

STATE OF ILLINOIS

SOLICITATION DOCUMENT

Illinois Lottery Internal Control System LOT-11-ICS, PBC11-56782

The Illinois Department of Revenue (AGENCY) is requesting Offers (bids / proposals) from responsible Vendors to meet the State's needs. Below is a brief description of our needs with detailed requirements in subsequent sections of this solicitation. If you are interested and able to meet these requirements, please submit an Offer.

We are issuing this solicitation in the following form and you must take that into account when reading and responding:

- ☐ Invitation for Bids
- ☒ Request for Proposals
- ☐ Request for Proposals (Professional and Artistic Services)

Brief Description:

The Illinois Lottery is seeking proposals from qualified vendors to provide an Internal Control System (ICS or System) to independently verify transactions processed by our Central Gaming System (CGS.) The Illinois Lottery is issuing this Request for Proposals (RFP) to invite interested entities to submit written offers for the ICS including development, implementation, technical support, staff training, reporting, repair, and maintenance services. The new ICS must support the Illinois Lottery's current products, and services must include System upgrades or enhancements as needed for additional games and promotions to support evolving marketing plans of our private management partner. The ICS must be flexible, capable of growing, and able to be tailored to the business needs and rules of the Illinois Lottery and the private manager. Flexibility and adaptability are critical as the gaming environment can be expected to evolve over the course of a potential 10 year contract (anticipated to be a 5 year base term with 5 year renewal option). Specifically, the System must have the as-delivered capacity in all hardware and software aspects to expand from support of transactions from the current seven thousand five hundred (7,500) retailers to the thirteen thousand (13,000) active retailers expected by 2013 and beyond. The system must be able to support fifty (50) concurrent on-line games, three hundred (300) concurrent instant games being in any status (e.g. loaded, distributed, sold, validated, closed out), an on-line sales day of at least fifty million dollars (\$50,000,000) and an on-line jackpot over one billion dollars (\$1,000,000,000).

The solicitation package consists of two parts:

Part A INSTRUCTIONS FOR SUBMITTING AND EVALUATING BIDS AND PROPOSALS: Part A consists of the following sections:

- SECTION 1 INSTRUCTIONS, DATES, RESERVATIONS AND OTHER GENERAL INFORMATION
- SECTION 2 HOW WE WILL EVALUATE OFFERS
- SECTION 3 SPECIFICATIONS / QUALIFICATIONS / STATEMENT OF WORK

These sections provide information necessary for submitting an Offer (a bid or proposal), set forth the basic legal and policy requirements associated with this solicitation and tell how we will evaluate Offers.

Part B OFFER RESPONSE FORMS: Part B consists of the following sections:

- SECTION 4 OFFER TO STATE OF ILLINOIS
- SECTION 5 RESPONSIBILITY FORMS
- SECTION 6 RESPONSIVENESS
- SECTION 7 PRICE
- SECTION 8 CONTRACT

Your response to Part B will constitute your Offer to the State and will provide us with information about you, what you will provide, your ability to perform and your price. We will evaluate this information as well as compliance with the Instructions.

In this document the State of Illinois will be referred to as "State", "Agency", "we" or "us". The person submitting an Offer will be referred to as "Vendor", "Contractor" or "You". "We" is used appropriate to the context.

Please read the entire solicitation package and submit your Offer for evaluation in accordance with all instructions.

Public Act 95-971 contains registration requirements regarding bids and proposals submitted by vendors. You must read and comply with the requirements. See www.purchase.state.il.us for additional information.

NON-DISCRIMINATION POLICY In compliance with the State and Federal Constitutions, the Illinois Human Rights Act, the U.S. Civil Rights Act, and Section 504 of the Federal Rehabilitation Act, the State of Illinois does not discriminate in employment, contracts, or any other activity.

SECTION 1 - INSTRUCTIONS, DATES, RESERVATIONS AND OTHER GENERAL INFORMATION

1.1 PROJECT CONTACT: If you have a question or suspect an error, you must immediately notify the Project Contact identified in this section. Do not discuss the solicitation or your Offer, directly or indirectly, with any State officer or employee other than the State Project Contact. Only written answers to questions shall be binding on the State.

Cathy Hubbs, Contract Coordinator
Illinois Department of Revenue
101 W. Jefferson, MC6-100
Springfield, IL 62702
E-mail: cathy.hubbs@illinois.gov

Phone: 217/782-5915
Fax: 217/524-2551

1.2 VENDOR CONFERENCE: ☐ Yes ☒ No
Date and Time:

Mandatory Attendance: ☐ Yes ☒ No
Location:

We will provide written responses to questions and only those written responses shall be binding. If attendance is mandatory you will be disqualified if you (incumbents included) do not attend, are not on time, leave early or fail to sign the attendance sheet. You must allow adequate time to accommodate security screenings at the site.

1.3 OFFER DUE DATE, TIME AND SUBMISSION LOCATION: Due Date: February 15, 2011 Time: 12:00 p.m. CST

DELIVER OFFERS TO:
Illinois Department of Revenue
Attn: Cathy Hubbs, Contract Coordinator
101 W. Jefferson, MC6-100
Springfield, IL 62702

LABEL OUTSIDE OF ENVELOPE / CONTAINER:
Illinois Lottery Internal Control System, LOT-11-ICS
2/15/2011, 12:00 p.m.
[Vendor Name & Address]

We will open Offers at the Due Date, Time and Delivery Location. Prior to the due date, you may mail or hand-deliver Offers, modifications, and withdrawals. We do not allow e-mail, fax, or other electronic submissions. We must physically receive submissions as specified; it is not sufficient to show you mailed or commenced delivery before the due date and time. We will not consider Offers, modifications or withdrawals submitted after the due date and time. All times are State of Illinois local times.

1.4 NUMBER OF COPIES: You must submit a signed original and 9 copies of the Offer in a sealed container. In addition, you must submit 10 copies of your technical proposal on CD in Word or PDF (DO NOT INCLUDE YOUR PRICE PROPOSAL ON THE CD) so that we can easily search your proposal. If you are requesting confidential treatment, you must make that request in the form and manner specified elsewhere in this solicitation. A request for confidential treatment will not supersede the Department's legal obligations under Illinois Freedom of Information Act (FOIA) (5 ILCS 140). If Minority, Female, and Person with Disability Subcontracting is marked "YES", you must also submit one (1) original and one (1) copy of your Utilization Plan in a separate sealed envelope within your Offer container.

In accordance with Public Act 95-971, if you are required to submit the State Board of Elections Registration Certificate and fail to do so, your bid / proposal will be disqualified.

1.5 OFFER FIRM TIME: Your Offer must remain firm for 90 days from opening.

1.6 SECURITY: Bid Bond \$ N/A Performance Bond \$ 1,000,000. You must submit the Bid Bond with the Offer and the Performance Bond within 10 days after award. The bond must be from a surety licensed to do business in Illinois. An irrevocable letter of credit is an acceptable substitute. The form of security must be acceptable to us.

1.7 PROTEST REVIEW OFFICE:

CPO Matt Brown
Executive Ethics Commission
301 Stratton Building
401 S. Spring Street
Springfield, IL 62706

Ph: 217-558-2157
Fax: 217-558-2164

You may submit a written protest of our actions to the PROTEST REVIEW OFFICE following the requirements of the Standard Procurement Rules (44 Ill. Adm. Code 1.5550). We must physically receive the protest by noon of the seventh calendar day after you knew or should have known of the facts giving rise to the protest.

1.8 SMALL BUSINESS SET-ASIDE: ☐ Yes ☒ No. If "Yes" is marked, you must be certified by the Small Business Set-Aside Program at the time Offers are due in order for us to evaluate your Offer. For complete requirements and to certify your business in the Small Business Set-Aside Program, visit http://www.sell2.illinois.gov/bep/Set_Aside.htm.

1.9 MINORITY, FEMALE AND PERSONS WITH DISABILITY SUBCONTRACTING: ☐ Yes ☒ No. If "Yes" is marked, this solicitation contains a goal to include businesses owned and controlled by minorities, females and persons with disabilities in the State's procurement and contracting processes. In addition to the number of copies requested above, **you must submit an original and 1 copy of the Utilization Plan and Letter of Intent, sealed separately within the offer container.** Failure to submit a Utilization Plan as instructed later in this solicitation will render the offer non-responsive. All questions regarding the subcontracting goal must be directed to Susan Hartman at Susan.Hartman@illinois.gov or (312) 814-2200 prior to submission of bids or proposals. Vendors who submit bids or proposals for State contracts shall not be given a period after the bid or proposal is submitted to cure deficiencies in the Utilization Plan and the Letter of intent, unless mandated by federal law or regulation (30 ILCS 575(4)(c)). Firms included on Utilization Plans as meeting BEP requirements as prime or sub-contractors must be certified by CMS as BEP vendors prior to contract award. Go to http://www.sell2.illinois.gov/bep/Business_Enterprise.htm for complete requirements for BEP certification.

1.10 PUBLIC CONTRACTS NUMBER: (775 ILCS 5/2-105) If you do not have a Department of Human Rights' (DHR) Public Contracts Number or have not submitted a completed application to DHR for one before opening we may not be able to consider your Offer. Please contact DHR at 312-814-2431 or visit <http://www.state.il.us/dhr/index.htm> for forms and details.

1.11 ILLINOIS PROCUREMENT BULLETIN (Bulletin): We publish procurement information (including updates) in the electronic Bulletin (<http://www.purchase.state.il.us>). Procurement information may not be available in any other form or location. You are responsible for monitoring the Bulletin; we cannot be held responsible if you fail to receive the optional e-mail notices.

1.12 AWARD: We will post a notice to the Bulletin identifying the apparent awardee. The notice extends the Offer Firm Time until we sign a contract or determine not to sign a contract. We may accept or reject your Offer as submitted, or may require contract negotiations. If negotiations do not result in an acceptable agreement, we may reject your Offer and begin negotiations with another Vendor. Protested awards are not final and are subject to resolution of the protest.

1.13 PUBLIC RECORDS AND REQUESTS FOR CONFIDENTIAL TREATMENT: Offers become the property of the State and these and late submissions will not be returned. Your Offer will be open to the public under the Illinois Freedom of Information Act (FOIA) (5 ILCS 140) and other applicable laws and rules, unless you request in your Offer that we treat certain information as exempt. A request for confidential treatment will not supersede the State's legal obligations under Illinois Freedom of Information Act (FOIA) (5 ILCS 140). We will not honor requests to exempt entire Offers. You must show the specific grounds in FOIA or other law or rule that support exempt treatment. Regardless, we will disclose the successful Vendor's name, the substance of the Offer, and the price. If you request exempt treatment, you must submit an additional copy of the Offer with exempt information deleted. This copy must tell the general nature of the material removed and shall retain as much of the Offer as possible. You will be responsible for any costs or damages associated with our defending your request for exempt treatment. You agree the State may copy the Offer to facilitate evaluation, or to respond to requests for public records. You warrant that such copying will not violate the rights of any third party.

1.14 RESERVATIONS: You must read and understand the solicitation and tailor your Offer and activities to ensure compliance. We reserve the right to amend the solicitation; reject any or all Offers; to award by item, group of items, or grand total; and to waive minor defects. We may request a clarification; inspect your premises; interview staff; request a presentation; or otherwise verify the contents of the Offer, including information about subcontractors and suppliers. We may request Best & Final Offers when appropriate. We will make all decisions on compliance, evaluation, terms and conditions, and shall make decisions solely in the best interests of the State. This competitive process requires that you provide additional information and otherwise cooperate with us. If you do not comply with requests for information and cooperate, we may reject your Offer. You have no right to an award by submitting an Offer, nor do you have the right to a contract based on our posting your name in a Bulletin notice. We are not responsible for and will not pay any costs associated with the preparation and submission of your Offer. If you are the awardee, you shall not commence, and will not be paid for any billable work prior to the date all parties execute the contract, unless approved in writing in advance by the State Purchasing Officer or the Chief Procurement Officer (or the CPO's designee).

1.15 GOVERNING LAW AND FORUM: Illinois law and rule govern this solicitation and any resulting contract. You must bring any action relating to this solicitation or any resulting contract in the appropriate court in Illinois. We do not allow binding arbitration. This document contains statutory references designated with "ILCS". You may view the full text at <http://www.ilga.gov/legislation/ilcs/ilcs.asp>. The Illinois Procurement Code (30 ILCS 500) and the Standard Procurement Rules (44 Ill. Adm. Code 1) are applicable to this solicitation and may be viewed by users registered for the Illinois Procurement Bulletin at <http://www.purchase.state.il.us>.

1.16 EMPLOYMENT TAX CREDIT: Vendors who hire qualified veterans and certain ex-offenders may be eligible for tax credits. Please contact the Illinois Dept. of Revenue (312-814-3215) for information about tax credits. If you receive this tax credit you must report to the Dept. of Central Management Services the number of individuals hired for whom you received tax credits. You must submit this information by August 31 of each year covering the previous 12 months (July-June) (PA 94-1067; 30 ILCS 500/45-67 and 45-70).

SECTION 2 - HOW WE WILL EVALUATE OFFERS

2.1 OFFER RESPONSE FORMS: We will evaluate the information you provide in the Offer Response Forms. You will find these forms in later sections of this solicitation.

2.2 EVALUATION CATEGORIES: We evaluate four categories of information: Administrative Compliance, Responsibility, Responsiveness, and Price. We will consider the information you supply or don't supply, and the quality of that information when evaluating your Offer. If we find a failure or deficiency, we may have to reject the Offer or reflect that in the evaluation.

2.2.1 ADMINISTRATIVE COMPLIANCE: We will determine whether your Offer complied with the Instructions for submitting Offers. Except for late submissions, we may require that a Vendor correct deficiencies as a condition of further evaluation.

Due to the aggressive timeline and level of responsibility that we are looking to the successful bidder to provide, this procurement requires bidders to have significant experience in ICS development and maintenance in the lottery industry. The Vendor must provide a sufficient explanation to show compliance with this requirement. This category will be scored as either a pass or fail. Those who pass will be considered for the remaining three categories. See Section 3.5.1 for further details.

