronic discovery, litigation holds, discovery searches, and expert testimonies related to, or which in any way might reasonably require access to the data of the State. With regard to State of Delaware data and processes, the PROVIDER shall not respond to subpoenas, service of process, and other legal requests without first notifying the State unless prohibited by law from providing such notice.

The terms of this Agreement shall be incorporated into the aforementioned contract. Any conflict between this Agreement and the aforementioned contract shall be resolved by giving priority to this Agreement. By signing this Agreement, the PROVIDER agrees to abide by the following applicable Terms and Conditions :

FOR OFFICIAL ☐ **CS4 (Public Data)**
USE ONLY ☐ **CS1-A and CS4 (Non-Public Data) OR** ☐ **CS1-B and CS1-C and CS4 (Non-Public Data)**
☐ **CS2 (Non-public Data)** ☐ **CS3 (SaaS, PaaS – Non-public Data)**

PROVIDER Name/Address (print): _____

PROVIDER Authorizing Official Name (print): _____

PROVIDER Authorizing Official Signature: _____ Date: _____



STATE OF DELAWARE
DEPARTMENT OF TECHNOLOGY AND INFORMATION
801 Silver Lake Blvd., Dover, Delaware 19904

DELAWARE DATA USAGE TERMS AND CONDITIONS AGREEMENT

PUBLIC AND NON-PUBLIC DATA OWNED BY THE STATE OF DELAWARE

Contract/Agreement #/name _____, Appendix _____

between State of Delaware and _____ dated _____

	Public Data	Non Public Data		DATA USAGE (DU) TERMS
DU1	✓	✓	Data Ownership	The State of Delaware shall own all right, title and interest in its data that is related to the services provided by this contract. The PROVIDER shall not access State of Delaware user accounts, or State of Delaware data, except (i) in the course of data center operations, (ii) response to service or technical issues, (iii) as required by the express terms of this contract, or (iv) at State of Delaware's written request. All information obtained or generated by the PROVIDER under this contract shall become and remain property of the State of Delaware.
DU2	✓	✓	Data Usage	<p>PROVIDER shall comply with the following conditions. At no time will any information, belonging to or intended for the State of Delaware, be copied, disclosed, or retained by PROVIDER or any party related to PROVIDER for subsequent use in any transaction. The PROVIDER will take reasonable steps to limit the use of, or disclosure of, and requests for, confidential State data to the minimum necessary to accomplish the intended purpose under this agreement. PROVIDER may not use any information collected in connection with the service issued from this proposal for any purpose other than fulfilling the service. Protection of Personally Identifiable Information (PII, as defined in the State's <i>Terms & Conditions Governing Cloud Services</i> policy), privacy, and sensitive data shall be an integral part of the business activities of the PROVIDER to ensure that there is no inappropriate or unauthorized use of State of Delaware information at any time. The PROVIDER shall safeguard the confidentiality, integrity, and availability of State information.</p> <p>Only duly authorized PROVIDER staff will have access to the State of Delaware data and may be required to obtain security clearance from the State. No party related to the PROVIDER may retain any data for subsequent use in any transaction that has not been expressly authorized by the State of Delaware.</p>



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DELAWARE DATA USAGE TERMS AND CONDITIONS AGREEMENT

PUBLIC AND NON-PUBLIC DATA OWNED BY THE STATE OF DELAWARE

Contract/Agreement #/name _____, Appendix _____

between State of Delaware and _____ dated _____

	Public Data	Non Public Data		DATA USAGE (DU) TERMS
DU3	✓	✓	Termination and Suspension of Service	<p>In the event of termination of the contract, the PROVIDER shall implement an orderly return (in CSV or XML or another mutually agreeable format), or shall guarantee secure disposal of State of Delaware data.</p> <p><i>Suspension of services:</i> During any period of suspension or contract negotiation or disputes, the PROVIDER shall not take any action to intentionally alter, erase, or otherwise render inaccessible any State of Delaware data.</p> <p><i>Termination of any services or agreement in entirety:</i> In the event of termination of any services or agreement in entirety, the PROVIDER shall not take any action to intentionally alter, erase, or otherwise render inaccessible any State of Delaware data for a period of 90 days after the effective date of the termination. Within this 90-day timeframe, vendor will continue to secure and back up State of Delaware data covered under the contract. After such 90-day period, the PROVIDER shall have no obligation to maintain or provide any State of Delaware data. Thereafter, unless legally prohibited, the PROVIDER shall dispose securely of all State of Delaware data in its systems or otherwise in its possession or control, as specified herein.</p> <p>Post-Termination Assistance: The State of Delaware shall be entitled to any post-termination assistance generally made available with respect to the Services unless a unique data retrieval arrangement has been established as part of the Service Level Agreement.</p>
DU4		✓	Data Disposition	<p>At the end of this engagement, PROVIDER will account for and return all State data in all of its forms, disk, CD / DVD, tape, paper, for example. At no time shall any data or processes that either belong to or are intended for the use of State of Delaware or its officers, agents, or employees, be copied, disclosed, or retained by the PROVIDER.</p> <p>When required by the State of Delaware, the PROVIDER shall destroy all requested data in all of its forms (e.g., disk, CD/DVD, backup tape, paper). Data shall be permanently deleted, and shall not be recoverable, in accordance with National Institute of Standards and Technology (NIST) approved methods. The PROVIDER shall provide written certificates of destruction to the State of Delaware.</p>



