REQUEST FOR PROPOSALS

for

PROFESSIONAL SERVICES FOR LOTTERY DRAWINGS AND TICKET DESTRUCTION

FIN19001-Profsvdraw

September 10, 2018

by the

DELAWARE STATE LOTTERY
1575 McKee Road, Suite 102
Dover, Delaware 19904
REQUEST FOR PROPOSALS FOR PROFESSIONAL SERVICES
TO PROVIDE PROFESSIONAL SERVICES FOR LOTTERY DRAWINGS
AND TICKET DESTRUCTION
ISSUED BY DELAWARE STATE LOTTERY OFFICE

I. Overview

The Delaware State Lottery Office (Lottery) seeks proposals for professional service for the on-site observation of all lottery drawings and the in-house review of the destruction of unsold instant lottery tickets. This request for proposals (“RFP”) is issued pursuant to 29 Del. C. §§ 6981 and 6982.

The proposed schedule of events subject to the RFP is outlined below:

<table>
<thead>
<tr>
<th>Event</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>RFP Issuance</td>
<td>September 10, 2018</td>
</tr>
<tr>
<td>Bidder's Written Questions Due</td>
<td>4:00 p.m.</td>
</tr>
<tr>
<td>Questions and Answers posted:</td>
<td>October 11, 2018</td>
</tr>
<tr>
<td>Proposals Due</td>
<td>4:00 p.m.</td>
</tr>
<tr>
<td>Recommendation to Lottery Director</td>
<td>November 27, 2018</td>
</tr>
<tr>
<td>Contract Execution</td>
<td>January 1, 2019</td>
</tr>
</tbody>
</table>

Each proposal must be accompanied by a transmittal letter, which briefly summarizes the proposing firm’s interest in providing the required professional services. The transmittal letter must also clearly state and justify any exceptions to the requirements of the RFP, which the applicant may have taken in presenting the proposal. Furthermore, the transmittal letter must attest to the fact that no activity related to this proposal contract will take place outside of the United States. The State of Delaware reserves the right to deny any and all exceptions taken to the RFP requirements.
II. Scope of Services

1.1 BACKGROUND

The Lottery currently conducts sixteen (16) drawings each week. Play 3 and Play 4 game drawings are produced twice a day (12:58 and 6:57 p.m.) Monday through Saturday and once (6:57 p.m.) on Sunday. Delaware’s Multi-Win LOTTO drawings take place three times a week (Monday, Wednesday and Friday) immediately following the Play 3 and Play 4 drawing (6:57 p.m.).

In addition, there are approximately twenty-three (23) specialty drawings per year requiring observation. These drawings involve coupons, ticket entries, etc. and are held primarily at the Lottery main office in Dover, but can be at other locations throughout the state.

When a Delaware Lottery instant game is no longer made available for sale, all unsold tickets must be inventoried and then destroyed. A CPA Firm (the Firm) inventories the instant tickets by verifying the physical tickets located in the warehouse against a report provided by the Security & Operations Administrator. Once confirmation of the physical instant tickets is completed, a contracted shredding service is scheduled and the Firm must monitor and record the destruction of the tickets. The Lottery usually destroys the unsold portion of approximately fifty-two (52) instant games each year. While the length of time the Firm is required depends on the number of tickets to be inventoried and destroyed, the average length of stay is 3-5 days per month.

1.2 PERFORMANCE SPECIFICATIONS

1.2.1 DRAWING PROCESS

1.2.1.1 DUTIES

1.2.1.1.1 The Firm must provide the Lottery with the following:

1. A list of staff who would be observing the drawings.
2. Two signature cards on each staff.
3. An emergency list of substitute staff in the event the assigned staff is not present.
4. An emergency list of staff on duty, with a cell phone so he/she can be promptly reached by Lottery drawing staff.
5. A weekly procedures letter (format to be composed in conjunction with the Lottery).
6. An issued opinion for each drawing observed.
7. A special report to the Security & Operations Administrator detailing any problems which may have occurred during a particular observed drawing within twenty-four (24) hours of the event.
1.2.1.1.2 The CPA firm must comply with the following:

1. Report to the Delaware State Lottery, 1575 McKee Road, Suite 102, Dover, DE, by 12:30 p.m. Monday through Saturday for the Play3/Play 4 DAY drawings, by 6:30 p.m. Monday through Sunday for the Play3/Play 4 NIGHT drawings and the Multi-Win LOTTO drawings on Monday/Wed/Friday. The Firm will be involved in the draw process for approximately 1 hour both for the DAY and the NIGHT draws, if there are no problems.

2. Follow predetermined Observation Procedure Checklist approved by the Lottery.

3. Complete External Firm Checklist supplied by the Lottery.

4. Provide for a staff member to be present at “special” drawings that the Lottery periodically conducts (on average 23 per year).

1.2.2 INSTANT TICKET DESTRUCTION

1.2.2.1 DUTIES

1.2.2.1.1 The Firm must provide the Lottery with the following:

1. A list of staff who would be assigned to the Instant Ticket Inventorying & Witness of destruction (Current destruction method is by using a shredding service.)

2. Two signature cards on each staff.

3. An emergency list of substitute staff in the event the assigned staff is not present.

4. A Letter detailing what tickets were inventoried and destroyed (shredded).

5. A special report to the Security & Operations Administrator detailing any problems, which may have occurred during a particular Instant Ticket Destruction within twenty-four (24) hours of the event.