2.2.2 RESPONSIBILITY: We will determine whether you are a "Responsible" Vendor; a Vendor with whom we can or should do business.

- i. A "Responsible" Vendor must exist as a legal entity and must be authorized to do business in Illinois at the time a bid or proposal is submitted for a State contract. Evidence of good standing can include Certificate of Good Standing, copy of assumed name certificate from home county, etc.
- ii. Public Law 96-0795 provides that a "prohibited bidder" includes a person assisting the State of Illinois or a State agency in determining whether there is a need for contract unless such information was part of a response to a publicly issued request for information (RFI). Additionally, one assisting the State by reviewing, drafting or preparing a request for proposals or request for information or provided similar assistance is deemed a prohibited bidder. See certifications section of the Contract for the required certifications prior to entering into a contract with the State of Illinois.
- iii. Other factors that we may evaluate to determine Responsibility include, but are not limited to: certifications, conflict of interest, financial disclosures, taxpayer identification number, past performance, references (including those found outside the Offer,) compliance with applicable laws, financial stability and the perceived ability to perform completely as specified. Every bid submitted to and contract executed by the State and every subcontract subject to Section 20-120 of the Procurement Code shall contain a certification by the bidder, contractor, or subcontractor, respectively, that the bidder, contractor, or subcontractor is not barred from being awarded a contract or subcontract under this Section and acknowledges that the chief procurement officer shall declare the related contract void if any of the certifications are false.

Vendors must show financial resources sufficient to sustain services for the length of the contract. To facilitate our review, Vendors must submit the company's audited annual financial statements for the past three (3) years. If there is a reasonable doubt that the Vendor can provide services for the length of the contract, we may require that a Vendor correct any deficiencies as a condition of further evaluation, or a failing score may be given. This category will be scored as either a pass or fail. Those who pass will be considered for the remaining two categories.

2.2.3 RESPONSIVENESS: We will determine whether the Offer meets the stated requirements. Minor differences or deviations that have negligible impact on the price or suitability of the supply or service to meet the State's needs may be accepted or corrections allowed. If no administratively compliant and responsible Vendor meets a particular requirement, we may waive that requirement. Other products will be considered with proof the other product meets stated specifications and is equivalent to the brand product in terms of quality, performance and desired characteristics.

2.2.4 PRICE: We will identify the lowest priced Offer that meets Administrative, Responsibility and Responsiveness requirements. We will rank Offers in order of Price when appropriate.

2.3 AWARD: We will award to the Responsible Vendor whose Offer passes Administrative review, is Responsive, and who submits the best value as shown by the combination of Responsiveness and Price.

We will determine how well Offers meet the Responsiveness requirements. We will rank Offers, without consideration of Price, from best to least qualified using a point ranking system (unless otherwise specified) as an aid in conducting the evaluation. Vendors who receive fewer than the minimum required points will not be considered for Price evaluation and award. Vendors must receive at least 100 points to be considered for price evaluation.

If we do not consider the Price to be fair and reasonable and we cannot negotiate to an acceptable Price, we reserve the right to cancel the award and take appropriate action to meet our needs. We will determine whether the price is fair and reasonable by considering the Offer, including the Vendor's qualifications, the Vendor's reputation, all prices submitted, other known prices, the project budget and other relevant factors.

The point evaluation system is described below.

Executive Summary - Knowledge of the Illinois Lottery - Commitment to highest level of quality control - Willingness to work with Lottery partners	20
Technical Approach - Content - Adaptability/Innovation	40
Firm's Experience & Resources - Experience and knowledge in developing and maintaining ICSs of this type - Ability to complete the project in specified timeframe - Commitment and ability to deliver contract requirements for the length of the contract	55
Team Members' Experience - Team members are appropriate for this project - Team members demonstrate a commitment to deliver contract requirements for the length of the contract - Resumes of team members demonstrate experience serving in similar roles in previous projects	55
Project Management Approach - Section 3 response, including in particular the 3.5.1 strategy and implementation plan, indicates sound grasp of project scope and ability to manage all elements - Project manager has appropriate level of experience given scope and timing of our project	20
References	10

2.3.1 The chart below shows the elements of Responsiveness that we will evaluate, their relative weights in point format and any minimum point requirements. The total number of points for Responsiveness is 200.

2.3.2 The total number of points for Price is 50. We will determine Price points using the following formula:

$$\text{Maximum Price Points} \times (\text{Lowest Price} / \text{Offeror's Price}) = \text{Total Price Points}$$

2.3.3 The maximum number of points is 250 (Responsiveness 200 + Price 50).

SECTION 3 - SPECIFICATIONS / QUALIFICATIONS / STATEMENT OF WORK

3.1 AGENCY'S NEED FOR SUPPLIES / SERVICES

3.1.1 General Overview

The Illinois Lottery, through a Private Management Agreement (PMA), is converting its existing Central Gaming System (CGS) to a new CGS. Testing of this new system is scheduled to begin during April of 2011 and the new CGS is expected to be in production by June 26, 2011. The above-mentioned PMA is to last for 10 years, and we anticipate it will be effective in January 2011. As part of this agreement the private manager is responsible for the management of the CGS, but the Illinois Lottery is responsible for procuring and managing the internal control system (ICS). This check and balance is deemed necessary to ensure the integrity of the Illinois Lottery.

The current ICS was developed by the Illinois Lottery approximately 25 years ago utilizing COBOL, VSAM files, ESDS files, and Easytrieve Plus. The Illinois Lottery intends to replace its existing ICS, together with all related computer hardware and software, and obtain the associated technical support, repair, maintenance (including updates and enhancements to software) and ICS services as a result of this RFP. The primary and secondary ICSs, as described in Section 3.1.3 below, are to be installed in a State of Illinois facility in Springfield, Illinois. The plan includes at least one geo-diverse backup ICS to be located in Oak Brook, Illinois, which is also a State of Illinois facility, and a test system to be located in Springfield, Illinois. The ICS also needs to interface with the Multi State Lottery Association draw reporting system (MUSL DRS).

3.1.2 Lottery Objectives

The Illinois Lottery has the following objectives under this RFP and the resulting contract:

- Install an ICS that will meet the needs of the Illinois Lottery for the potential 10 year term of the Contract
- Acquire an ICS and related services that are operationally sound, incorporate the highest level of integrity and security, making certain that no transactions are modified and no illegitimate transactions are added, minimizing the risk for Illinois Lottery. The ICS needs to be flexible enough to meet the evolving requirements of the Illinois Lottery and must be balanced against report(s) generated by the CGS.
- Ensure that the ICS is ready to be operational by the agreed-upon schedule and that all related services are performed in accordance with the agreed-upon schedule.
- Ensure the integrity of all Illinois Lottery games by logging all transactions and verifying that logged transactions are proper transactions.
- Comply with requirements of the Multi-State Lottery Association (MUSL) for an ICS. For example, the ICS that is delivered shall have protective redundancy so that if one system fails, processing can continue.
- Maximize profitability for the State of Illinois.

3.1.3 Overview of Software Requirements

The ICS shall be able to independently process all daily sales, wagers, cancels, returns, validations, claims, claim payments, inventory, coupons and retailer management and accounting activities including accounting credits, credits generated by our outside sales team, and commissions and retailer selling/cashing bonuses for both online and instant transactions. The ICS must also be able to incorporate various controls into it to protect this system from unauthorized access, tampering, power outages, and any event or combination of events that may affect the security and integrity of the transactions processed by the CGS managed by the private manager.

The primary ICS shall be configured to receive or retrieve the data in near real-time via data links to the primary and backup CGS sites. The secondary ICS will be mirrored to the primary ICS (hot backup – no direct link to CGS) so that the Lottery can operate the ICS from either the primary or secondary site at any time. The backup ICS in Oak Brook will be configured to receive data in near real-time via data links to the primary and backup CGS. Manual intervention will be required to switch ICS operations to the geo-diverse backup ICS. The Vendor's software must be able to interpret, decrypt, or convert any data received or retrieved from the CGS.

The following information should be captured by the ICS, at a minimum:

- Online ticket sales, wagers, advance wagers, cancellations, validations, claims, claim payments, selling commissions, selling/cashing bonuses, any type of accounts receivable adjustment (problem ticket credits, debit memos, credit memos, cash payments, penalties, interest,), electronic funds transfer sweeps, promotion activity, and purged tickets, including all such activities associated with an Internet ticket sales pilot program that is expected to launch in 2011 for the Mega Millions and Lotto games.

- Liability warnings for Pick 3 and Pick 4.
- Instant ticket activations, returns, validations, claims, claim payments, settlements (by game), selling commissions, selling/cashing bonuses, any type of accounts receivable adjustment (debit memos, credit memos, cash payments, penalties, interest), EFT sweeps, and promotion activity.
- All subscriptions activities including sales, wagers, subscription periods, payments received, cancellations, winners, and prize payments.
- Instant ticket inventory status changes.
- Retailer management activities, including changes in license status, terminal status, billing status or any changes that impact the status of our retailers.
- Sales, wagers, advance wagers, cancellations, validations, claims, claim payments, selling commissions, selling/cashing bonuses, any type of accounts receivable adjustment (problem ticket credits, debit memos, credit memos, cash payments, penalties, interest), electronic funds transfer sweeps, and promotion activity, arising from Internet-based games, should such games be offered during the term of the Contract. These games are differentiated from the pilot program referenced above in that they would be available for play only on the Internet. The pilot program merely offers an alternate sales channel for game tickets that can also be purchased through traditional lottery outlets.

The ICS must be able to interface with the MUSL DRS for applicable games. The lottery will need to enter winning numbers into the ICS in order to calculate the prizes for each prize level and liabilities. The ICS should retrieve this information from a holding place as opposed to receiving it directly into the application that processes the transactions. The ICS will undergo a semi-annual certification to ensure that no changes were made to the lottery's ICS, except for reported changes, per MUSL's requirements.

At a minimum, the ICS should perform the following balancing procedures. Any out-of-balance conditions shall be reported immediately as an alert to the appropriate Illinois Lottery employees, private manager employees, CGS employees, ICS Vendor employees, and others as designated by the Illinois Lottery. Any procedure not provided must be called out.

- Produce and compare draw reports, end-of-day game reports, weekly, monthly, and annual reports identical to those provided by the CGS for accuracy. At a minimum, counts and amounts of all financial activity by game, retailer, and chain must be balanced daily, as well as balancing total validations and outstanding prize liabilities by game and draw. Taxes and offset withholdings should also be balanced. To the extent that sales by game by sales channel (self-service, retailer, Internet, etc.) are captured by the CGS and transmitted to the ICS, these totals should also be balanced.
- After each online game draw, the ICS must recalculate draw day sales, prizes, liabilities, and winners selected for comparison to the CGS reports.
- Weekly (based on accounting week, which is Tuesday through Monday), the ICS must recalculate retailer accounting information to compare to the CGS for accuracy. Information should be obtainable by retailer, by chain, by central billing entity (multiple chains,) by date and by game, if possible.
- Provide exception reports to ensure only active licensed retailers have active terminals and selling activity.

The ICS should provide the ability to recalculate and confirm the following financial statement items:

- Accounts receivable and ticket sales including commissions, bonuses, sales, cancels, validations, claims, adjustments, pack/ticket returns, pack activations, settlements.
- Deferred revenue – including future sales, cancellations, and adjustments.
- Prize expenses and prize payables – including validations, claims and winners, pack activations, pack returns, adjustments.
- Unclaimed prizes.

Remote access to the ICS for troubleshooting must be controlled. Vendor must provide a solution that:

- Allows Lottery to control Vendor's access through a VPN (Vendor to supply VPN software)
- Includes key logging software to track activity during the session

- Includes a script that automatically disables the Vendor's access when troubleshooting is complete.

3.1.4 Overview of Hardware Requirements

The Vendor must provide all hardware necessary to deploy the four subsystems that comprise the ICS (primary, secondary, backup and test). Hardware must be rack mountable and compatible with CAT 5 or 6 network cabling. As further described in subsection 3.2.1 below, Vendor shall provide details of the hardware requirements and configuration necessary to implement the ICS, including space and electrical requirements (110V or 220V; number of watts drawn), per location.

3.1.5 Overview of Service Requirements

On-call programming support by the Vendor is required to handle out-of-balance conditions or any other condition that arises which jeopardizes the confirmation of the integrity of our data, 24 hours a day, and 7 days per week. A short response time specified later in this RFP is required during critical processing periods associated with drawings.

The Vendor must provide programming support to ensure ICS compatibility with changes made to the CGS and also any changes necessary to ensure the integrity of the system. The Lottery will initiate software changes via a written request for software services signed by the Lottery Superintendent or designee. The minimum content of the change request form will be mutually agreed upon by the Vendor and the Lottery. The timetable for completion of requested changes will be mutually determined by the ICS Vendor, CGS Vendor and the Lottery.

Software upgrades and updates developed by the Vendor during the term of the Agreement must also be available to the Illinois Lottery, and the Lottery must be notified of all future upgrades and modifications to the application.

Vendor must provide any necessary maintenance or upgrades to vendor-supplied hardware as necessary to ensure ICS functionality.

3.1.6 Implementation Overview

The Vendor must be able to install the ICS by May 9, 2011, in order to fully participate in the Lottery's customer acceptance test of the new CGS. Furthermore, the ICS, as approved by the Lottery, must be fully functional by the time the new CGS is moved to production, anticipated to be June 26, 2011.

3.2 SUPPLIES AND/OR SERVICES REQUIRED

3.2.1 System Configuration

The Lottery requires an ICS configuration capable of handling the immediate and long-range needs of Lottery. The System must consist of at least four (4) computer systems, including hardware and software, installed in two geo-diverse locations. We envision a primary and secondary ICS at Illinois Lottery Headquarters and our Department of Central Management Services (CMS) data center (both in Springfield, Illinois) and a backup ICS at the CMS backup data center in Oak Brook, Illinois. The purpose of these three (3) separate Internal Control Systems is to ensure that Lottery can rapidly process data after a draw break if any ICS fails or suffers loss of communications. In addition, a test ICS at Lottery Headquarters will be required. A development and test system that is identical to the primary ICS should also be maintained at a location convenient for the Vendor. Please note that ownership of the hardware and software will remain with the Vendor, and that Vendor will be responsible for upgrading any Vendor-provided hardware and software as necessary to maintain the ICS.