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Contract/Agreement #/name _____, Appendix _____

between State of Delaware and _____ dated _____

	Public Data	Non Public Data		DATA USAGE (DU) TERMS
DU5		✓	Data Location	The PROVIDER shall not store, process, or transfer any non-public State of Delaware data outside of the United States, including for back-up and disaster recovery purposes. The PROVIDER will permit its personnel and subcontractors to access State of Delaware data remotely only as required to provide technical or call center support.
DU6		✓	Breach Notification and Recovery	The PROVIDER must notify the State of Delaware immediately of any incident resulting in the destruction, loss, unauthorized disclosure, or alteration of State of Delaware data. If data is not encrypted (<i>see</i> DU7, below), Delaware Code (6 Del. C. §12B-100 et seq.) requires public breach notification of any incident resulting in the loss or unauthorized disclosure of Delawareans' Personally Identifiable Information (PII, as defined in Delaware's <i>Terms and Conditions Governing Cloud Services</i> policy) by PROVIDER or its subcontractors. The PROVIDER will provide notification to persons whose information was breached without unreasonable delay but not later than 60 days after determination of the breach, except 1) when a shorter time is required under federal law; 2) when law enforcement requests a delay; 3) reasonable diligence did not identify certain residents, in which case notice will be delivered as soon as practicable. All such communication shall be coordinated with the State of Delaware. Should the PROVIDER or its contractors be liable for the breach, the PROVIDER shall bear all costs associated with investigation, response, and recovery from the breach. This includes, but is not limited to, credit monitoring services with a term of at least three (3) years, mailing costs, website, and toll-free telephone call center services. The State of Delaware shall not agree to any limitation on liability that relieves the PROVIDER or its subcontractors from its own negligence, or to the extent that it creates an obligation on the part of the State to hold a PROVIDER harmless.



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DELAWARE DATA USAGE TERMS AND CONDITIONS AGREEMENT

PUBLIC AND NON-PUBLIC DATA OWNED BY THE STATE OF DELAWARE

Contract/Agreement #/name _____, Appendix _____

between State of Delaware and _____ dated _____

	Public Data	Non Public Data		DATA USAGE (DU) TERMS
DU7		✓	Data Encryption	The PROVIDER shall encrypt all non-public data in transit, regardless of transit mechanism. For engagements where the PROVIDER stores Personally Identifiable Information (PII) or other sensitive, confidential information, it shall encrypt this non-public data at rest. The PROVIDER's encryption shall meet validated cryptography standards as specified by the National Institute of Standards and Technology in FIPS140-2 and subsequent security requirements guidelines. The PROVIDER and State of Delaware will negotiate mutually acceptable key location and key management details. Should the PROVIDER not be able to provide encryption at rest, it must maintain cyber security liability insurance coverage for the duration of the contract. Coverage must meet the State of Delaware's standard in accordance with the <i>Terms and Conditions Governing Cloud Services</i> policy.

The terms of this Agreement shall be incorporated into the aforementioned contract. Any conflict between this Agreement and the aforementioned contract shall be resolved by giving priority to this Agreement. By signing this Agreement, the PROVIDER agrees to abide by the following applicable Terms and Conditions [check one]:

FOR OFFICIAL USE ONLY ☐ DU 1 - DU 3 (Public Data Only) OR ☐ DU 1 - DU 7 (Non-public Data)

PROVIDER Name/Address (*print*): _____

PROVIDER Authorizing Official Name (*print*): _____

PROVIDER Authorizing Official Signature: _____ Date: _____

Form Date: 6/18/2018

Note: Functionality is mandatory except for those identified as "desired."