1.2.2.1.2 The Firm must comply with the following:

1. Instant Ticket Destrucitons are conducted at the Lottery Office, 1575 McKee Road, Suite 102, Dover, DE. The Firm will be required to come to this location.

2. Follow predetermined guidelines approved by the Lottery.
3. Inventorying and Destructs are scheduled on a monthly basis. Approximately four to five (4-5) instant games are scheduled per month. The number of unsold tickets to be inventoried and destroyed dictates the length of stay. An average length of stay is three to five (3-5) days per month.
III. Required Information

The following information shall be provided in each proposal in the order listed below. Failure to respond to any request for information within this proposal may result in rejection of the proposal at the sole discretion of the State.

A. Minimum Requirements

1. Delaware business license:
   Provide evidence of a Delaware business license or evidence of an application to obtain the business license.

2. Professional liability insurance:
   Provide evidence of professional liability insurance in the amount of $1,000,000.00.


5. Authorization to do business in Delaware: Provide evidence in the form of a certificate of good standing to show that the vendor has obtained legal authorization to conduct business in the State of Delaware from the Delaware Division of Corporations.

B. General Evaluation Requirements

1. Experience and Reputation

2. Personnel

3. Cost Proposal

THE FOLLOWING INFORMATION MUST BE PROVIDED FOR A VENDOR TO BE CONSIDERED.

C. Identifying Information

1. State the name and address of the bidder.

2. Identify the bidder’s type of business entity, such as corporation or partnership.

3. Provide an organization chart for the bidder. Include all parent, subsidiary and affiliate companies and explain their relationship to the bidder.

4. State the bidder’s place of incorporation, or formation.

5. Identify and specify the location(s) of the office(s) that would relate to the bidder’s performance under the terms of this RFP.
6. State the name(s), address(es), and function(s) of all employees that would be involved in any phase of this contract.

7. State the name, address, and telephone number of the bidder’s representative to contact regarding all contractual matters concerning this proposal.

8. State the name, address, and telephone number of the bidder’s representative to contact regarding all technical matters concerning this proposal.

9. State the name, address, and telephone number of the vendor’s representative to contact regarding scheduling of any on-site visits and other arrangements, if necessary.

10. State the vendor’s Federal Employer Identification Number.

11. State the vendor’s Delaware Business License Number.

12. Submit the annual reports for the last three (3) years.

D. BIDDER REFERENCES

List three (3) business clients for whom the bidder has provided professional services. The Lottery may contact the listed clients to obtain information about the bidder’s services.

E. BIDDER BUSINESS EXPERIENCE

1. During the last five (5) years, detail any experiences in which the bidder has provided event consultation or professional services.

2. During the last five (5) years, state whether or not the bidder has had a contract terminated for any reason. If so, submit full details including the other party’s name, address, and telephone number.

3. During the last five (5) years, detail any instances in which the bidder has been sued in a suit involving the provision of professional services.

4. State whether or not the bidder is currently involved in any pending litigation. If so, submit a general description of the circumstances.
F. BIDDER PERSONNEL

The bidder must provide resumes of all key personnel who will be involved in providing the services specified in this RFP.

G. PRICE PROPOSAL

1. SEPARATELY SEALED PRICED PROPOSAL

The bidders are required to submit their price proposal in a separately sealed envelope. The outside of the envelope must be clearly identified as such. Each price envelope must include a submittal letter signed by an individual authorized to obligate the bidder to the bid as stated.

2. FORMAT OF PRICE SUBMISSION

The bidders must submit pricing in the following format:

Play3/Play 4 DAY, Play3/Play 4 NIGHT, Multi-Win LOTTO. $_________/year

Instant Ticket Destruction $_________/hour

Special Drawings $_________/hour

Note: Bidders can submit multiple rates for different levels of personnel that will be involved in providing the services requested in this RFP. Bidders submitting multiple rates must include an estimate by percentage of the amount of time different levels of personnel will be utilized.

IV. Professional Services RFP Administrative Information

A. RFP Issuance

1. Obtaining Copies of the RFP

This RFP is available in electronic form [only] through the State of Delaware, Delaware Lottery website at http://lottery.state.de.us/rfps.asp and the State of Delaware Procurement website at https://www.delottery.com/MediaCenter/RequestsForProposals. Paper copies of this RFP will be available upon request by contacting Judy Everett.

2. Public Notice

Public notice has been provided in accordance with 29 Del. C. § 6981.

3. Assistance to Vendors with a Disability

Vendors with a disability may receive accommodation regarding the means of communicating of this RFP or participating in the procurement process. For more information, contact the Designated Contact no later than ten days prior to the deadline for receipt of proposals.
4. **RFP Designated Contact**

All requests, questions, or other communications about this RFP shall be made in writing to the State of Delaware. Address all communications to the person listed below; 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 designated contact.

Judy Everett  
Security & Operations Administrator  
Delaware State Lottery  
McKee Business Park  
1575 McKee Road, Suite 102  
Dover, DE 19904  
Voice: (302) 744-1640  
FAX:  (302) 622-4488  
judy.everett@state.de.us

To ensure that written requests are received and answered in a timely manner, electronic mail (e-mail) correspondence is acceptable, but other forms of delivery, such as postal and courier services can also be used.