Configuration block diagrams, down to the component level of the proposed System, must be submitted with the Vendor's proposal. The Vendor must include a description of the bandwidth that will be necessary in order to make the primary and secondary systems communicate utilizing a "hot back-up" configuration. The Private Manager will be providing links to the ICS system as follows:

CGS Primary Data Center (PDC) to Lottery Headquarters
 CGS Backup Data Center (BDC) to Lottery Headquarters
 CGS PDC to CMS BDC (Oak Brook)
 CGS BDC to CMS BDC (Oak Brook)

The Lottery, through CMS, will be responsible for any links between the Lottery Headquarters (primary ICS) and the CMS facility on Adams Street (secondary ICS) both in Springfield, IL.

Each hardware and software item must be identified by manufacturer, product name, model number or version as applicable (if no version number is provided for software, it will be assumed to be the latest release at the time of conversion). For software the Vendor must also indicate the platform that the software will run on; if the software is modular, and if so, the individual modules and whether they are required or optional; and whether the software is proprietary, open source or third party. Any deviations from the suppliers' standard hardware and software products must be

disclosed and an explanation provided. (Installation of any such deviations would require prior approval of the Illinois Lottery.) For all locations, CMS will provide infrastructure to bring information from the point of entry into our buildings to our work stations and servers.

3.2.1.1 ICS Primary System at Lottery Headquarters

The Vendor shall furnish, install and maintain the ICS computer hardware, operating system, and application software at Lottery Headquarters (primary ICS) and provide technical and maintenance support services throughout the life of the contract. The ICS will receive a near real time feed from Lottery's CGS via data links to the primary and backup CGS sites. Server-class architecture is required. The Vendor shall provide the ICS on a server-class system including server-class data storage and data archival elements. The Vendor shall provide the ICS on a robust and proven operating system platform.

3.2.1.2 ICS Secondary System at our CMS Data Center

The Vendor shall furnish, install, and maintain the secondary ICS computer hardware, operating system, and application software at our CMS Data Center (secondary ICS) and provide technical and maintenance support services throughout the life of the contract. Server-class architecture is required. The Vendor shall provide the ICS on a server-class system including server-class data storage and data archival elements. The Vendor shall provide the ICS on a robust and proven operating system platform.

The secondary system must be a hot backup to the primary system, allowing the Lottery to operate the ICS from the primary or secondary systems at any time (no manual intervention to switch between systems). Both systems must be current.

3.2.1.3 ICS Backup System in Oak Brook, Illinois

The Vendor will furnish, install, and maintain the ICS computer hardware, operating system, and application software in Oak Brook, Illinois (backup ICS) in the event the primary ICS at Lottery Headquarters or secondary ICS at the CMS Data Center should ever fail.

1. **Data exchange between systems** - During ordinary production operations, the primary CGS will transfer data to the primary ICS and to the backup ICS in Oak Brook. In the event of a primary CGS failure, the data will be transferred from the CGS backup to both the primary and backup ICSs. The backup ICS will always contain recent transactions in case a failover and recovery is needed. The System must be able to demonstrate, on a scheduled basis to be determined by the Lottery, that the backup ICS is fully functional by operating in production from the backup site. In case the backup ICS has taken over, then the primary ICS will be updated as soon as it returns to service, restoring the duplex/failover functionality of the ICS hosts. A formal balancing process must be completed by the Vendor in collaboration with the Lottery on the same scheduled basis, which ensures the accuracy between the CGS, the primary and secondary ICS and the backup ICS.
2. **ICS Backup Sizing and Architecture.** The backup System must be of the same processing capacity and architecture as Lottery Headquarters' primary ICS.

3.2.1.4 Customer Acceptance Testing (CAT) System and Quality Assurance (QA) System

As any changes are made to the ICS as part of the service maintenance part of this contract, it is expected that the Vendor completes QA testing prior to delivering the software to the Lottery. The Successful Proposer shall furnish, install, and maintain computer hardware, operating system, and application software to be used for Customer Acceptance Testing (CAT) of the initial ICS or changes to the ICS. The CAT system, as well as any of the above production systems, must be available for testing by Lottery, with full support from the Vendor. (The Lottery will work with the Vendor to identify and assess any possible risks or impacts on production operations.) In addition, if changes need to be made as a result of the data feed to the Lottery mainframe, the Lottery may need to work with the Vendor during the QA process.

1. **Customer Acceptance Testing (CAT) System.** The CAT system will be located at Lottery Headquarters. The CAT system must be identical in architecture and capacity to the primary, secondary, and backup systems and must include all the same software and features as does live production. In the event of failures of active production Systems, the CAT system must be able to be updated and activated for production in case of further hardware or software failure.
2. **Vendor's Development and Test System.** The Vendor must not conduct software development or its own quality assurance activities on any of the production systems, or on the CAT system identified above. Rather they must employ separate development and QA system(s) at a location convenient for the Vendor. The test system employed by the Vendor shall employ the same architecture and capacity as Illinois' production systems to ensure compatibility upon release for customer acceptance testing.

3.2.1.5 Operating Hours Availability

The ICS must have the ability to accommodate near twenty-four (24) hour-a-day sales operations as required by the Illinois Lottery and to mirror the CGS, with 99.99% uptime, measured in 5 minute intervals. Liquidated damages may apply if uptime requirements are not met, and the basis for damage calculations will be negotiated with the successful Vendor prior to contract execution.

All changes/outages should be scheduled during CGS scheduled maintenance/downtime, generally between 2:30 a.m. and 5:00 a.m. Vendor must notify the agency at least 48 hours in advance of scheduled maintenance.

3.2.1.6 ICS Network Interfaces

The ICS shall interface to the CGS and to the Illinois Lottery's internal network. Network connections will be provided from the primary and backup CGS to the primary and backup ICS sites by the Lottery's private manager. Communication lines between the Willard Ice Building and the CMS Data Center (primary and secondary ICS sites) will be provided by CMS. Vendor will need to work with CMS to provide complete interface between the primary and secondary ICSs in order to create hot backup functionality. The Lottery, through CMS, and the private manager shall provide firewall protection for these network connections as appropriate. Vendor shall propose a solution for Lottery's test system.

3.2.1.7 Near-Real Time Feed and Standalone Operation. The ICS must receive and process a near-real time feed of gaming transactions from the CGS over the network connections described. In the event that the network transmission fails, the ICS must be capable of using physical media from the CGS as the source of ICS data and operate in a standalone mode.

3.2.1.8 ICS Systems Security

System security represents a critical component in protecting Lottery information assets. The following security requirements apply to all Systems in the Vendor's configuration, and Vendor must have a documented security incident policy and procedure and provide a copy with its proposal.

1. **Systems Access.** All systems and users requiring access to a host system (for any purpose) must be approved by the Lottery. Host systems must also support controls and procedures that allow Lottery to audit all system access.
2. **Authentication, Authorization and Access Controls.** The Vendor's proposal must clearly identify controls related to user authentication, authorization and access controls for operating systems.
3. **Principle of Least Privilege.** All systems must be configured to support only those services required to provide the intended System functions. System users must be granted access only to the operating system functions and file systems needed to perform their job functions.
4. **Compliance with Security Requirements.** ICS host systems must be compliant with all systems security and fault tolerance requirements accepted as operating principles by Lottery, or promulgated by any multi-jurisdictional game organization for which the Illinois Lottery must comply (e.g. MUSL.)
5. **Protection against Unauthorized Access or Service Disruption.** The Vendor shall ensure that host systems are not vulnerable to unauthorized access or malware. The Vendor's proposal must specify the methods by which host systems will be protected against emerging and future malware and other attacks.
6. **Incident Reporting.** Vendor must report any security breach incidents (regardless of severity or loss of actual data) to the Lottery within 4 hours after Vendor becomes aware of the incident.
7. **Other Systems Security Controls.** The Vendor's proposal must provide any additional information on other systems security components and controls that will be implemented including host intrusion protection, operating system hardening, login and password controls, system security log management, etc. The acceptability of all system security controls will be subject to Lottery approval.
8. **Disaster Recovery.** In the event of irreparable damages or of an unplanned, extended abandonment of Lottery Headquarters or the CGS contractor's primary data center, the Vendor shall provide hosts, software, and other components necessary to resume ICS operations under a dual system operational scenario. Such secondary system components shall be furnished, installed and operational within thirty (30) days after the disaster.

3.2.2 Software Controls and Data Management

3.2.2.1 ICS Functions and Control Features

The System must provide particular features and functions to meet requirements for correct, effective, and efficient operation.

1. **Reprocessing.** This is the basic function of the ICS. At a minimum, all game reprocessing activities include: sales, advanced sales, cancels, returns, cashes, validations, validation attempts, confirmed, activated, and settled books, and other play-related transactions, any other retailer terminal commands, error conditions, operating system entries, job console entries, and management workstation modifications.

2. **System Tampering.** The Vendor's proposal shall evidence the Vendor's methods and procedures that prevent tampering with the System, including reports on attempts to tamper. The Lottery reserves the right to review any and all System narratives, source program listings and maintenance procedures to ensure data and System integrity.
3. **Operator Console Records.** All operator commands and management workstation modifications executed by the System and any System warnings or problem messages shall be placed on a non-volatile medium. This log must be provided on a searchable media which Lottery may at its option process and review for auditing purposes.
4. **Software Checksums.** Checksums are required for executable programs on the ICS for auditing purposes. Checksums must be available on all ICS systems whenever Lottery chooses to request them from the Vendor, or to generate them.
5. **CGS-to-ICS Monitoring.** Real-time monitoring of transaction traffic must be provided. The Lottery shall receive immediate notification of abnormal System operations and their causes, such as communication difficulties, host system hardware or operating system errors, etc.
6. **ICS Software and Data Backups.** The System must support processes executed by Lottery that provide secure on-site and off-site storage of critical files, software, and back-up data. Report balancing and reconciliation will be employed to ensure that current files and archived backup copies are valid. Back-up media retention shall follow a schedule set and operated by the Illinois Lottery, and back-up media shall be checked and exercised periodically to ensure data integrity. For example, the Lottery may restore a backup file to a testing system to ensure viability.
7. **Anomalous Gaming Data Reporting.** The System must be capable of generating reports from the anomalous conditions that may indicate gaming operational problems or attempts at fraud. This capability must include, but is not limited to, the ability to report a retailer with anomalous and excessive transactions (such as sales and cancels), attempted cashes of stolen tickets, unusual console log entries, unusual transaction journal entries, and systemic events such as no sales for a game scheduled to be operational. This reporting capability will support investigations, as needed. Vendor must specify the software that will be utilized for report production.

3.2.2.2 Application and Database Security

Application security controls are a critical component of the Vendor's role in ensuring the integrity of gaming operations and related Lottery information assets. The following security requirements apply to all Vendor-developed and third-party applications (including database platforms) utilized or provided by the Vendor.

1. **Authentication, Authorization and Access Controls.** The Vendor's proposal must clearly identify controls related to user authentication, authorization and access controls for applications (including database applications).
2. **Audit Trail.** All application login attempts, whether successful or not, must be logged. Log entries must reference the time, date, IP address, and login success status. All transactions representing modifications to the System must be logged and protected by verification steps. Display and reporting tools must be available for Lottery to verify the events recorded in the audit trail. Vendor must specify the software that will be utilized for report production.
3. **Principle of Least Privilege.** All applications and databases must be designed and configured to support only the processes and user access required to provide the intended application functions. Application and database users must be granted access only to the application and database functions and data elements needed to perform their job functions.
4. **Compliance with Security Requirements.** All applications must be compliant with all application security standards and guidelines accepted as operating principles by Lottery or promulgated by any multi-jurisdictional (e.g., MUSL) game organizations for which the Illinois Lottery must comply.
5. **Protection against Application Compromise.** Regarding Vendor-developed applications, the proposal must provide information on the mechanisms used to validate code to ensure applications are not vulnerable to denial of service attacks or similar security threats.
6. **Other Application Security Controls.** The Vendor's proposal must provide any additional information on other application and database security controls that will be implemented. The acceptability of all related security controls will be subject to Lottery approval.

3.2.2.3 Supporting Lottery's Games Menu

The Vendor must support the current set of Lottery game offerings and provide flexibility for growth into new games, game features, and play types.

1. **Current Games and Play Types.** The ICS must support all games currently being offered by the Illinois Lottery at the time the ICS is to take over, including 13- to 52-week subscription play for the Little Lotto, Lotto, Mega Millions and Powerball games. Refer to the following Illinois Lottery web site: <http://www.illinoislottery.com>.
2. **Additional Games and Play Types.** The Lottery reserves the right to add games, game features, play types, and promotions for start-up, or at any time later in the contract. Expansion may include monitor-type or Internet-based games.
3. **Association-Based Games.** The ICS must support games from any multi-jurisdiction associations with which Lottery may become affiliated.
4. **Non-Traditional Transactions.** Lottery does not currently conduct non-traditional transactions through its Retailer terminals, network, or CGS (for example, hunting and fishing licenses.) However if the private manager decides to support such transactions, then the ICS must also support this change in Lottery business requirements.

3.2.2.4 Support for On-Line Game Drawings

1. **Transactions at Close.** The System must check that all transactions before the game close transaction apply to the forthcoming drawing and all transactions after the game close transaction apply to the subsequent drawing.
2. **Drawing Information.** The System must identify critical drawing information including:
 - Gross sales including sales for each sales day for each draw, advanced sales for each draw, and subscription sales for each draw;
 - Net game pool or handle (sales minus cancels;)
 - Liabilities;
 - Hash total of plays (including cancels;)
 - Draw, wager, and cancel close times;
 - Break duration time;
 - Pool status;
 - Draw date;
 - Draw identifier.
3. **Winning Numbers Entry.** ICS processing relative to a drawing must allow (i) manual entry of winning numbers for games not drawn by the Illinois Lottery (e.g., Powerball), and (ii) the ability to accept winning numbers passed from the CGS in the transaction stream directed to the ICS.
4. **Interface Files.** The ICS should be able to produce interface files for other Lottery or third-party applications, as may arise from Lottery's business requirements.
5. **Closing, Drawing, and Cashing Time Window.** Lottery considers it mandatory to minimize the time window between close of the games, drawings, and the ability to pay winning tickets. The ICS shall allow for summarizing game results and winners immediately to support validations.