Support and Maintenance	Detailed Functionality	Ability to Meet Requirement						Specify
		As Delivered	Configurable	w/ Third Party	w/ Customization	Only Partially	Not Available	
Proposal Section 4								
4-1.0	Support and Maintenance - Examples							
4-1.1	Provide access to existing customer support forums							
4-1.2	Ability to customize when a new law requires a change.							
4-1.3	Provides Administrators with ability to configurable the application.							
4-1.4	Provide timely technical and software support for upgrades keeping the solution in the most recent version.							
4-1.5	Provide periodic or as needed technical communication to system performance and system availability issues.							
4-1.6	Provide procedures for updating underlying platform and release notes							
4-1.7	Plan for regular, periodic upgrades to the solution to ensure the system receives the most current enhancements or fixes to the solution software							
4-1.8	Provide for a robust business and continuity/disaster recovery plan that accounts for a rating of Moderate Risk and the ability to execute the plan to ensure that Delaware data can be recovered quickly and completely in the event of a business interruption							
4-1.9	Provide an escalation plan for issues that are unresolved in the agreed upon timeframe							
4-1.10	Issue Reports including metrics: resolved issues, time taken to resolve, currently open issues, and issues escalated							
4-1.11	Provide technical support to issue solutions including helpdesk services, online help features and other cost-effective support such as proactive real-time chat							
4-1.12	Provide a plan for 24/7 call center support for users and at a minimum telephone support during normal business hours 7:00 am - 6:00 pm EST Monday-Friday							
4-1.13	Online documentation provided for all modules with screenshots of new releases/functionality							
4-1.14	Vendor provides online support portal for incident submission and tracking.							
4-1.15	Vendor provides system testing and user acceptance testing plans/scenarios for use during implementation.							
4-1.16	Vendor provides telephone support coverage.							
4-1.17	Maintenance agreement shall include all product releases and upgrades available as part of the solution.							
4-1.18	"Built-in" capability to provide remote support via proxy as user.							
4-1.19	Software support during planned upgrades shall occur after typical operating hours M-F (7:00am-5:00pm).							
4-1.20	Notification of the System Administrator regarding which releases of third-party software are known to create problems with the current version of the vendor software within 24 hours of the update announcement.							
4-1.21	Provides support within 24 hours of identifying the issue to assign severity level to solution issues. The vendor must commit to continuously working until the issue has been resolved.							
4-1.22	The vendor, at a minimum, will adhere to the following standards for issue resolution and incidents: Severity Level 1, system is down. Attention required immediately, maximum 30 minute notification response time, with updates when progress is made not to exceed every hour. Severity Level 2, major functionality of the system is impacted. Maximum of 1 hour notification response time, with updates when progress is made not to exceed 4 hours. Severity Level 3, non-mission critical processes are impacted. Maximum of 8 hour notification response time, with updates when progress is made not to exceed 8 hours.							
4-1.23	Solution uses industry best practice and completely test and apply patches for all third-party software products before release.							
4-1.24	If there is an emergency situation, the vendor will notify the System Administrator within two hours in advance of taking down the system. It is expected that the vendor will rollover to a backup site during any such emergency maintenance.							
4-1.25	On-demand ability to generate security role report to show which users are in security roles							
4-1.26	Provide an ongoing system development/test environment (i.e. Pilot, Stage, and Production) for all modules							
4-1.27	Scalable to support current and future usage							
4-1.28	Allow administrator to accept/decline features for a recruitment/onboarding system upgrade							

Note: Functionality is mandatory except for those identified as "desired."