5. **Consultants and Legal Counsel**

The State of Delaware may retain consultants or legal counsel to assist in the review and evaluation of this RFP and the vendors’ responses. Bidders shall not contact the consultants or legal counsel on any matter related to the RFP.

6. **Contact with State Employees**

Direct contact with State of Delaware employees, other than the State of Delaware Designated Contact regarding this RFP, is expressly prohibited without prior consent. Vendors directly contacting State of Delaware employees risk elimination of their proposal from further consideration. Exceptions exist only for organizations currently doing business in the State who require contact in the normal course of doing that business.

7. **Organizations Ineligible to Bid**

Any individual, business, organization, corporation, consortium, partnership, joint venture, or any other entity (including subcontractors) that is currently debarred or suspended is ineligible to bid. Any entity ineligible to conduct business in the State of Delaware for any reason is ineligible to respond to the RFP.
8. **Exclusions**

The Proposal Evaluation Team reserves the right to refuse to consider any proposal from a vendor who:

a) 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;

b) 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;

c) Has been convicted or has had a civil judgment entered for a violation under State or Federal antitrust statutes;

d) Has violated contract provisions such as:

   1) Knowing failure without good cause to perform in accordance with the specifications or within the time limit provided in the contract; or

   2) Failure to perform or unsatisfactory performance in accordance with terms of one or more contracts;

e) Has violated ethical standards set out in law or regulation; and

f) 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.

B. **RFP Submissions**

1. **Acknowledgement of Understanding of Terms**

By submitting a bid, 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.

2. **Proposals**

To be considered, all proposals must be submitted in writing and respond to all items outlined in this RFP. In addition, a proposal certification and a non-collusion statement must be completed and submitted with the proposal. (Appendix A and B). The State reserves the right to reject any non-responsive or non-conforming proposals. Each proposal must be submitted with four (4) paper copies and one (1) electronic copy on CD.
All properly sealed and marked proposals are to be sent to the State of Delaware and received no later than 4 PM EST on November 8, 2018. The Proposals may be delivered by Express Delivery (e.g., FedEx, UPS, etc.), US Mail, or by hand to:

Judy Everett  
Security & Operations Administrator  
Delaware State Lottery  
McKee Business Park  
1575 McKee Road, Suite 102  
Dover, DE 19904

Any proposal submitted by US Mail shall be sent by either certified or registered mail. Proposals must be received at the above address no later than 4 PM EST on November 8, 2018. Any proposal received after this time shall not be considered and shall be returned unopened. The proposing vendor bears the risk of delays in delivery.

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.

Failure to fully comply with any part of this RFP may result in rejection of the proposal as nonresponsive.

3. Inquiries

Bidders may make written inquiries concerning this RFP to obtain clarification of requirements. No inquiries will be accepted after the date and time indicated in the Schedule. Send all inquiries to Judy Everett, Security & Operations Administrator (FAX acceptable). Cumulative questions and answers will be posted at [http://bids.delaware.gov](http://bids.delaware.gov) by October 11, 2018. The names of bidders submitting questions will not be disclosed. The Lottery will not provide any verbal answers.

In the event that a bidder attempts to contact, orally or in writing, with regard to this RFP, any employee of the Lottery, other than the RFP contact person designated above, or any employee or elected official of the State of Delaware, the bidder may be disqualified.

4. Proposal Modifications

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.
5. Proposal Costs and Expenses
The State of Delaware will not pay any costs incurred by any vendor associated with any aspect of responding to this solicitation, including proposal preparation, printing or delivery, attendance at vendor’s conference, system demonstrations or negotiation process.

6. Proposal Expiration Date
Prices quoted in the proposal shall remain fixed and binding on the bidder for six (6) months. The State of Delaware reserves the right to ask for an extension of time if needed.

7. Late Proposals
Proposals received after the specified date and time will not be accepted or considered. 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 opening. 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.

8. Proposal Opening
The State of Delaware will receive proposals until the date and time shown in this RFP. Proposals will be opened only in the presence of the State of Delaware personnel. Any unopened proposals will be returned to vendor.

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.

9. Non-Conforming Proposals
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 within the State of Delaware.

10. Concise Proposals
The State of Delaware discourages overly lengthy and costly proposals. It is the desire that proposals be prepared in a straightforward and concise manner. Unnecessarily elaborate brochures or other promotional materials beyond those sufficient to present a complete and effective proposal are not desired. The State of Delaware’s interest is in the quality and responsiveness of the proposal.

11. Realistic Proposals
It is the expectation of the State of Delaware 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 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.

12. Confidentiality of Documents

The State of Delaware is a public agency as defined by state law, and as such, it is subject to the Delaware Freedom of Information Act (FOIA), 29 Del. C. Ch. 100. Under the law, all the State of Delaware’s records are public records (unless otherwise declared by law to be confidential) and are subject to inspection and copying by any person. Vendor(s) are advised that once a proposal is received by the State of Delaware, its contents will become public record and nothing contained in the proposal will be deemed to be confidential except information that has been specifically marked as confidential (as described below) and that qualifies for an exception from disclosure under FOIA..

Vendor(s) shall not include any information in their proposal that is proprietary in nature or that they would not want to be released to the public. Proposals must contain sufficient information to be evaluated and a contract written without reference to any proprietary information. If a vendor feels that they cannot submit their proposal without including proprietary information, they must adhere to the following procedure or their proposal may be deemed unresponsive and will not be recommended for selection. Vendor(s) must submit such information in a separate, sealed envelope labeled “Proprietary Information” with the 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 a “public record” as defined by 29 Del. C. § 10002(l), and briefly stating the reasons that each document does not qualify as a “public record” under Delaware law.