3.2.2.5 Support for Instant Games

One purpose of the ICS is to reconcile Instant Ticket activity to the CGS. The ICS must process Instant Ticket transactions from the CGS in a near-real time manner to ensure accuracy of the following:

1. Sales, returns, and adjustments
2. Inventory levels – books issued, activations, settlements, returns, sales, stolen & missing tickets, as well as other adjustments
3. Validation totals

4. Prize liability

5. Game close

3.2.2.6 ICS Balancing Reports

Reporting and inquiry functions must be provided which allow Lottery to balance system totals, game totals, retailer activity totals, and inventory totals against the CGS activity. Examples include but are not limited to the following:

1. Winners by game or drawing including subscriptions;
2. Drawing sales by draw or game including subscriptions;
3. Daily sales by drawing or game including subscriptions;
4. Validations by game and prize type;
5. Daily sales activity and totals by Retailer (sales, cancels, validations...)
6. Daily sales totals by game or product;
7. To the extent the data is received from the CGS, daily or drawing sales totals by sales channel (retailer, self-service device, Internet, etc.);
8. Liability reports by drawing, showing won, paid, outstanding and purged;
9. Unclaimed prizes;
10. Promotional reporting for free tickets, coupons, etc.
11. Daily and weekly instant settlements, by game.

These report descriptions are for informational purposes only and do not define strict content and format specifications. Lottery will determine final specifications with the Vendor. Vendor must specify the software that will be utilized for report production.

3.2.2.7 Supporting On-Line and Instant Promotional Transactions

The ICS must be capable of supporting a broad range of promotional transactions as implemented under the CGS, should Lottery opt to include them. These transactions may include, but are not limited to: raffles, free plays, cross promotions, multiple drawings per day of the same game, bonus drawings, bonus winner payoffs, sampler tickets, retailer clerk incentives, external coupons, and CGS-generated coupons.

3.2.2.8 ICS Operators

1. **Operations.** The System must provide the ability to operate the ICS in its intended production mode, including start-up, shutdown, job scheduling, monitoring the systems, control, monitoring backups, checking uninterruptible power supply, as-needed manual switching to the backup system, deploying new software installs and other operator duties as assigned.
2. **Applications.** The System must permit Lottery staff to enter critical data (such as winning numbers) and receive displays and reports.

3.2.3 ICS Facilities and Disaster Recovery Plan

Lottery and CMS will provide secured areas for the primary ICS, secondary ICS, and test ICS systems at State of Illinois facilities in Springfield, Illinois. CMS will provide infrastructure to bring information from the point of entry into our buildings to our work stations and servers. A secured space in Oak Brook, Illinois will be provided for the backup ICS system. Vendor must specify the amount of space and other environmental support required by the ICS configuration.

3.2.3.1 System Disaster Recovery and Contingency Plan

The Vendor must provide and update as needed a Business Continuity Plan (ICS BCP) for the primary, secondary, backup, and test ICSs. The initial plan should be delivered before the ICS start-up date.

The ICS BCP must ensure continuation of the ICS functionality in the event of system failures or disasters impacting the ability to operate either the primary, secondary, or backup ICS. Provision shall also be made for the safe, secure off-site storage of original software, current systems configuration and data backups, software and configuration changes and other System documentation. The Proposal should contain an outline for, or sample of, such a disaster recovery plan.

3.2.3.2 Vendor Infrastructure Protection Plan

Before start-up the Vendor shall produce and submit a summary of their disaster recovery plan for their infrastructure necessary to support the Illinois Lottery, since the Vendor's software development facilities and capabilities are critical for the term of the Contract.

3.2.4 Staffing, Training, Services, and Security Plan

The Vendor is required to provide Lottery with staff and technical support services as described below.

3.2.4.1 Development and Implementation Team and Ongoing Technical Support

1. **Development, Implementation and Conversion Staff.** The Vendor shall provide a summary of the team that will work on Illinois Lottery ICS development and implementation including names of all management, supervisory, and key technical personnel who will be active in the implementation and conversion of the System, along with a brief description of each person's role in the process and their level of experience. The Vendor shall identify a technical project manager for the implementation project who shall be on-site during critical times of acceptance testing and conversion, as determined by Lottery. Lottery will inform Vendor of these critical dates as they become known.
2. **Ongoing Technical Support Staff.** The Vendor shall provide a summary showing names of all management, supervisory, and key technical personnel who are expected to be active in the ongoing technical support of the Illinois Lottery ICS, including a brief description of each person's role in the process and their level of experience. The Lottery must be notified of any changes to personnel working on our team.
3. **Key Staff Continuity.** The Vendor must commit to a good faith effort to retain proposed key staff for the implementation/conversion phase and the ongoing technical support phase of the Contract.

The successful Vendor will be required to furnish a list of all employees or contractors who will have administrative privileges or access to Agency data. These employees must submit to and pass State of Illinois background checks.

In the event the Lottery determines that any team member is not performing up to the Lottery's expectations, it shall promptly notify Vendor and Vendor shall replace that individual.

3.2.4.2 Lottery Staff Training

Lottery personnel will be responsible for the operation of the ICS. Therefore, the Vendor shall train Lottery personnel on the use and operation of the System. This includes but is not limited to, operation of the hardware, application software, balancing procedures, and out-of-balance procedures.

The Vendor must provide training for Lottery staff, at Lottery offices or appropriate venues, or both, as approved by Lottery. We estimate that on-site training, in Springfield, IL, will be required for up to 15 people prior to ICS implementation.

Besides the initial training for Lottery personnel at the time of conversion, follow-up training must be provided when changes are made to the ICS for any new software. We anticipate that most follow-up training can be web-based, as opposed to on-site; however, we reserve the right to require on-site training for major changes or upgrades.

The Vendor must provide all procedure manuals (hard copy and electronic) before System start-up and provide follow-up training and updated manuals when any change is made. Training must be customized to meet the unique needs of Illinois Lottery employees performing specific primary and support activities in the following functional areas: IT Operations, Security Administration and Quality Assurance; Internal Audit; select groups requiring an executive overview. At times during the Contract term, additional training may be needed as System features evolve.

3.2.4.3 Technical Support Services

The Vendor shall provide on-call system technical support services twenty-four (24) hours a day, seven (7) days a week, 365 days a year. The experienced team member who is on call must be able to respond (return the phone call and start troubleshooting the issue) within 15 minutes. The availability and reliability of the ICS is extremely crucial, so the Vendor must also describe its escalation procedure in the event that on-call personnel are unable to troubleshoot the problem within 30 minutes, or if the identified problem cannot be resolved within 60 minutes, after the Lottery's call.

Timely and committed fulfillment of Lottery requests for System technical support and changes is required. The Vendor's proposal must identify how systems and software engineering support services for System administration, System error correction, changes to Lottery's games, and changes to administrative reporting requirements will be delivered in relation to the following:

1. **System Software Support.** The Vendor must provide systems engineering support for System administration, corrections, updates, and enhancements. Good configuration management practices are vital.
2. **Application Software Support.** The Vendor must provide support for development, changes, testing, and installation of ICS application software. Good configuration management practices are vital.

3.2.4.4 Systems Administration and Hardware and Software Maintenance

The System shall be delivered with a full set of tools for its operation and administration. Lottery will perform user account administration for operating systems, databases and applications. Otherwise, the Vendor shall provide all other systems, database and application administration and hardware and software maintenance tasks as part of its support obligation.

Systems, database and application administration and maintenance responsibilities include, but are not limited to, operating system, database and application installation and configuration changes; security vulnerability assessment and management; coordination and fulfillment of all hardware maintenance; and licensing maintenance. Application responsibilities relate to all installed software components including third-party applications. Vendor must maintain documentation of all systems, database and application administration and maintenance events and make that documentation available for Lottery review as requested. The Vendor shall obtain replacement parts and maintenance services that are approved, recommended, or recognized by the original equipment and software suppliers as effective.

3.2.4.5 System Change Control and Configuration Management

The Vendor shall operate under well-defined change control and configuration management practices, as described below, which shall apply to all of the following components: documentation, procedures, specifications, program application source and object code, operating systems, database platforms, other third-party applications, host systems, and any other major System components.

1. The Vendor shall ensure through procedural and System controls that only Lottery-approved changes, on an approved schedule, can be made. Reports and displays shall be available to Lottery to review all related change and configuration management activities.
2. All changes to host systems or applications must first be completed on the related Quality Assurance systems. All changes approved by Lottery and completed for production systems must also be completed on the associated backup systems.
3. Checksums are required for software at the time it is released for Lottery testing, and must be available at any time for back-up or ICS.
4. System components shall be documented with version and release numbers/patch versions, or model and serial numbers.
5. System components shall be traceable, identifying the history, use, and location of a component.
6. The Vendor shall track all changes made to System components, provide reports showing when and by whom a change was made and for what purpose, and must avoid multiple update conflicts. Change logs must reference associated planning documents and approvals.
7. The Vendor shall have the ability to produce a configuration status report identifying the current configuration of any System component as well as an inventory report including all System components.
8. For all host systems supporting gaming operations, an on-line backup of the current configuration is required to ensure these components can be restored quickly and limit the time period where the System would be operating in a non-redundant configuration in the case of a System or device failure.
9. The Vendor shall provide and maintain comprehensive System documentation for Lottery including but not limited to: security standards and processes, multi-jurisdictional security standards compliance documents, change control processes and procedures, daily balancing procedures, draw balancing, data dictionaries, third-party licensing documentation, etc. Documentation should be provided to Lottery prior to the go-live date for the ICS.

3.2.4.6 Security Plan

Lottery expects its System and operations to be of the highest security and integrity. This requires both Lottery and its Vendor to maintain a confidential, highly secure System. For example, the System must have controls that mitigate such threats as insider fraud.

The Vendor shall include a summary of their security plan with their proposal and present a complete security plan ready for approval by the Illinois Lottery before start-up. The Vendor must update the security plan as needed, and must cooperate with Lottery in demonstrating the effectiveness of the plan if requested. Proposers shall include the following sections in the final security plan.

1. Business Impact Analysis
2. Risk, Threat, and Vulnerability Analysis
3. Personnel Security Practices
4. Physical Security
5. Data Security
6. Systems Security
7. Application and Database Security
8. Patch Management
9. Incident Response
10. Protection of Software and Other Copyrighted Materials
11. Plan Evaluation
12. Training Sign On Procedures

The plan must address incident response procedures (e.g., in case of an electronic intrusion); periodic audits to ensure compliance with the security plan; and periodic meetings on security. The final security plan must follow a format approved by Lottery, must be approved by Lottery, and must comply with multi-jurisdictional security requirements (e.g. MUSL rules).

3.2.5 Implementation Details

3.2.5.1 Conversion Project Strategy

The Vendor's proposal must include a high level conversion strategy that would best support the Illinois Lottery's implementation, including milestones that will need to be reached by each of the **four** entities expected to be involved in the implementation: ICS provider; CGS contractor; Illinois Lottery team; and a third-party testing provider retained by the State of Illinois. The project strategy must also include a description of quality assurance measures that will be taken and how start-up failures due to ICS problems will be avoided.

3.2.5.2 Formal Implementation Plan

Vendor must submit a formal detailed implementation plan and time chart (Gantt, PERT, or similar) identifying the major milestones to be accomplished for the business requirements definition, equipment delivery, software programming, installation, testing, training, and file conversion by April 14, 2011. The plan must make clear which items are on the critical path for timely implementation including tasks for each of the four teams in the process. The final implementation plan of the Vendor requires Lottery approval.

3.2.5.3 Installation and Lottery Quality Assurance

The Lottery will conduct a series of customer acceptance tests with the assistance of a third party provider retained by the State. Lottery customer acceptance testing will be conducted from Lottery Headquarters. The Vendor shall support these efforts as needed.

1. Schedule for Lottery Quality Assurance. To support customer acceptance testing, the Vendor must have the ICS host systems and software installed, configured, and operational by May 9, 2011. For testing, the ICS must be interfaced to the new Central Gaming System.

2. Documentation and Support. Training and operations manuals and documentation specific to the Illinois Lottery must be delivered to Lottery prior to the delivery of the System for Lottery CAT. During critical parts of the CAT testing period, as determined by Lottery, the Vendor must provide technical staff on-site as a resource to collaborate and support Lottery's customer acceptance testing.
3. Release Notes. Each release of the software for testing by Lottery must be accompanied by release notes. The release notes must evidence good configuration management practices, namely each release must be identified by a version number and the changes must be succinctly defined. This requirement shall extend throughout the Contract.
4. Entry and Exit Criteria. Lottery will consider the System ready for CAT testing once all hardware and software items are installed and configured to operate in Lottery's environment and in accordance with Lottery's standards, including security standards. It will be necessary for QA testing to be completed by the Vendor prior to submitting software for testing. We expect that quality data as well as data that will simulate errors will be used for testing. The Vendor must have the ICS ready for CAT testing no later than May 9, 2011. Lottery will have successfully completed its customer acceptance testing when all components of the ICS have been tested and all significant issues identified and resolved.
5. Vendor shall conduct internal QA testing on its proposed system prior to delivery of the System to Lottery for Lottery CAT testing. When Vendor delivers the proposed system to Lottery for CAT testing, Vendor shall include copies of all test plans and test results associated with Vendor's internal QA testing.

3.2.5.4 Project Reporting and Monitoring

The Vendor will need to provide a technical project manager for the ICS implementation and testing. Regular reporting (weekly status reports), walkthroughs, and project status meetings are required.