Support and Maintenance	Detailed Functionality	Ability to Meet Requirement						Specify
		As Delivered	Configurable	w/ Third Party	w/ Customization	Only Partially	Not Available	
Proposal Section 4	4-1.0 Support and Maintenance - Examples							
	4-1.29 Upgrades must not interfere with customizations or modifications							
	4-1.30 System must be modular, allowing administrators to configure the deployment of only relevant functionality as needed							
	4-1.31 RESERVED							
	4-1.32 Ability for users who forgot their password to request their password via e-mail or reset							
	4-2.0 Remote Hosting							
	4-2.1 Software-as-a-Service (SaaS) as used in this document is defined as the capability provided to the State to use the Contractor's applications running on a cloud infrastructure. The applications are accessible from various client devices through a thin client interface such as a Web browser (e.g., Web-based email) or a program interface. The State does not manage or control the underlying cloud infrastructure, including network, servers, operating systems, or storage, but may be permitted limited user-specific application configuration settings. Under SaaS, the Contractor is responsible for the acquisition and operation of all hardware, software and network support related to the services being provided, and shall keep all software current. The technical and professional activities required for establishing, managing, and maintaining the environments are the responsibilities of the Contractor.							
	4-2.2 System is operational on a 24 x 7 basis with a 99.5% availability. All scheduled maintenance must take place between the hours of 12:00 AM and 5:00 AM. Advance notification of a minimum 7 business days must be provided for scheduled maintenances.							
	4-2.3 Full disaster recovery (DR) site with all the capabilities of the Primary site; utilizing a completely independent infrastructure, stack and geographically separated by a minimum of one hundred fifty miles from the primary site. Both sites must be within the Continental United States. Note: Based on DTT's Criticality Level 1.							
	4-2.4 Transactional records shall be available online for the length of the contract.							
	4-2.5 Provide online help and support knowledgebase.							
	4.3 Remote Hosting							
	4.3.1 Describe the technical change control process that is followed to minimize outages to the production operational environments.							

Note: Functionality is mandatory except for those identified as "desired."

Security and Data Handling	Detailed Functionality	Ability to Meet Requirement						Specify
		As Delivered	Configurable	w/ Third Party	w/ Customization	Only Partially Meets	Not Available	
Proposal Section 6	Security and Data Handling							
6-1.0	A description of managed hosting infrastructure (e.g. hardware, operating systems, network, communications, connectivity, backup, fail-over, disaster recovery components, etc.)							
6-1.1	Assurance that SAAS Solutions maintain an independent Tenant for the State's service.							
6-1.2	Evidence of IPS signatures and events being maintained, which may be requested by the state for validation.							
6-1.3	Assurance that credentials stored in middleware solutions are encrypted at rest or in configuration files.							
6-1.4	A fully patched operating system with 3rd party applications included in patch assessment and patch application.							
6-1.5	A description of active services such as web services and hardening standards.							
6-1.6	A comprehensive next generation endpoint security solution with machine learning capable anti-malware, abnormally detection, file integrity monitoring, log file monitoring, host-based intrusion detection, and file reputation scanning.							
6-1.7	Auditing on hosts capturing all security related activities and the environment must maintain the event logs for up to 7 years.							
6-1.8	Access to application data noted as restricted to only authorized database administrators.							
6-1.9	Application authentication supporting federation with state or agency identity stores to ensure governance over access and the certification of access.							
6-1.10	Integrate with the State's Identity management (IAM) solution (OKTA).							
6-1.11	System must Include user authentication.							
6-1.12	Support for OpenID Connect, OAuth and or SAML.							
6-1.13	Internet Facing web front-end servers must be protected with an enterprise web application firewall with protections to include the OWASP Top 10, Botnets, DDoS and application virtual patching.							
6-1.14	Applications requiring the use of the state's brand and domain name to traverse cloud-based Web Application Firewall for centralized visibility to all brand threats.							
6-1.15	Assurance that application communications from users and across components of the application are encrypted.							
6-1.16	Application security related events like logins, changes and administrator activities are logged and reviewed for malicious or abnormal activity.							
6-1.17	That applications must undergo dynamic application scans at least yearly and after any changes are loaded into production.							
6-1.18	Notification to the System Administrator regarding which releases of third-party software are known to create problems with the current version of the vendor software within 24 hours of the update announcement.							
6-1.19	A description of your approach to providing post deployment ongoing support, maintenance, and upgrades.							
6-1.20	A description of your approach to day-to-day operations, maintenance, and administration of the centralized web and mobile user interface. The platform shall operate 24 hours per day every day of the year. Operations include customer service, facilities, hardware, networking, security, performance monitoring, and problem resolution. Maintenance includes keeping all off-the-shelf software on current releases and keeping the development environment on mainstream industry and State accepted standards. Administration includes all financial, record keeping, reporting, and management aspects of the platform.							
6-1.21								

Note: Functionality is mandatory except for those identified as "desired."