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.

13. Multi-Vendor Solutions (Joint Ventures)

Multi-vendor solutions (joint ventures) will be allowed only if one of the venture partners is designated as the “prime contractor”. The “prime contractor” must be the joint venture’s contact point for the State of Delaware and be responsible for the joint venture’s performance under the contract, including all project management, legal and financial responsibility for the implementation of all vendors’ systems. If a joint venture is proposed, a copy of the joint venture agreement clearly describing the responsibilities of the partners must be submitted with the proposal. Services specified in the proposal shall not be subcontracted without prior written approval by the State of Delaware, and approval of a
request to subcontract shall not in any way relieve vendor of responsibility for the professional and technical accuracy and adequacy of the work. Further, Vendor shall be and remain liable for all damages to the State of Delaware caused by negligent performance or non-performance of work by its subcontractor or its sub-subcontractor.

Multi-vendor proposals must be a consolidated response with all cost included in the cost summary. Where necessary, RFP response pages are to be duplicated for each vendor.

a. **Primary Vendor**

The State of Delaware expects to negotiate and contract with only one “prime vendor”. The State of Delaware will not accept any proposals that reflect an equal teaming arrangement or from vendors who are co-bidding on this RFP. The prime vendor will be responsible for the management of all subcontractors.

Any contract that may result from this RFP shall specify that the prime vendor is solely responsible for fulfillment of any contract with the State as a result of this procurement. The State will make contract payments only to the awarded vendor. Payments to any subcontractors are the sole responsibility of the prime vendor (awarded vendor).

Nothing in this section shall prohibit the State of Delaware from the full exercise of its options under Section IV.B.18 regarding multiple source contracting.

b. **Sub-Contracting**

The vendor selected shall be solely responsible for contractual performance and management of all subcontract relationships. This contract allows subcontracting assignments; however, vendors assume all responsibility for work quality, delivery, installation, maintenance, and any supporting services required by a subcontractor.

Use of subcontractors must be clearly explained in the proposal, and major subcontractors must be identified by name. **The prime vendor shall be wholly responsible for the entire contract performance whether or not subcontractors are used.** Any subcontractors must be approved by State of Delaware.

c. **Multiple Proposals**

A primary vendor may not participate in more than one proposal in any form. Sub-contracting vendors may participate in multiple joint venture proposals.
14. **Sub-Contracting**
The vendor selected shall be solely responsible for contractual performance and management of all subcontract relationships. This contract allows subcontracting assignments; however, vendors assume all responsibility for work quality, delivery, installation, maintenance, and any supporting services required by a subcontractor.

Use of subcontractors must be clearly explained in the proposal, and subcontractors must be identified by name. Any sub-contractors must be approved by State of Delaware.

15. **Discrepancies and Omissions**
Vendor is fully responsible for the completeness and accuracy of its proposal, and for examining this RFP and all addenda. Failure to do so will be at the sole risk of vendor. Should vendor find discrepancies, omissions, unclear or ambiguous intent or meaning, or should any questions arise concerning this RFP, vendor shall notify the State of Delaware’s Designated Contact, in writing, of such findings at least ten (10) days before the proposal opening. 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 Designated Contact, in writing, no later than ten (10) calendar days prior to the time set for opening of the proposals.

a. **RFP Question and Answer Process**
The State of Delaware will allow written requests for clarification of the RFP. 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 CD, and questions shall be formatted in Microsoft Word.

16. **State’s Right to Reject Proposals**
The State of Delaware reserves the right to accept or reject any or all proposals or any part of any proposal, to waive defects, technicalities or any specifications (whether they be in the State of Delaware’s
specifications or vendor’s response), to sit and act as sole judge of the merit and qualifications of each product offered, or to solicit new proposals on the same project or on a modified project which may include portions of the originally proposed project as the State of Delaware may deem necessary in the best interest of the State of Delaware.

17. State’s Right to Cancel Solicitation
The State of Delaware 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.

This RFP does not constitute an offer by the State of Delaware. Vendor’s participation in this process may result in the State of Delaware selecting your organization to engage in further discussions and negotiations toward 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.

18. State’s Right to Award Multiple Source Contracting
Pursuant to 29 Del. C. § 6986, the State of Delaware may award a contract for a particular professional service to two or more vendors if the agency head makes a determination that such an award is in the best interest of the State of Delaware.

19. Notification of Withdrawal of Proposal
Vendor may modify or withdraw its proposal by written request, provided that both its proposal and the request are received by the State of Delaware prior to the proposal due date. Proposals may be re-submitted in accordance with the proposal due date in order to be considered further.

Proposals become the property of the State of Delaware at the proposal submission deadline. All proposals received are considered firm offers at that time.

20. Revisions to the RFP
If it becomes necessary to revise any part of the RFP, an addendum will be posted on the State of Delaware’s website at https://www.delottery.com/MediaCenter/RequestsForProposals. The State of Delaware is not bound by any statement related to this RFP made by any State of Delaware employee, contractor or its agents.