The Vendor shall provide suitable access to project records to enable Lottery staff to monitor project management tasks, schedules, and issues. This requirement begins with Conversion and continues throughout the Contract.

3.2.5.5 Processing Aged and Outstanding Transactions after Conversion

The new ICS must accommodate transactions from the new CGS that represent outstanding transactions prior to the conversion from the old CGS.

3.2.5.6 Historical Data

The Vendor should convert at least one (1) year of pre-existing ICS data so that Lottery will see a continuity of data in displays and reports from before, during, and after the System start-up day.

3.2.5.7 Periodic Testing and Vendor Certification

On a schedule mutually agreed to by the Vendor and the Lottery, the Vendor will test key system components and certify the results of the testing to the Lottery. The anticipated schedule is as follows:

- Failover testing Every 6 months during the contract term
- Disaster recovery testing Annually during the contract term

Vendor will additionally certify to the Lottery on a quarterly basis that there have been no security breaches with respect to the ICS or any component thereof.

The ICS will undergo a semi-annual certification to ensure that no changes were made to the lottery's ICS, except for reported changes, per MUSL's requirements.

3.2.6 Presentation Requirement

Vendors submitting Offers will be required to make in-person presentations to the Evaluation Committee in Chicago, Illinois in order to demonstrate the proposed ICS solution set forth in their written proposal and the Vendor's ability to deliver the solution in a timely manner. The presentations also provide an opportunity for the Vendors to introduce some or all of their project and technical support team members. The presentations are **not** an opportunity to introduce new material, and any concepts, recommendations or materials provided in the presentation but not addressed in the written proposal will not be considered by the evaluation team.

Presentations are expected to be scheduled on February 16 and 17, 2011 and each Vendor will be allotted a total of 3 hours, consisting of 30 minutes for set-up, 1 hour for demonstration, 1 hour to address evaluation committee questions relating to the written proposal and/or the demonstration, and 30

minutes for tear-down. To facilitate scheduling and travel planning, Vendors may schedule a presentation date and time in advance of submitting their proposal by making a written request to the Lottery no later than 5 p.m. on Friday, January 28, 2011. Requests should be addressed to:

Beverly Womack
Illinois Lottery
100 West Randolph, 7-901
Chicago, IL 60601
Fax: 312/793-5514
E-mail: Beverly.womack@illinois.gov

and indicate the Vendor's preference for February 16 or 17, and morning or afternoon. The Lottery will make every effort to accommodate the Vendors' preferences, although the availability of the requested date or time cannot be guaranteed. Vendors making advance scheduling requests will be notified of their presentation date and time the week of January 31, 2011. Vendors who do not seek advance scheduling or who submit their request after January 28 will be notified of their presentation date and time as soon as is practical upon receipt of the scheduling request or the Vendor's proposal, whichever occurs first.

3.2.7 Desired Options

The Lottery currently issues annual commission and bonus statements for Illinois Lottery retailers, based upon the business type reflected in the Lottery's records for the retailers and whether the commission and bonus payments were equal to or greater than \$600 for the calendar year. For each corporation, or limited liability company treated as a corporation for tax purposes, that meets the \$600 threshold, a courtesy statement is issued to the retailer. For all other business types, a 1099-MISC would be issued to the retailer, with electronic reporting of the combined commission and bonus amount to the Internal Revenue Service (IRS) in accordance with IRS rules. Please indicate whether you currently offer, or your system could support, a tax reporting module capable of these functions.

3.3 MILESTONES AND DELIVERABLES

The following are tentative milestone dates for this procurement. The Lottery reserves the right to modify these dates as needed to maintain an open and competitive procurement environment and ensure delivery of a quality product. We recognize that the product delivery timeframe is ambitious and will consider the impact on stated delivery dates prior to making any schedule changes.

Issue RFP	January 18, 2011
Written Questions due	January 25, 2011 (12 Noon CST)
Written Answers back	January 27, 2011
Requests for Presentation Scheduling due	January 28, 2011 (5 p.m. CST)
PROPOSALS DUE	February 15, 2011
Time of Proposal Opening:	12:00 p.m. (Central Time)
Presentations	February 16 – 17, 2011
Evaluation End	March 4, 2011
Award	March 7, 2011
Protest Period End	March 14, 2011
Contract Execution	April 7, 2011
ICS Installation Complete	May 9, 2011
Training and Documentation Complete	June 17, 2011
ICS Testing complete	June 20, 2011
Other Milestones	TBD

3.4 REPORTING, STATUS AND MONITORING

3.4.1 At the State's option the Parties will work together to monitor performance during the contract and any warranty term. This may include use of a performance scorecard with conditions, milestones, requirements, or timetables that must be met before additional steps may be taken, or payment is due. The scorecard may also record matters related to price, service, quality and other factors deemed important.

3.4.2 Vendor shall cooperate with the State in this monitoring activity, which may require that Vendor report progress and problems (with proposed resolutions), provide records of its performance, allow random inspections of its facilities, participate in scheduled meetings and provide management reports as requested by the State.

3.5 VENDOR AND STAFF REQUIREMENTS

3.5.1 Vendor Qualifications and Experience

Vendor must have been incorporated or otherwise registered to do business in Illinois or any other state for at least three (3) years prior to the issue date of this RFP (please indicate number of years in business and state of incorporation/registration), and be able to demonstrate the successful development, implementation and ongoing support of at least three (3) Internal Control Systems for government-run lotteries. At least one of these ICS implementations must be for a lottery jurisdiction comparable to, or larger than, the Illinois Lottery. As indicated in Section 2.2.1 of this RFP, failure to demonstrate this required level of experience will disqualify the Vendor from further participation in this RFP process.

For each prior project described in your response to this Section, please indicate the delivery timeframe for the ICS, from contract execution through implementation, and the size of the team utilized for the project. Additionally, please illustrate how your firm was able to respond to the client's changing needs over the course of the contract to keep pace with new games, sales techniques, technologies, etc. We require an ICS partner that can help us innovate and grow.

3.5.2 Staff Résumés

Vendor must submit résumés for each member of the development, implementation/conversion and ongoing support teams identified in Section 3.2.4.1 of this RFP. Resumes must include the full name, education background, years of experience and employment history, particularly as it relates to the scope of services specified herein.

3.5.3 Software Development and Support Capabilities

Capacity to provide the ICS software and technical support is critical to the System.

1. **Software Development Plans.** The Vendor shall describe its staff skill levels, headcounts, and locations pertinent to developing and maintaining software for the Illinois Lottery Contract.
2. **Software Quality.** The Vendor shall address software engineering quality practices, and in particular whether the Proposer is certified under recognized quality practice standards.

3.5.4 Project Management Capabilities

Capacity to conduct the implementation and to plan and execute additional evolutionary ICS changes is critical to the project.

1. **Project Management Approach.** The Vendor shall describe its corporate organization and tools pertinent to managing a large project similar to the System and Services contemplated under the Contract.
2. **Project Management Quality.** The Vendor shall address project management quality practices. Examples of similar project management experience for similar projects should be provided.

3.5.5 Security Management Capabilities

The Vendor must demonstrate a capacity to develop and implement a comprehensive plan for maintaining effective security controls and practices. This is critical to ensuring the integrity of Lottery operations.

1. **Security Management Approach.** The Vendor shall describe its corporate organization and tools pertinent to managing all aspects of information security pertaining to internal control systems.
2. **Security Standards.** The Vendor must address security standards and practices, and in particular whether the Vendor's gaming solutions and practices are compliant with multi-jurisdictional standards such as MUSL's Rule 2.

3.5.6 Subcontractor Disclosure. Will you be using any subcontractors? ☐ Yes ☐ No

If yes, you must identify in Section 7.7 the names and addresses of all subcontractors you will be using in the performance of this Contract, together with the anticipated amount of money that each subcontractor is expected to receive pursuant to this Contract. Subcontractors" are those specifically hired to provide to the Vendor or another subcontractor some or all of the goods, services, property, remuneration, or other forms of consideration that are the subject of this Contract, including sub-lessees from a lessee of a State agency. We may request updated information at any time.

3.5.7 References. You must provide references from government-run lotteries for which you have implemented and maintained an ICS (minimum of three), other than the procuring agency, that can attest to your experience and ability to perform the contract subject of this solicitation. You must provide the name, contact information and a description of the supplies or services provided. You must attach your references with the responsibility forms.

3.6 WHERE SERVICES ARE TO BE PERFORMED

3.6.1 ICS primary and secondary systems, as well as a test system, will be installed in Springfield, Illinois. A backup ICS will be installed in Oak Brook, Illinois.

3.6.2 Work Location Disclosure: Vendor shall disclose in Section 7.8 the location where the services required shall be performed. If at multiple locations, the known or anticipated value of the services performed at each location shall be identified. This information and economic impact on Illinois and its residents may be considered in the evaluation. If any work identified for performance in the United States is moved to another country, such action may be deemed a breach of the contract.

3.7 OTHER SPECIFICATIONS

3.7.1 As required by Illinois Public Act 95-307, all information technology, including electronic information, software, systems, and equipment, developed or provided under this contract must comply with the applicable requirements of the Illinois Information Technology Accessibility Act Standards as posted at <http://www.dhs.state.il.us/iitaa>.

3.7.2 Officers and employees of the Vendor, as well as all persons residing in the primary domicile of those officers and employees, will be prohibited from purchasing or redeeming Illinois Lottery tickets. This prohibition will remain in place for the full contract term.

3.7.3 The proposed system should be compatible with State of Illinois hardware and software standards, defined as hardware or software that the State has deemed to have Life Cycle states of "Target", "Proof of Concept", "Standard", "Supported", "Not Supported", "Legacy" and "Retired". Vendors may review the list of products at <https://www.standards.illinois.gov> by entering "guestofstate" in the User Name field and "Illinois" in the password field, clicking the "Products" icon and selecting the "Life Cycle" radio button. From the drop down list, the Vendor can select the appropriate item and click the "search" button at the bottom of the page to review results, or to see all items at once, can click on the "List All" link at the end of the paging section.

3.7.4 Vendor must provide a detailed explanation of any software and hardware licensing requirements of the system in total, including an explanation of all of the following that apply: end-user licensing, software module licensing, concurrent user licensing, per-user licensing, per-seat licensing, perpetual per-server licensing, license maintenance, third-party licensing, other licensing requirements.

3.8 TERM OF CONTRACT

The contract awarded pursuant to this Request for Proposals will commence on the date of signature by the Chief Procurement Officer and continue through the term of the Lottery's PMA with its private manager, not to exceed ten years. It is anticipated that the ICS contract will be for a base term of 5 years, with a 5-year renewal option. However, the State reserves the right to award a contract for a single 10-year term if that option is found to be in the best interest of the State.

3.9 RENEWAL

If the State opts for a 5-year base term, the State reserves the right to renew for a total of five (5) years in one of the following manners:

- a) One renewal covering the entire renewal allowance,
- b) Individual one-year renewals up to and including the entire renewal allowance, or
- c) Any combination of full or partial-year renewals up to and including the entire renewal allowance.

Renewal shall be subject to the same terms and conditions as the original Contract. The Contract may not renew automatically, nor may the Contract renew solely at the Vendor's option. The total contract term, including all renewals, may not exceed ten (10) years.

3.10 CONTRACT TERMINATION

At the end of the Contract, all of the data residing on the ICS belongs to the Illinois Lottery and must be surrendered to the Illinois Lottery. The Vendor and the Lottery will mutually determine a schedule for the surrender of data in order to accommodate any system conversion that may then be in progress. The Vendor agrees to destroy any copies of Illinois Lottery data in its possession.

End of Instructions

SECTION 4 - OFFER TO STATE OF ILLINOIS

Project Title / Reference # _____
(Insert Project Title / Reference # as shown on page 1)

The undersigned authorized representative of the identified Vendor does hereby submit this Offer to perform in full compliance with the subject solicitation. By completing and signing this Form, we are making an Offer to the State of Illinois that the State may accept. We are also certifying to compliance with the various requirements of the solicitation and the documents contained in the solicitation.

Offeror hereby certifies that no person or entity representing their offer has retained a person or entity to attempt to influence the outcome of a procurement decision made under the Illinois Procurement Code for compensation contingent in whole or in part upon the decision or procurement. Any person who violates this subsection is guilty a business offense and shall be fined.

We have marked each blank below as appropriate and have used N/A when a section is not applicable to this solicitation. We understand that failure to meet all requirements is cause for disqualification.

We have:

____ Reviewed the Offer Form, including all referenced documents as well as the solicitation Instructions, filled in all relevant blanks, provided any requested information, and

____ Signed on the space(s) provided.

Acknowledgment of Amendments

____ We acknowledge receipt of any and all amendments to the solicitation and have taken those into account in making this Offer.

Offer Response Forms: Accompanying and as part of this Offer you will find:

For all Offers

N/A Bid Security, if required

____ Original and 9 copies of technical proposal; original and 1 copy of pricing proposal, in separate sealed envelope.

____ 10 electronic copies of your technical proposal in Word or searchable PDF; 1 pricing disk sealed in pricing envelope.

____ Completed Responsibility Forms packet

Business and Directory Information

Disclosures and Conflicts of Interest

Completed and signed Taxpayer Identification Number form

Completed and signed Certifications form

____ Completed Minority, Female and Person with Disability Status and Subcontracting form

____ References

____ Political Contributions

We have made the certification required by Public Act 95-971 and attached the State Board of Elections certificate of registration, if required.

For IFBs

____ N/A Completed and signed Contract

For RFPs

____ Response to Specifications / Qualifications / Statement of Work and Price sections completed and submitted in separate sealed envelopes in the Offer package.