Security and Data Handling	Detailed Functionality	Ability to Meet Requirement						Specify
		As Delivered	Configurable	w/ Third Party	w/ Customization	Only Partially Meets	Not Available	
Proposal Section 6	Security and Data Handling							
6-1.0	6-1.0							
6-1.22	Conformity to State Web Presentation Guidelines: https://gic.delaware.gov/web-standards/ and the specific editions of the standards and guidelines listed in Chapter 7 of the Section 508 Standards, especially ISO/IEC 40500:2012, the World Wide Web Consortium (W3C) Web Content Accessibility Guidelines (WCAG) 2.0 (https://www.w3.org/TR/WCAG20/).							
6-1.23	A. description of the usability and compatibility of your solution across internet browsers, devices, and assistive technologies, including desktop and mobile devices supporting all major operating systems, and all major browsers including current and recent versions of Internet Explorer, Google Chrome, Microsoft Edge, Mozilla Firefox, and Safari. Include any applicable VPAT or similar assessments of accessibility of existing technologies and plans to verify usability of solutions while in development and once ready for deployment.							
6-1.24	Compliance to the State Offshore Staffing Policy is mandatory.							
6-1.25	A. description of any Third Party certificates of audit certifying on a recurring basis including but not limited to any of the following:							
6-1.26	Internal Revenue Service Publication 1075 Compliance							
6-1.27	NIST 800-53							
6-1.28	NSA STAR – Cloud Security Alliance – Security, Trust & Assurance Registry							
6-1.29	Federal Risk and Authorization Management Program (FedRAMP) certification for a System hosted in a cloud environment							
6-1.30	PCI DSS Compliance							
6-1.31	Health and Human Services Health Insurance Portability and Accountability Act (HIPAA) Compliance							
6-1.32	A. description of the proposed solution's technical and data architecture. Responses should include: how the proposed architecture flexibility adapts, integrates, and utilizes evolving policies, best practices, and operating procedures utilizes open architecture standards supports for a distributed computing environment provides secure data exchange includes request/reply, publish/subscribe, and synchronous/asynchronous functionality to facilitate information sharing.							
6-1.33	A. firewall or other next generation network logical control system must separate the layers in the architecture.							
6-1.34	A. Firewall Rules must be justified, documented and specific to application needs.							
6-1.35	Communications between hosts within the computing environment must be evaluated by a network or host-based intrusion detection and prevention system.							
6-1.36	Evidence of IPS signatures and events must be maintained and may be requested by the state for validation.							
6-1.37	Application authentication should support federation with state or agency identity stores to ensure governance over access and the certification of access.							
6-1.38	Vendor will develop and deliver a comprehensive information security program to protect the state citizen information while hosted within the Vendors Infrastructure and must be able to show evidence of the implementation of the program and continuous maintenance of the program.							
6-1.39	State requires applications requiring the use of the state's brand and domain name to traverse it's cloud based Web Application Firewall for centralized visibility to all brand threats.							
6-1.40	Application communications from users and across components of the application must be encrypted.							
6-1.41	Application security related events like logins, changes and administrator activities must be logged and reviewed for malicious or abnormal activity.							
6-1.42	Support new user identity proofing government ID and Knowledge-based validation during registration directly or through the state's IAM solution.							

Note: Functionality is mandatory except for those identified as "desired."

Security and Data Handling	Detailed Functionality	Ability to Meet Requirement						Specify
		As Delivered	Configurable	w/ Third Party	w/ Customization	Only Partially Meets	Not Available	
Proposal Section 6	Security and Data Handling							
6-1.0	Internet Facing web front-end servers must be protected with an enterprise web application firewall with protections to include the OWASP Top 10, Botnets, DDoS and application virtual patching.							
6-1.43	API integration for state data must traverse a state API gateway with OWASP top-10 and XML security protection.							
6-1.44	If accessed over the internet, source network IPs, client certificates and database queries must be authenticated and validated.							
6-1.45	Database systems must be encryption beyond the default host level encryption.							
6-1.46	Communications to and from the database must be encrypted.							
6-1.47	Default Database credentials must be reset and disabled.							
6-1.48	Unique database access credentials must be established for all users							
6-1.49	Database access should be restricted to only critical systems, applications and support staff.							
6-1.50	System or Service must have a comprehensive security incident detection and response program with: Log Collection, correlation and threat intelligence 24x7, 365 active security event monitoring and attack response Compliance aligned log retention Copies of raw logs and threat events available upon request this may include log forwarding to Security Incident and Event Management (SIEM) system							
6-1.51								
6-1.52	System vulnerability scans must be performed and remediated at least quarterly.							
6-1.53	State may request summaries of all assessments performed against the environment.							
6-1.54	Solutions must undergo external penetration testing at least yearly.							
6-1.55	Evidence to support compliance to these requirements must be published to the state security team quarterly and OnDemand with a written request from the state security office.							
6-1.56	Ability to run on mobile devices using the State's Mobile Device encryption protocols.							
6-1.57	System must meet digital accessibility in ADA Section 508 compliance (WCAG 2.0, AA Industry Standard).							