21. Exceptions to the RFP
Any exceptions to the RFP, or the State of Delaware’s terms and conditions, must be highlighted and included in writing in the proposal. Acceptance of exceptions is within the sole discretion of the evaluation committee.
22. **Award of Contract**

The final award of a contract is subject to approval by the State of Delaware. The State of Delaware has the sole right to select the successful vendor(s) for award, to reject any proposal as unsatisfactory or non-responsive, to award a contract to other than the lowest priced proposal, to award multiple contracts, or not to award a contract, as a result of this RFP.

Notice in writing to a vendor of the acceptance of its proposal by the State of Delaware and the subsequent full execution of a written contract will constitute a contract, and no vendor will acquire any legal or equitable rights or privileges until the occurrence of both such events.

**a. RFP Award Notifications**

After review of the evaluation committee’s report and its recommendation, and once the contract terms and conditions have been finalized, the State of Delaware will award the contract.

The contract shall be awarded to the vendor whose proposal is most advantageous, taking into consideration the evaluation factors set forth in the RFP.

It should be explicitly noted that the State of Delaware is not obligated to award the contract to the vendor who submits the lowest bid or the vendor who receives the highest total point score; rather, the contract will be awarded to the vendor whose proposal is the most advantageous to the State of Delaware. The award is subject to the appropriate State of Delaware approvals.

After a final selection is made, the selected vendor will be invited to negotiate a contract with the State of Delaware; remaining vendors will be notified in writing of their selection status.

**C. RFP Evaluation Process**

An evaluation team composed of representatives of the State of Delaware will evaluate proposals on a variety of quantitative criteria. Neither the lowest price nor highest scoring proposal will necessarily be selected.

The State of Delaware reserves full discretion to determine the competence and responsibility, professionally and/or financially, of vendors. Vendors are to provide in a timely manner any and all information that the State of Delaware may deem necessary to make a decision.

1. **Proposal Evaluation Team**

The Proposal Evaluation Team shall be comprised of representatives of the State of Delaware. The Team 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. The Team may negotiate with one or more vendors during the same period and may, at its discretion, terminate negotiations with any or all vendors. The Team 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 State of Delaware.

2. **Proposal Selection Criteria**

The Proposal Evaluation Team shall assign up to the maximum number of points for each Evaluation Item to each of the proposing vendors proposals. All assignments of points shall be at the sole discretion of the Proposal Evaluation Team.

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 Team 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 Proposal Evaluation Team’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 Team.

The Team 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.

a. **Criteria Weight**

All proposals shall be evaluated using the same criteria and scoring process. The following criteria shall be used by the Proposal Evaluation Team to evaluate proposals:

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management/Experience</td>
<td>40</td>
</tr>
<tr>
<td>Personnel</td>
<td>30</td>
</tr>
<tr>
<td>Cost Proposal</td>
<td>30</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

3. **Proposal Clarification**

The Proposal Evaluation Team 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.
4. **References**

The Proposal Evaluation Team may contact any customer of the vendor, whether or not included in the vendor’s reference list, and use such information in the evaluation process. Additionally, the State of Delaware may choose to visit existing locations for customers to which vendor is currently providing services, which may or may not include vendor personnel. If the vendor is involved in such site visits, the State of Delaware will pay travel costs only for State of Delaware personnel for these visits.

5. **Oral Presentations**

Selected vendors may be invited to make oral presentations to the Proposal Evaluation Team. The vendor representative(s) attending the oral presentation shall be technically qualified to respond to questions related to the vendor’s proposal in response to the RFP.

All of the vendor's costs associated with participation in oral discussions and demonstrations conducted for the State of Delaware are the vendor’s responsibility.

D. **Contract Terms and Conditions**

1. **General Information**

   a. The term of the contract between the successful bidder and the State shall be for four (4) years with two (2) extensions for a period of one (1) year for each extension.

   b. The selected vendor will be required to enter into a written agreement with the State of Delaware. 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. Any proposed modifications to the terms and conditions of the standard contract are subject to review and approval by the State of Delaware. Vendors will be required to sign the contract for all services, and may be required to sign additional agreements.

   c. The selected vendor or vendors will be expected to enter negotiations with the State of Delaware, which will result in a formal contract between parties. Procurement will be in accordance with the subsequent contracted agreement. This RFP and the selected vendor’s response to this RFP will be incorporated as part of any formal contract.

   d. The successful vendor shall promptly execute a contract incorporating the terms of this RFP. No vendor is to begin any service prior to receipt of a State of Delaware purchase order signed by two authorized representatives of the agency requesting service, properly processed through the State of Delaware Accounting Office and the Department of Finance. The purchase order shall serve as the authorization to proceed in accordance with the bid specifications and the special instructions, once it is received by the successful vendor.
f. If the vendor to whom the award is made fails to enter into the agreement as herein provided, the award will be annulled, and an award may be made to another vendor. Such vendor shall fulfill every stipulation embraced herein as if they were the party to whom the first award was made.

2. **Collusion or Fraud**

Any evidence of agreement or collusion among chosen 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.

By responding, the vendor shall be deemed to have represented and warranted that its proposal is not made in connection with any competing vendor submitting a separate response to this RFP, and is in all respects fair and without collusion or fraud; that the vendor did not participate in the RFP development process and had no knowledge of the specific contents of the RFP prior to its issuance; and that no employee or official of the State of Delaware participated directly or indirectly in the vendor’s proposal preparation.