Exceptions: In preparing the Offer we have taken (check one)

____ No Exceptions

____ Exceptions to the State's language or requirements in the following sections of the Offer:

____ Contract

____ Responsibility forms

Details of the exceptions are shown (check one)

____ in the text of each section of the Offer

____ on a separate labeled attachment

Domestic Products (check one)

- ☐ We are not making a claim for preference under the Procurement of Domestic Products Act (30 ILCS 517).
- ☐ We are making a claim for preference under the Procurement of Domestic Products Act (30 ILCS 517). After reading the Act we certify we are eligible and that the following product or products bid or proposed in response to this solicitation meet the requirements of the Act. Check and complete as applicable:
- ☐ All products
- ☐ The following individual products (show line item if applicable)
- _____
- _____

Request for Confidential Treatment (check one)

☐ We are not requesting confidential treatment for this Offer.

☐ We are seeking confidential treatment for portions of this Offer. We have supplied, as an attachment to this Offer, a listing of the provisions identified by section number for which we seek confidential treatment along with the statutory basis under Illinois law for exempting that information from public disclosure. We are including a detailed justification to support the statutory basis under Illinois law for exempting that information from public disclosure. **We have supplied an additional copy of the Offer with confidential information deleted.** In the event the designation of confidentiality of this information is challenged, the undersigned hereby agrees to provide legal counsel or other necessary assistance to defend the designation of confidentiality and agrees to hold the State harmless for any costs or damages arising out of the State agreeing to withhold the materials based on Vendor's request.

Protests and Negotiations

If we are selected for award, we understand that does not entitle us to a contract. We further understand the award is conditioned on favorable resolution of any protests and to successful negotiation of terms and conditions including, but not limited to price and any exceptions requested.

Vendor Contact Person: The contact person for purposes of responding to any questions the State may have is:

Printed Name _____ Title _____

Address _____

Phone _____ Fax _____

Email _____

(Vendor name and DBA)

(Signature of party authorized to bind the named Vendor)

Printed Name _____ Title _____

Address _____

Phone _____ Fax _____

E-mail _____

SECTION 5 - RESPONSIBILITY FORMS

We have identified various information we need in order to determine if you are eligible to contract with the State and can be considered a "Responsible" Vendor.

You will need to:

Review each of the Responsibility forms, fill in all relevant blanks and provide any requested information.

Business and Directory Information

Disclosures and Conflicts of Interest

Minority, Female, Person with Disability Status and Subcontracting

Political Contributions

Complete and sign the:

Taxpayer Identification Form

Certifications Form

Attach references

You must include all of this as part of your Offer or risk disqualification.

Business and Directory Information

- (a) Name of Business (Official Name and D/B/A)
- (b) Business Headquarters (include Address, Telephone and Facsimile)
- (c) If a Division or Subsidiary of another organization provide the name and address of the parent
- (d) Billing Address
- (e) Name of Chief Executive Officer
- (f) Customer Contact (include Name, Title, Address, Telephone, Toll-Free Number, Facsimile and E-mail)
- (g) Company Web Site
- (h) Type of Organization (i.e., Sole Proprietor, Corporation, Partnership, etc. -- should be the same as on the Taxpayer ID form below)
- (i) Length of Time in Business
- (j) Annual Sales (for most recently completed Fiscal Year)
- (k) Number of Full-Time Employees (average from most recent Fiscal Year)
- (l) Type of and description of business
- (m) State of incorporation, state of formation or state of organization
- (n) Identify and specify the location(s) and telephone numbers of the major offices and other facilities that relate to the Vendor's performance under the terms of this solicitation.
- (o) Department of Human Rights (DHR) Public Contract Number
If Vendor has employed fifteen (15) or more full-time employees at any time during the 365-day period immediately preceding the publication of this solicitation in the Illinois Procurement Bulletin (or issuance date if not published), then Vendor must have a current Public Contract Number or have proof of having submitted a completed application for one prior to the Solicitation opening date. (44 Ill. Adm. Code 750.210(a)) For application information call the DHR Public Contracts unit at (312) 814-2431.

Show # _____ or attach proof of application.

DISCLOSURES AND CONFLICTS OF INTEREST

Instructions: Vendor shall disclose financial interests, potential conflicts of interest and contract information identified in Sections 1, 2 and 3 below as a condition of receiving an award or contract (30 ILCS 500/50-13 and 50-35). Failure to fully disclose shall render the contract, bid, proposal, subcontract, or relationship voidable by the chief procurement officer if s/he deems it in the best interest of the State of Illinois and may be cause for barring from future contracts, bids, proposals, subcontracts, or relationships with the State.

- There are six sections to this form and each must be completed to meet full disclosure requirements.
- Note: The requested disclosures are a continuing obligation and must be promptly supplemented for accuracy throughout the process and throughout the term of the resultant contract if the bid/offer is awarded. As required by 30 ILCS 500/50-2, for multi-year contracts Vendors must submit these disclosures on an annual basis.

A publicly traded entity may submit its 10K disclosure in satisfaction of the disclosure requirements set forth in Section 1 below. HOWEVER, if a Vendor submits a 10K, they still must complete Sections 2, 3, 4, 5 and 6 and submit the disclosure form.

If the Vendor is a wholly owned subsidiary of a parent organization, separate disclosures must be made by the Vendor and the parent. For purposes of this form, a parent organization is any entity that owns 100% of the Vendor.

This disclosure information is submitted on behalf of (show official name of Vendor, and if applicable, D/B/A and parent):

Name of Vendor: _____

D/B/A (if used): _____

Name of any Parent Organization: _____

Section 1: Section 50-35 Disclosure of Financial Interest in the Vendor. *(All Vendors must complete this section)*

Vendors must complete subsection (a), (b) or (c) below. Please read the following subsections and complete the information requested.

- a. If Vendor is a Publicly traded corporation subject to SEC reporting requirements
- i. Vendor shall submit their 10K disclosure (include proxy if referenced in 10k) in satisfaction of the financial and conflict of interest disclosure requirements set forth in subsections 50-35 (a) and (b) of the Procurement Code. The SEC 20f or 40f, supplemented with the names of those owning in excess of 5% and up to the ownership percentages disclosed in those submissions, may be accepted as being substantially equivalent to 10K.

Check here if submitting a 10k ☐, 20f ☐, or 40f ☐.

OR

- b. If Vendor is a privately held corporation with more than 400 shareholders
- i. These Vendors may submit the information identified in 17 CFR 229.401 and list the names of any person or entity holding any ownership share in excess of 5% in satisfaction of the financial and conflict of interest disclosure requirements set forth in subsections 50-35 a and b of the Illinois Procurement Code.

OR

- c. If Vendor is an individual, sole proprietorship, partnership or any other not qualified to use subsections (A) or (B), complete (i) and (ii) below as appropriate.
- i. For **each individual** having any of the following financial interests in the Vendor (or its parent), please mark each that apply and show the applicable name and address. Use a separate form for each individual.

1. Do you have an ownership share of greater than 5% of the offering entity or parent entity?

☐ Yes ☐ No

2. Do you have an ownership share of less than 5%, but which has a value greater than \$106,447.20?

☐ Yes ☐ No

3. Do you receive more than \$106,447.20 of the offering entity's or parent entity's distributive income? (Note: Distributive income is, for these purposes, any type of distribution of profits. An annual salary is not distributive income.)

☐ Yes ☐ No

4. Do you receive greater than 5% of the offering entity's or parent entity's total distributive income, but which is less than \$106,447.20?

☐ Yes ☐ No

5. If you responded yes to any of questions 1 – 4 above, please provide either the percentage or dollar amount of your ownership or distributive share of income: _____. For partnerships with more than 50 partners, the percentage share of ownership of each individual identified above may be shown in the following ranges (dollar value fields must also be completed when applicable):

0.5% or less _____ >0.5 to 1.0% _____ >1.0 to 2.0% _____ >2.0 to 3.0 % _____ > 3.0 to 4.0% _____ %
>4.0 to 5.0% _____ and in additional 1% increments as appropriate _____ %

6. If you responded yes to any of the questions 1-4 above, please check the appropriate type of ownership/distributable income share:

Sole Proprietorship ☐ Stock ☐ Partnership ☐ Other (explain) _____

Name: _____

Address: _____

ii. In relation to individuals identified above, indicate whether any of the following potential conflict of interest relationships apply. If "Yes," please describe each situation (label with appropriate letter) using the space at the end of this Section (attach additional pages as necessary). If no individual has been identified above, mark not applicable (N/A) here _____.

(a) State employment, currently or in the previous 3 years, including contractual employment of services directly with the individuals identified in Section 1 in their individual capacity unrelated to the Vendor's contract. Yes ☐ No ☐

(b) State employment of spouse, father, mother, son, or daughter, including contractual employment for services in the previous 2 years. Yes ☐ No ☐

(c) Elective status; the holding of elective office of the State of Illinois, the government of the United States, any unit of local government authorized by the Constitution of the State of Illinois or the statutes of the State of Illinois currently or in the previous 3 years. Yes ☐ No ☐

(d) Relationship to anyone holding elective office currently or in the previous 2 years; spouse, father, mother, son, or daughter. Yes ☐ No ☐

(e) Appointive office; the holding of any appointive government office of the State of Illinois, the United States of America, or any unit of local government authorized by the Constitution of the State of Illinois or the statutes of the State of Illinois, which office entitles the holder to compensation in excess of expenses incurred in the discharge of that office currently or in the previous 3 years. Yes ☐ No ☐

(f) Relationship to anyone holding appointive office currently or in the previous 2 years; spouse, father, mother, son, or daughter. Yes ☐ No ☐

(g) Employment, currently or in the previous 3 years, as or by any registered lobbyist of the State government. Yes ☐ No ☐

(h) Relationship to anyone who is or was a registered lobbyist in the previous 2 years; spouse, father, mother, son, or daughter. Yes ☐ No ☐

(i) Compensated employment, currently or in the previous 3 years, by any registered election or reelection committee registered with the Secretary of State or any county clerk in the State of Illinois, or any political action committee registered with either the Secretary of State or the Federal Board of Elections. Yes ☐ No ☐

(j) Relationship to anyone; spouse, father, mother, son, or daughter; who is or was a compensated employee in the last 2 years of any registered election or reelection committee registered with the Secretary of State or any county clerk in the State of Illinois, or any political action committee registered with either the Secretary of State or the Federal Board of Elections. Yes ☐ No ☐

Section 2: Section 50-13 Conflicts of Interest *(All Vendors must complete this section)*

(a) Prohibition. It is unlawful for any person holding an elective office in this State, holding a seat in the General Assembly, or appointed to or employed in any of the offices or agencies of State government and who receives compensation for such employment in excess of 60% of the salary of the Governor of the State of Illinois [\$106,447.20], or who is an officer or employee of the Capital Development Board or the Illinois Toll Highway Authority, or who is the spouse or minor child of any such person to have or acquire any contract, or any direct pecuniary interest in any contract therein, whether for stationery, printing, paper, or any services, materials, or supplies, that will be wholly or partially satisfied by the payment of funds appropriated by the General Assembly of the State of Illinois or in any contract of the Capital Development Board or the Illinois Toll Highway Authority.

(b) Interests. It is unlawful for any firm, partnership, association, or corporation, in which any person listed in subsection (a) is entitled to receive (i) more than 7 1/2% of the total distributable income or (ii) an amount in excess of the salary of the Governor (\$177,412.00), to have or acquire any such contract or direct pecuniary interest therein.

(c) Combined interests. It is unlawful for any firm, partnership, association, or corporation, in which any person listed in subsection (a) together with his or her spouse or minor children is entitled to receive (i) more than 15%, in the aggregate, of the total distributable income or (ii) an amount in excess of 2 times the salary of the Governor [\$354,824.00], to have or acquire any such contract or direct pecuniary interest therein.

Check One: ☐ No Conflicts Of Interest
☐ Potential Conflict of Interest (If checked, name each conflicted individual, the nature of the conflict, and the name of the State agency that is associated directly or indirectly with the conflicted individual.)

Section 3: Debarment/Legal Proceeding Disclosure *(All Vendors must complete this section).*

Each of the persons identified in Sections 1, 2 and 3 must each identify any of the following that occurred within the previous 10 years:

Debarment from contracting with any governmental entity	Yes ☐	No ☐
Professional licensure discipline	Yes ☐	No ☐
Bankruptcies	Yes ☐	No ☐
Adverse civil judgments and administrative findings	Yes ☐	No ☐
Criminal felony convictions	Yes ☐	No ☐

If any of the above is checked yes, please identify with descriptive information the nature of the debarment and legal proceeding. The State reserves the right to request more information, should the information need further clarification.

Section 4: Disclosure of Business Operations with Iran *(All Vendors must complete this section).*

In accordance with 30 ILCS 500/50-36, each bid, offer, or proposal submitted for a State contract, other than a small purchase defined in Section 20-20 [of the Illinois Procurement Code], shall include a disclosure of whether or not the bidder, offeror, or proposing entity, or any of its corporate parents or subsidiaries, within the 24 months before submission of the bid, offer, or proposal had business operations that involved contracts with or provision of supplies or services to the Government of Iran, companies in which the Government of Iran has any direct or indirect equity share, consortiums or projects commissioned by the Government of Iran and:

- i. more than 10% of the company's revenues produced in or assets located in Iran involve oil-related activities or mineral-extraction activities; less than 75% of the company's revenues produced in or assets located in Iran involve contracts with or provision of oil-related or mineral – extraction products or services to the Government of Iran or a project or consortium created exclusively by that Government; and the company has failed to take substantial action;
or
- ii. the company has, on or after August 5, 1996, made an investment of \$20 million or more, or any combination of investments of at least \$10 million each that in the aggregate equals or exceeds \$20 million in any 12- month period that directly or significantly contributes to the enhancement of Iran's ability to develop petroleum resources of Iran.

A bid, offer, or proposal that does not include this disclosure shall not be considered responsive. We may consider this disclosure when evaluating the bid, offer, or proposal or awarding the contract.

You must check one of the following items and if item 2 is checked you must also make the necessary disclosure:

☐ There are no business operations that must be disclosed to comply with the above cited law.

☐ The following business operations are disclosed to comply with the above cited law:

Section 5: Current and Pending Contracts *(All Vendors must complete this section).*

Does the Vendor have any contracts pending contracts, bids, proposals or other ongoing procurement relationships with units of State of Illinois government? Yes ☐ No ☐

If yes, please identify each contract, pending contract, bid, proposal and other ongoing procurement relationship it has with units of State of Illinois government by showing agency name and other descriptive information such as bid number, project title, purchase order number or contract reference number.