Advance knowledge of information which gives any particular vendor advantages over any other interested vendor(s), in advance of the opening of proposals, whether in response to advertising or an employee or representative thereof, will potentially void that particular proposal.

3. **Lobbying and Gratuities**

Lobbying or providing gratuities shall be strictly prohibited. Vendors found to be lobbying, providing gratuities to, or in any way attempting to influence a State of Delaware employee or agent of the State of Delaware concerning this RFP or the award of a contract resulting from this RFP shall have their proposal immediately rejected and shall be barred from further participation in this RFP.

The selected vendor will warrant that no person or selling agency has been employed or retained to solicit or secure a contract resulting from this RFP upon agreement or understanding for a commission, or a percentage, brokerage or contingent fee. For breach or violation of this warranty, the State of Delaware shall have the right to annul any contract resulting from this RFP without liability or at its discretion deduct from the contract price or otherwise recover the full amount of such commission, percentage, brokerage or contingent fee.

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.

4. **Solicitation of State Employees**

Until contract award, vendors shall not, directly or indirectly, solicit any employee of the State of Delaware to leave the State of Delaware’s employ in order to accept employment with the vendor, its affiliates, actual or prospective contractors, or any person acting in concert with vendor, without prior written approval of the State of Delaware’s contracting officer. Solicitation of State of Delaware employees by a vendor may result in rejection of the vendor’s proposal.
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 terminate that employment immediately.

5. General Contract Terms

a. Independent contractors

The parties to the contract shall be independent contractors to one another, and nothing herein shall be deemed to cause this agreement to create an agency, partnership, joint venture or employment relationship between parties. Each party shall be responsible for compliance with all applicable workers compensation, unemployment, disability insurance, social security withholding and all other similar matters. Neither party shall be liable for any debts, accounts, obligations or other liability whatsoever of the other party or any other obligation of the other party to pay on the behalf of its employees or to withhold from any compensation paid to such employees any social benefits, workers compensation insurance premiums or any income or other similar taxes.

It may be at the State of Delaware’s discretion as to the location of work for the contractual support personnel during the project period. The State of Delaware shall provide working space and sufficient supplies and material to augment the contractor’s services.

b. Non-Appropriation

Except as otherwise explicitly stated in any written agreement between the vendor and the Lottery, payments to vendor will be payable from the spending authority for contractual and advertising services granted to the Lottery by the Delaware General Assembly. If the General Assembly withdraws such authority, any written agreement between the vendor and the Lottery for services under this RFP shall become null and void. In no event (other than as stated above) will a written agreement between the vendor and the Lottery constitute or create a general or special obligation, debt, liability, or moral obligation of the Lottery or the State of Delaware, or any municipality, political subdivision, or governmental unit thereof, or give rise to a pecuniary liability of the Lottery or 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 therefor.

c. Licenses and Permits

In performance of the contract, the vendor 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.

Prior to receiving an award, the successful vendor shall either furnish to the State of Delaware proof of State of Delaware Business Licensure or initiate the process of application where required. An application may be requested in writing to: Division of Revenue, Carvel State Building, P.O. Box 8750, 820 N. French Street, Wilmington, DE 19899 or by telephone to one of the following numbers: (302) 577-8200—Public Service, (302) 577-8205—Licensing Department.

Information regarding the award of the contract will be given to the Division of Revenue. Failure to comply with the State of Delaware licensing requirements may subject vendor to applicable fines and/or interest penalties.

In addition, the successful vendor shall furnish to the State of Delaware a certificate of good standing that has been issued from the Delaware Division of Corporations and that is dated within 90 days of the date of the vendor’s submitted proposal.

d. Notice
Any notice to the State of Delaware required under the contract shall be sent by U.S.P.S. registered mail, return receipt requested, to:

Judy Everett
Security & Operations Administrator
Delaware State Lottery
McKee Business Park
1575 McKee Road, Suite 102
Dover, DE 19904

e. Indemnification

1. General Indemnification.
By submitting a proposal, the proposing vendor agrees that in the event it is awarded a contract, it will indemnify and otherwise hold harmless the State of Delaware, its agents and employees from any and all liability, suits, actions, or claims, together with all costs, expenses for attorney’s fees, arising out of the vendor’s agents and employees’ performance work or services in connection with the contract, regardless of whether such suits, actions, claims or liabilities are based upon acts or failures to act attributable, in whole or part, to the State, its employees or agents.

2. Proprietary Rights Indemnification

Vendor shall warrant that all elements of its proposal, including all 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, the State of Delaware shall promptly notify the vendor in writing and vendor shall defend such claim, suit or action at vendor’s expense. In addition, vendor shall indemnify the State of Delaware against any loss, cost, damage, expense or liability arising out of such claim, suit or action (including, without limitation, litigation costs, lost employee time, and counsel fees) whether or not such claim, suit or action is successful.

If services (including methods), products or other intellectual property used or furnished by the vendor (collectively “Products”) is or in vendor’s reasonable judgment is likely to be, held to constitute an infringing product, vendor shall at its expense and option either:

(a) Procure the right for the State of Delaware to continue using the Product(s);

(b) Replace the Product with a non-infringing equivalent that satisfies all the requirements of the contract; or

(c) Modify the Product(s) to make it or them non-infringing, provided that the modification does not materially alter the functionality or efficacy of the product or cause the Product(s) or any part of the work to fail to conform to the requirements of the contract, or only alters the Product(s) to a degree that the State of Delaware agrees to and accepts in writing.

f. Insurance

1. Vendor recognizes that it is operating as an independent contractor and that it is liable for any and all losses, penalties, damages, expenses, attorney’s fees, judgments, and/or settlements incurred by reason of injury to or death of any and all persons, or injury to any and all property, of any nature, arising out of the vendor’s negligent performance under any contract Enter into with the State of Delaware, and particularly without limiting the foregoing, caused by, resulting from, or arising out of any act of omission on the part of the vendor in its negligent performance under any contract entered into with the State of Delaware.

2. The vendor shall maintain such insurance as will protect against claims under the Delaware Workers Compensation Act and from any other claims for damages for personal injury, including death, which may arise from operations under any contract entered into
with the State of Delaware. The vendor is an independent contractor and is not an employee of the State of Delaware.

3. During the term of any contract with the State of Delaware, the vendor shall, at its own expense, carry insurance minimum limits as follows:

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Limits</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Comprehensive General Liability</td>
<td>$1,000,000.00 per occurrence/$3,000,000.00 per aggregate</td>
</tr>
<tr>
<td>b. Professional Liability</td>
<td>$1,000,000.00 per occurrence/$3,000,000.00 per aggregate</td>
</tr>
<tr>
<td>c. Miscellaneous Error &amp; Omissions</td>
<td>$1,000,000.00 per occurrence/$3,000,000.00 per aggregate</td>
</tr>
<tr>
<td>d. Product Liability</td>
<td>$1,000,000.00 per occurrence/$3,000,000.00 per aggregate</td>
</tr>
</tbody>
</table>

If the contractual service requires the transportation of departmental clients or staff, the vendor shall, in addition to the above coverages, secure at its own expense the following coverage:

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Limits</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Automotive Liability (Bodily Injury)</td>
<td>Limits of not less than $100,000 each person and $300,000 each accident as to bodily injury</td>
</tr>
<tr>
<td>b. Automotive Property Damage (to others)</td>
<td>$ 25,000.00</td>
</tr>
</tbody>
</table>

4. Before beginning any work on the contract, the vendor shall provide to the State of Delaware a certificate of insurance as proof that the vendor has the required insurance.

g. **Performance Requirements**

The selected vendor will warrant that it possesses, or has arranged through subcontractors, all capital and other equipment, labor, materials, and licenses necessary to carry out and complete the work hereunder in compliance with any and all Federal and State laws, and County and local ordinances, regulations and codes.

h. **Warranty**

Vendor will warrant that its services will be performed in a good and workmanlike manner. Vendor agrees to re-perform any work not in
compliance with this warranty, if brought to its attention within a reasonable time after that work is performed.

i. **Costs and Payment Schedules**

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 selected 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 (as much as 25%).

j. **Penalties**

The State of Delaware may include in the final contract penalty provisions for non-performance, such as liquidated damages.

k. **Termination for Cause.**

If for any reasons, or through any cause, the vendor fails to fulfil in timely and proper manner its obligations under any contract with the State of Delaware, or if the vendor violates any of the covenants, agreements or stipulations of any contract, the State of Delaware shall thereupon have the right to terminate the contract by giving written notice to the vendor of such termination and specifying the effective date thereof, at least twenty (20) days before the effective date of such termination. In that event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs and reports or other material prepared by the vendor under the contract shall, at the option of the State of Delaware, become its property, and the vendor shall 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.

l. **Termination for Convenience**

The State of Delaware may terminate any contract entered into with the vendor at any time by giving written notice of such termination and specifying the effective date thereof, at least twenty (20) days before the effective date of such termination. In that event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs and reports or other material prepared by the vendor under the contract shall, at the option of the State of Delaware, become its property, and the vendor shall be entitled to compensation for any satisfactory work completed on such documents and other materials which is useable to the State of Delaware. If the contract is terminated by the State of Delaware as so provided, the vendor will be paid an amount which bears the same
ratio to the total compensation as the services actually performed bear to the total services of the vendor as covered by the contract, less payments of compensation previously made; provided however, that if less than 60 percent of the services covered by the contract have been performed upon the effective date of termination, the vendor shall be reimbursed (in addition to the above payment) for that portion of actual out of pocket expenses (not otherwise reimbursed under the contract) incurred by the vendor during the contract period which are directly attributable to the uncompleted portion of the services covered by the contract.

m. **Non-discrimination**
In performing the services subject to this RFP, the vendor will agree that it will not discriminate against any employee or applicant for employment because of race, creed, color, sex or national origin. The successful vendor shall comply with all federal and state laws, regulations and policies pertaining to the prevention of discriminatory employment practice. Failure to perform under this provision constitutes a material breach of contract.

n. **Covenant against Contingent Fees**
The successful vendor will warrant that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement of understanding for a commission or percentage, brokerage or contingent fee excepting bona-fide employees, bona-fide established commercial or selling agencies maintained by the vendor for the purpose of securing business. For breach or violation of this warranty the State of Delaware shall have the right to annul the contract without liability or at its discretion to deduct from the contract price or otherwise recover the full amount of such commission, percentage, brokerage or contingent fee.

o. **Vendor Activity**
No activity is to be executed in an off-shore facility, either by a subcontracted firm or a foreign office or division of the vendor. The vendor must attest to the fact that no activity will take place outside of the United States in its transmittal letter. Failure to adhere to this requirement is cause for elimination from future consideration.

p. **Work Product**
All materials and products developed under the executed contract by the vendor are the sole and exclusive property of the State. The vendor will seek written permission to use any product created under the contract.

p. **Contract Documents**
The RFP, the purchase order, the executed contract and any supplemental documents between the State of Delaware and the successful vendor shall constitute the contract between the State of Delaware and the vendor. 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: contract, State of Delaware’s RFP, vendor’s response to the RFP and purchase order. No other documents shall be
considered. These documents will constitute the entire agreement between the State of Delaware and the vendor.

q. Applicable Law

The laws of the State of Delaware shall apply, except where federal law has precedence. The successful vendor consents to jurisdiction and venue in the State of Delaware.