Section 6: Representative Lobbyist/Other Agent *(All Vendors must complete this section).*

Is the Vendor represented by or employing a lobbyist required to register under the Lobbyist Registration Act or other agent who is not identified under Sections 1 and 2 and who has communicated, is communicating, or may communicate with any State officer or employee concerning the bid, offer or contract? Yes ☐ No ☐

If yes, please identify each agent / lobbyist, including name and address.

Costs/Fees/Compensation/Reimbursements related to assistance to obtain contract (describe):

Vendor certifies that none of these costs will be billed to the State in the event of contract award. Vendor must file this information with the Secretary of State.

This Disclosure is signed and made under penalty of perjury pursuant to Sections 500/50-13 and 500/50-35(a) of the Illinois Procurement Code.

This Disclosure information is submitted on behalf of: _____
(Vendor/Subcontractor Name)

Name of Authorized Representative: _____
Title of Authorized Representative: _____
Signature of Authorized Representative: _____
Date: _____

Minority, Female, Person with Disability Status and Subcontracting

The Business Enterprise Program Act for Minorities, Females and Persons with Disabilities (BEP) (30 ILCS 575) establishes a goal for contracting with businesses that have been certified as owned and controlled by persons who are minority, female or who have disabilities. While you must complete this form, your response will not be considered in the evaluation. A listing of certified businesses may be obtained from the Department of Central Management Services' Business Enterprise Program for Minorities, Females and Persons with Disabilities by calling 312/814-4190 (Voice & TDD), 800/356-9206 (Toll Free), or 800/526-0844 (Illinois Relay Center for Hearing Impaired).

Name of Company (and D/B/A): _____

Is your company at least 51% owned and controlled by individuals in one or more of the following categories? Yes ☐ No ☐

If "Yes" check each that applies:

Category:

Minority ☐

Female ☐

Person with Disability ☐

Disadvantaged ☐

A business owned and controlled by females shall select and designate only one category above if the females are also minorities.

If "Yes," please identify, by checking the applicable blanks, which agency certified the business and in what category:

Certifying Agency:

Department of Central Management Services ☐

Women's Business Development Center ☐

Chicago Minority Business Development Council ☐

Illinois Department of Transportation ☐

Other (please identify): _____

Category:

Minority ☐

Female ☐

Person with Disability ☐

Disadvantaged ☐

If you are not a certified BEP business, do you have a written policy or goal regarding contracting or subcontracting with BEP certified Vendors?

Yes ☐ (attach copy) No ☐

If "No," will you make a commitment to contact BEP certified Vendors and consider them for subcontracting opportunities on this contract?

Yes ☐ No ☐

Do you plan on ordering supplies or services in furtherance of this contract from BEP certified Vendors? Yes ☐ No ☐

If "Yes," please identify what you plan to order, the estimated value as a percentage of your total Offer, and the names of the BEP certified Vendors you plan to use.

Political Contributions

Public Act 95-971 addresses political contributions by Vendors, including affiliated persons and entities. The Act contains registration requirements and provides that all bids submitted to the State after January 1, 2009 contain a certificate of registration from the Illinois State Board of Elections or a certification that the bidding entity is not required to register. Further information about the registration requirements can be found on the Board of Elections website, www.elections.il.gov. Failure to submit this information will result in disqualification.

By submission of an Offer, you acknowledge and certify that you have read, understand and will comply with Public Act 95-971, including but not limited to, all provisions relating to reporting and making contributions to state officeholders, declared candidates for State offices and covered political organizations that promote the candidacy of an officeholder or declared candidate for office. Vendor acknowledges that the State may declare any resultant contract void if this certification is false or if the Act is violated.

In compliance with Public Act 95-971 check the following certification that applies to you:

☐ Vendor is not required to register as a business entity with the State Board of Elections.

or

☐ Vendor has registered **and has attached a copy** of the official certificate of registration as issued by the State Board of Elections. As a registered business entity, Vendor acknowledges a continuing duty to update the registration as required by the Act.

TAXPAYER IDENTIFICATION NUMBER

I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. person (including a U.S. resident alien).
 - If you are an individual, enter your name and SSN as it appears on your Social Security Card.
 - If you are a sole proprietor, enter the owner's name on the name line followed by the name of the business and the owner's SSN or EIN.
 - If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's name on the name line and the d/b/a on the business name line and enter the owner's SSN or EIN.
 - If the LLC is a corporation or partnership, enter the entity's business name and EIN and for corporations, attach IRS acceptance letter (CP261 or CP277).
 - For all other entities, enter the name of the entity as used to apply for the entity's EIN and the EIN.

Name: _____

Business Name: _____

Taxpayer Identification Number:

Social Security Number _____
or
Employer Identification Number _____

Legal Status (check one):

- | | |
|--|---|
| ☐ Individual | ☐ Governmental |
| ☐ Sole Proprietor | ☐ Nonresident alien |
| ☐ Partnership | ☐ Estate or trust |
| ☐ Legal Services Corporation | ☐ Pharmacy (Non-Corp.) |
| ☐ Tax-exempt | ☐ Pharmacy/Funeral Home/Cemetery (Corp.) |
| ☐ Corporation providing or billing
medical and/or health care services | ☐ Limited Liability Company (select applicable tax classification) |
| ☐ Corporation NOT providing or billing
medical and/or health care services | ☐ D = disregarded entity |
| | ☐ C = corporation |
| | ☐ P = partnership |

Signature: _____

Date: _____

STANDARD CERTIFICATIONS

Vendor acknowledges and agrees that compliance with this section and each subsection for the term of the contract and any renewals is a material requirement and condition of this contract. By executing this contract Vendor certifies compliance with this section and each subsection and is under a continuing obligation to remain in compliance and report any non-compliance.

This section, and each subsection, applies to subcontractors used on this contract. Vendor shall include these Standard Certifications in any subcontract used in the performance of the contract using the Standard Subcontractor Certification form provided by the State.

If this contract extends over multiple fiscal years including the initial term and all renewals, Vendor and its subcontractors shall confirm compliance with this section in the manner and format determined by the State by the date specified by the State and in no event later than July 1 of each year that this contract remains in effect.

If the Parties determine that any certification in this section is not applicable to this contract it may be stricken without affecting the remaining subsections.

1. As part of each certification, Vendor acknowledges and agrees that should Vendor or its subcontractors provide false information, or fail to be or remain in compliance with the Standard Certification requirements, one or more of the following sanctions will apply:

- the contract may be void by operation of law,
- the State may void the contract, and
- the Vendor and its subcontractors may be subject to one or more of the following: suspension, debarment, denial of payment, civil fine, or criminal penalty.

Identifying a sanction or failing to identify a sanction in relation to any of the specific certifications does not waive imposition of other sanctions or preclude application of sanctions not specifically identified.

2. Vendor certifies it and its employees will comply with applicable provisions of the U.S. Civil Rights Act, Section 504 of the Federal Rehabilitation Act, the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) and applicable rules in performance under this contract.

3. Vendor certifies it is not in default on an educational loan (5 ILCS 385/3). This applies to individuals, sole proprietorships, partnerships and individuals as members of LLCs.

4. Vendor (if an individual, sole proprietor, partner or an individual as member of a LLC) certifies it has not received an (i) an early retirement incentive prior to 1993 under Section 14-108.3 or 16-133.3 of the Illinois Pension Code, 40 ILCS 5/14-108.3 and 40 ILCS 5/16-133.3, or (ii) an early retirement incentive on or after 2002 under Section 14-108.3 or 16-133.3 of the Illinois Pension Code, 40 ILCS 5/14-108.3 and 40 ILCS 5/16-133, (30 ILCS 105/15a).

5. Vendor certifies it is a properly formed and existing legal entity (30 ILCS 500/1.15.80, 20-43); and as applicable has obtained an assumed name certificate from the appropriate authority, or has registered to conduct business in Illinois and is in good standing with the Illinois Secretary of State.

6. To the extent there was a incumbent Vendor providing the services covered by this contract and the employees of that Vendor that provide those services are covered by a collective bargaining agreement, Vendor certifies (i) that it will offer to assume the collective bargaining obligations of the prior employer, including any existing collective bargaining agreement with the bargaining representative of any existing collective bargaining unit or units performing substantially similar work to the services covered by the contract subject to its bid or offer; and (ii) that it shall offer employment to all employees currently employed in any existing bargaining unit performing substantially similar work that will be performed under this contract (30 ILCS 500/25-80). This does not apply to heating, air conditioning, plumbing and electrical service contracts.

7. Vendor certifies it has not been convicted of bribing or attempting to bribe an officer or employee of the State of Illinois or any other State, nor has Vendor made an admission of guilt of such conduct that is a matter of record (30 ILCS 500/50-5).

8. If Vendor has been convicted of a felony, Vendor certifies at least five years have passed after the date of completion of the sentence for such felony, unless no person held responsible by a prosecutor's office for the facts upon which the conviction was based continues to have any involvement with the business (30 ILCS 500/50-10).

9. If Vendor, or any officer, director, partner, or other managerial agent of Vendor, has been convicted of a felony under the Sarbanes-Oxley Act of 2002, or a Class 3 or Class 2 felony under the Illinois Securities Law of 1953, Vendor certifies at least five years have passed since the date of the conviction. Vendor further certifies that it is not barred from being awarded a contract and acknowledges that the State shall declare the contract void if this certification is false (30 ILCS 500/50-10.5).

10. Vendor certifies it is not barred from having a contract with the State based on violating the prohibition on providing assistance to the state in identifying a need for a contract (except as part of a public request for information process) or by reviewing, drafting or preparing solicitation or similar documents for the State (30 ILCS 500/50-10.5e).
11. Vendor certifies that it and its affiliates are not delinquent in the payment of any debt to the State (or if delinquent has entered into a deferred payment plan to pay the debt), and Vendor and its affiliates acknowledge the State may declare the contract void if this certification is false (30 ILCS 500/50-11) or if Vendor or an affiliate later becomes delinquent and has not entered into a deferred payment plan to pay off the debt (30 ILCS 500/50-60).
12. Vendor certifies that it and all affiliates shall collect and remit Illinois Use Tax on all sales of tangible personal property into the State of Illinois in accordance with provisions of the Illinois Use Tax Act (30 ILCS 500/50-12) and acknowledges that failure to comply can result in the contract being declared void.
13. Vendor certifies that it has not been found by a court or the Pollution Control Board to have committed a willful or knowing violation of the Environmental Protection Act within the last five years, and is therefore not barred from being awarded a contract (30 ILCS 500/50-14).
14. Vendor certifies it has not paid any money or valuable thing to induce any person to refrain from bidding on a State contract, nor has Vendor accepted any money or other valuable thing, or acted upon the promise of same, for not bidding on a State contract (30 ILCS 500/50-25).
15. Vendor certifies it is not in violation of the "Revolving Door" section of the Illinois Procurement Code (30 ILCS 500/50-30).
16. Vendor certifies that it has not retained a person or entity to attempt to influence the outcome of a procurement decision for compensation contingent in whole or in part upon the decision or procurement (30 ILCS 500/50-38).
17. Vendor certifies it will report to the Illinois Attorney General and the Chief Procurement Officer any suspected collusion or other anti-competitive practice among any bidders, offerors, contractors, proposers or employees of the State (30 ILCS 500/50-40, 50-45, 50-50).
18. In accordance with the Steel Products Procurement Act, Vendor certifies steel products used or supplied in the performance of a contract for public works shall be manufactured or produced in the United States, unless the executive head of the procuring agency grants an exception (30 ILCS 565).
19. a) If Vendor employs 25 or more employees and this contract is worth more than \$5000, Vendor certifies it will provide a drug free workplace pursuant to the Drug Free Workplace Act.
b) If Vendor is an individual and this contract is worth more than \$5000, Vendor shall not engage in the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance during the performance of the contract (30 ILCS 580).
20. Vendor certifies that neither Vendor nor any substantially owned affiliate is participating or shall participate in an international boycott in violation of the U.S. Export Administration Act of 1979 or the applicable regulations of the U.S. Department of Commerce. This applies to contracts that exceed \$10,000 (30 ILCS 582).
21. Vendor certifies it has not been convicted of the offense of bid rigging or bid rotating or any similar offense of any state or of the United States (720 ILCS 5/33 E-3, E-4).
22. Vendor certifies it complies with the Illinois Department of Human Rights Act and rules applicable to public contracts, including equal employment opportunity, refraining from unlawful discrimination, and having written sexual harassment policies (775 ILCS 5/2-105).
23. Vendor certifies it does not pay dues to or reimburse or subsidize payments by its employees for any dues or fees to any "discriminatory club" (775 ILCS 25/2).
24. Vendor certifies it complies with the State Prohibition of Goods from Forced Labor Act, and certifies that no foreign-made equipment, materials, or supplies furnished to the State under the contract have been or will be produced in whole or in part by forced labor, or indentured labor under penal sanction (30 ILCS 583).
25. Vendor certifies that no foreign-made equipment, materials, or supplies furnished to the State under the contract have been produced in whole or in part by the labor or any child under the age of 12 (30 ILCS 584).
26. Vendor certifies that it is not in violation of Section 50-14.5 of the Illinois Procurement Code (30 ILCS 500/50-14.5) that states: "Owners of residential buildings who have committed a willful or knowing violation of the Lead Poisoning Prevention Act (410 ILCS 45) are prohibited from doing business with the State until the violation is mitigated".
27. Vendor warrants and certifies that it and, to the best of its knowledge, its subcontractors have and will comply with Executive Order No. 1 (2007). The Order generally prohibits Vendors and subcontractors from hiring the then-serving Governor's family members to lobby procurement

activities of the State, or any other unit of government in Illinois including local governments if that procurement may result in a contract valued at over \$25,000. This prohibition also applies to hiring for that same purpose any former State employee who had procurement authority at any time during the one-year period preceding the procurement lobbying activity.