In submitting a proposal, vendors certify that they comply with all federal, state and local laws applicable to their activities and obligations including:

1. the laws of the State of Delaware;
2. the applicable portion of the Federal Civil Rights Act of 1964;
3. the Equal Employment Opportunity Act and the regulations issued thereunder by the federal government;
4. a condition that the proposal submitted was independently arrived at, without collusion, under penalty of perjury; and
5. that programs, services, and activities provided to the general public under any resulting contract conform with the Americans with Disabilities Act of 1990, and the regulations issued thereunder by the federal government.

If any vendor fails to comply with (1) through (5) of this paragraph, the State of Delaware reserves the right to disregard the proposal, terminate the contract, or consider the vendor in default.

The selected 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.

r. Scope of Agreement

If the scope of any provision of any contract entered into 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. 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.

s. Other General Conditions

1. Volumes and Quantities – Activity volume estimates and other quantities have been reviewed for accuracy; however, they may be subject to change prior to or subsequent to award of the contract.

2. Status Reporting – The selected vendor will be required to lead and/or participate in status meetings and submit status reports covering such items as progress of work being performed,
milestones attained, resources expended, problems encountered and corrective action taken, until final services are accepted.

(3) **Regulations** – All services must meet all applicable local, State and Federal regulations in effect on the date of the contract.

(4) **Changes** – No alterations in any terms, conditions, delivery, price, quality, or specifications of services ordered will be effective without the written consent of the State of Delaware.

(5) **Additional Terms and Conditions** – The State of Delaware reserves the right to add terms and conditions during the contract negotiations.

E. **RFP Miscellaneous Information**

1. **No Press Releases or Public Disclosure**
   Vendors may not release any information about this RFP. The State of Delaware 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 State of Delaware with regard to 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 State of Delaware.

2. **RFP Reference Library**
   The State of Delaware has made every attempt to provide the necessary information within this RFP. The State of Delaware will make the reference library available only to the winning bidder.

3. **Definitions of Requirements**
   To prevent any confusion about identifying requirements in this RFP, the following definition is offered: The words *shall, will and/or must* are used to designate a mandatory requirement. Vendors must respond to all mandatory requirements presented in the RFP. Failure to respond to a mandatory requirement may cause the disqualification of your proposal.
I certify that I have the authority to bind the bidder indicated below to the specific terms and conditions and specifications required in this RFP and offered in this vendor’s proposal.

It is agreed by the undersigned vendor that the signed delivery of this proposal represents the vendor’s acceptance of the terms and conditions of this invitation to make proposals in response to the RFP, including all specifications and special provisions.

NAME (Please type or print)

SIGNATURE

TITLE

BIDDER

DATE

Purchase Orders should be sent to:

COMPANY NAME ADDRESS

CONTACT PERSON PHONE NUMBER

FEDERAL E.I. NUMBER DELAWARE BUSINESS LICENSE NO.

This PROPOSAL CERTIFICATION and the NON – COLLUSION STATEMENT immediately following must be completed and signed in order for the bid proposal to be considered.
APPENDIX B

NON – COLLUSION STATEMENT

This is to certify that the undersigned bidder has neither directly nor indirectly entered into any agreement, participated in any collusion or otherwise taken any action in restraint of free competitive bidding in connection with this proposal submitted this date to the Delaware State Lottery.

NAME OF BIDDER

__________________________________________

AUTHORIZED REP

__________________________________________

(Please type or print)

SIGNATURE

__________________________________________

TITLE

__________________________________________

Sworn to and subscribed before me this__________day of_____________________2018

__________________________________________

Notary Public

My commission expires:________________________
State of Delaware  
Office of Supplier Diversity  
Certification Application

The most recent application can be downloaded from the following site:  
http://gss.omb.delaware.gov/osd/certify.shtml

Submission of a completed Office of Supplier Diversity (OSD) application is  
onoptional and does not influence the outcome of any award decision.

The minimum criteria for certification require the entity must be at least 51% owned  
and actively managed by a person or persons who are eligible: minorities, women,  
veterans, and/or service disabled veterans. Any one or all of these categories may  
apply to a 51% owner.

Complete application and mail, email or fax to:

Office of Supplier Diversity (OSD)  
100 Enterprise Place, Suite 4  
Dover, DE 19904-8202  
Telephone: (302) 857-4554 Fax: (302) 677-7086  
Email: osd@state.de.us  

THE OSD ADDRESS IS FOR OSD APPLICATIONS ONLY.  
THE OSD WILL NOT ACCEPT ANY VENDOR BID RESPONSE PACKAGES.