28. Vendor certifies that information technology, including electronic information, software, systems and equipment, developed or provided under this contract will comply with the applicable requirements of the Illinois Information Technology Accessibility Act Standards as published at www.dhs.state.il.us/iitaa. (30 ILCS 587)

29. Vendor certifies that it has read, understands, and is in compliance with the registration requirements of the Elections Code (10 ILCS 5/9-35) and the restrictions on making political contributions and related requirements of the Illinois Procurement Code (30 ILCS 500/20-160 and 50-37). Vendor will not make a political contribution that will violate these requirements. These requirements are effective for the duration of the term of office of the incumbent Governor or for a period of 2 years after the end of the contract term, whichever is longer.

In accordance with section 20-160 of the Illinois Procurement Code, Vendor certifies as applicable:

☐ Vendor is not required to register as a business entity with the State Board of Elections.

or

☐ Vendor has registered **and has attached a copy** of the official certificate of registration as issued by the State Board of Elections. As a registered business entity, Vendor acknowledges a continuing duty to update the registration as required by the Act.

VENDOR (show Company name and DBA)

Signature_____

Printed Name_____

Title_____ Date_____

Address_____

SECTION 6 - RESPONSIVENESS

EXECUTIVE SUMMARY:

The Vendor must submit an Executive Summary outlining:

- Vendor's overall understanding of the Illinois Lottery's requirements and goals for the Internal Control System and the time constraints we face.
- Vendor's approach to quality control and security.
- Vendor's ability and willingness to work with the Lottery's private manager and any third party customer acceptance testing firm or other Lottery partner in order to achieve the Lottery's goals and objectives for the ICS.

POINT-BY-POINT RESPONSE:

The Vendor must respond to each of the points identified in Section 3 of the Solicitation. You must follow any format shown or referenced below. If no specific format is provided for certain Sections of the RFP, you may respond freeform provided you address all the points, numbering each point as found in Section 3 and addressing them in the order they appear.

REQUIRED FORMATS:

For each system requirement, beginning with Section 3.1.3 and continuing through Section 3.2.4 (but with the exception of Section 3.2.4.1, which has an alternate response format outlined below), the Vendor shall indicate whether the requirement is met or not met. For each requirement not met, the Vendor must provide an explanation as to why the requirement cannot be met and, if appropriate, propose an alternative solution. For each requirement met or exceeded, Vendors are encouraged to provide pertinent information regarding past experience, the means by which the requirement will be met for Illinois, or any additional functionality that can be provided. Explanations/Supplemental Information can be provided in a referenced attachment, as opposed to the body of the proposal when appropriate (for example, the configuration block diagrams required by Section 3.2.1). The basic response format is set forth below; the complete response form is attached to the RFP as Appendix A.

Interspersed within Section 3 are desirable, as opposed to mandatory, features of the ICS. These features are identified by use of the word "should" in the specification. For the sake of flow in the Vendor's response, these items have not been segregated within the response matrix. However, the "Met" and "Not Met" boxes have been eliminated from the response form for these categories and they have been captioned "Desired Feature" rather than "Requirement". Vendors shall address their ability to provide these desired elements in the "Explanation/Supplemental Information"

Section		Met	Not Met
3.1.3	Requirement: The ICS shall be able to independently process all daily sales, wagers, cancels, returns, validations, claims, claim payments, inventory, coupons and retailer management and accounting activities including accounting credits, credits generated by our outside sales team, and commissions and retailer selling/cashing bonuses for both online and instant transactions.		
Explanation/Supplemental Information:			
3.1.3	Requirement: The ICS must also be able to incorporate various controls into it to protect this system from unauthorized access, tampering, power outages, and any event or combination of events that may affect the security and integrity of the transactions processed by the CGS managed by the private manager.		
Explanation/Supplemental Information:			
3.1.3	Desired Feature: The ICS should retrieve winning numbers information from a holding place as opposed to receiving it directly into the application that processes the transactions.		
Explanation/Supplemental Information:			

Team member information provided in response to Section 3.2.4.1 should be provided in the following format. If a specific employee has not yet been selected to fill a required role on a project team, the Vendor must still identify and describe the role and the levels of experience required of a candidate. A PROJECT MANAGER FOR IMPLEMENTATION AND TESTING MUST BE NAMED.

DEVELOPMENT/IMPLEMENTATION/CONVERSION TEAM			
Team Member Name	Title	Brief Description of Role	Years of Experience

ONGOING SUPPORT TEAM			
Team Member Name	Title	Brief Description of Role	Years of Experience

SECTION 7 - PRICE

7.0 PRICE SUBMISSION: Vendor is requested to submit two (2) pricing proposals, one assuming a 5-year base term with 5-year renewal option and the second assuming a 10-year term. Both Price Proposals must be submitted in a sealed envelope or container, separate from the technical proposal, in the Offer container.

Each price proposal must include an amount to be charged for development and implementation of the ICS, and thereafter a monthly fee that includes all hardware and software maintenance activities and upgrades as described in Section 3 of this document. We anticipate that in addition to the 24/7 technical support, troubleshooting, hardware repairs and upgrades, software repairs, periodic performance testing and related activities necessary to system functionality (collectively, support services) that will be covered by the monthly fee, the successful Vendor will be required to furnish up to 200 hours of software maintenance each year. Software maintenance for this purpose is defined as software modifications and upgrades requested by the Lottery. Vendors' price submissions must reflect that level of commitment, prorated over a 12-month period (resulting in a level-payment scenario). Vendor and Lottery will monitor the Vendor's monthly time expenditures for software maintenance activities vs. the annual estimate, and Vendor shall not exceed the annual time estimate for software maintenance except upon written authorization from Lottery. Vendors are requested to provide a per-hour rate for hours of work in excess of 200 hours per year, in the event extra software maintenance hours are authorized. For purposes of scoring the price proposals only, we will assume 100 hours of authorized hourly work per year.

Vendor is additionally requested to submit a pricing option for a retailer tax reporting module for retailer commission/bonus income of \$600 or more in a calendar year, with two types of reporting: (1) courtesy statement for corporations, (2) 1099-MISC for all other business types (see Section 3.2.7.1).

7.1 METHOD AND RATE OF COMPENSATION: Identify the method of charging (hourly, daily, project, item, or other method) and provide the rate or price for each type of supply or service. Pricing shall be in accordance with the unit of measure specified and only one unit price shall be quoted per item unless specifically provided below. All extensions and totals requested shall be shown. Prices quoted must be net after deducting all trade or quantity discounts and any other available allowances. Prices must be F.O.B. DESTINATION with all transportation and handling included and paid by the Vendor.

7.1.1 Pricing Proposal for 5-year base term with 5 year renewal option

Base Term:

Project (ICS Development and Implementation): \$ _____

Monthly for ongoing support services and software maintenance: \$ _____, commencing _____
(insert date monthly fee begins)

Hourly rate for software maintenance in excess of annual estimate: \$ _____

Renewal Term:

Monthly for ongoing support services and software maintenance: \$ _____, commencing _____
(insert date monthly fee begins)

Hourly rate for software maintenance in excess of annual estimate: \$ _____

7.1.2 Pricing Proposal for 10-year initial term (no renewal options)

Project (ICS Development and Implementation): \$ _____

Monthly for ongoing support services and software maintenance: \$ _____, commencing _____
(insert date monthly fee begins)

Hourly rate for software maintenance in excess of annual estimate: \$ _____

7.1.3 Pricing for Optional Tax Reporting Module

Annual fee: \$ _____

7.2 MAXIMUM COMPENSATION FOR SUPPLIES AND SERVICES: Show price in checked category only:

7.2.1 Total of project and monthly fees assuming 5-year base term, with 5-year renewal option exercised

☐ Firm Price _____
☒ Estimated Price _____

7.2.1 Total of project and monthly fees assuming 10-year initial term

☐ Firm Price _____
☒ Estimated Price _____

7.2.3 Pricing Proposal for Optional Retailer Tax Reporting Module

☒ Firm Price _____
☐ Estimated Price _____

7.3 EXPENSES: Unless otherwise specified, this contract does not allow for reimbursement of any expense incurred by Vendor, including but not limited to telephone or other communications device, postage, copying, travel, transportation, lodging, food and per diem.

7.4 PAYMENT TERMS AND CONDITIONS (including when paid, frequency and retainage): Payment will be made after completion of the Contract unless otherwise specified below.

Project Fee: Vendor may invoice the Lottery as follows:
20% of the project fee upon execution of the Contract
30% of the project fee upon installation of the ICS
50% of the project fee upon Lottery's acceptance of the ICS

Maintenance Fee: Monthly, in arrears.

7.5 DISCOUNTS: ____% discount for payment within ____ days of delivery. This discount will not be a factor in making the award.

7.6 TAX EXEMPTIONS: State and Federal tax exemption information is available upon request.

7.7 SUBCONTRACTORS: Will you be using any subcontractors? ☐ Yes ☐ No

If yes, you must identify below the names and addresses of all subcontractors you will be entering into a contractual agreement with a total value of \$25,000 or more in the performance of this Contract, together with a description of the work to be performed by the subcontractor and the anticipated amount of money to the extent the information is known that each subcontractor is expected to receive pursuant to the Contract. For purposes of this section, subcontractors are those specifically hired to provide to the Vendor some or all of the goods, services, property, remuneration, or other forms of consideration that are the subject of this Contract, including sub-lessees from a lessee of a State agency. A copy of each subcontract issued pursuant to the Contract shall be provided to the State Purchasing Officer or Chief Procurement Officer within 20 days after the execution of the Contract or after execution of the subcontract, whichever is later. If at any time during the term of the Contract, Vendor adds or changes any subcontractors, Vendor will be required to promptly notify, by written amendment to the Contract, the State Purchasing Officer or the Chief Procurement Officer of the names and addresses and the expected amount of money that each new or replaced subcontractor will receive pursuant to the Contract. Any subcontracts entered into prior to award of the Contract are done at the Vendor's and subcontractor's risk.

Subcontractor Name _____	Amount to be paid _____
Address _____	Description of work _____

Subcontractor Name _____	Amount to be paid _____
Address _____	Description of work _____

All subcontracts must include the **Subcontractor Standard Certifications** and the **Disclosures and Conflicts of Interest**, completed and signed by the subcontractor.

7.8 WORK LOCATION DISCLOSURE: Vendor shall disclose the location where the services required shall be performed. If at multiple locations, the known or anticipated value of the services performed at each location shall be identified. This information and economic impact on Illinois and its residents may be considered in the evaluation. If the selected Vendor receives additional consideration in the evaluation based on work being performed in the United States, the resulting contract shall contain a provision that any shift in such work outside the United States may be considered a breach of contract.

Location where services will be performed _____

Value of services performed at this location _____

Location where services will be performed _____

Value of services performed at this location _____

SECTION 8 - CONTRACT

This Section is provided solely for the Vendor's information. It need not be completed and signed at this time.

We expect to contract based on the terms and conditions as set forth in the attached State of Illinois Contract. If you are unable to accept one or more parts of the Contract, identify any exception that you want us to consider. You may show these changes on the Contract form itself by striking over language you find problematic, and underlining alternate language or by listing the sections and showing the alternate language on a separate page. You must provide these exceptions requests and alternate language with your Offer. Please note that most contract provisions are required by law or important policy and we have very limited ability to consider and accept changes you might propose. Any proposed changes may be considered in the evaluation.

CONTRACT

The Parties to this contract are the State of Illinois acting through the undersigned Agency (collectively the State) and the Vendor. This contract, consisting of the signature page and numbered sections listed below and any attachments referenced in this contract constitutes the entire contract between the Parties concerning the subject matter of the contract and supersedes all prior proposals, contracts and understandings between the Parties concerning the subject matter of the contract. This contract can be signed in multiple counterparts and signature may be electronic or digital upon agreement of the Parties.

1. TERM AND TERMINATION
2. DESCRIPTION OF SUPPLIES AND SERVICES
3. PRICING
4. STANDARD BUSINESS TERMS AND CONDITIONS
5. STANDARD CERTIFICATIONS
6. DISCLOSURES AND CONFLICTS OF INTEREST
7. SUPPLEMENTAL PROVISIONS

In consideration of the mutual covenants and agreements contained in this contract, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to the terms and conditions set forth herein and have caused this contract to be executed by their duly authorized representatives on the dates shown below.

VENDOR

(Vendor Name) _____

Signature _____

Printed Name _____

Title _____ Date _____

Address _____

Phone _____ Fax _____

E-mail _____

STATE OF ILLINOIS

(Procuring Agency Name) _____

Official Signature _____

Printed Name _____

Title _____ Date _____

Designee Signature _____

Printed Name _____

Title _____

Address _____

Phone _____ Fax _____

E-mail _____

CHIEF PROCUREMENT OFFICER

Official Signature _____

Printed Name _____

Title _____ Date _____

Address _____

Designee Signature _____

Printed Name _____

Title _____ Date _____

STATE USE ONLY

NOT PART OF CONTRACTUAL PROVISIONS

PBC#	Project Title
Contract #	Procurement Method (IFB, RFP, Small, etc):
IPB Ref. #	IPB Publication Date: Award Code:
Subcontractor Utilization? ☐ Yes ☐ No	Subcontractor Disclosure? ☐ Yes ☐ No
Funding Source	Obligation #
CPO 33 – General Counsel Approval: Signature	Printed Name Date

1. TERM AND TERMINATION

1.1 TERM OF THIS CONTRACT: This contract has an initial term of *(show beginning and end date or length in months or other measure of time)*. If a start date is not identified, the term shall commence upon the last dated signature of the Parties.

In no event will the total term of the contract, including the initial term, any renewal terms and any extensions, exceed 10 years.

Vendor shall not commence billable work in furtherance of the contract prior to final execution of the contract.

1.2 RENEWAL: Subject to the maximum total term as identified above, the State has the option to renew for the following term(s): *(If the solicitation did not provide for renewal options, the contract may not include any renewal options.)*

Pricing for the renewal term(s), or the formula for determining price is shown in the pricing section of this contract.

Any renewal is subject to the same terms and conditions as the original contract except as stated below in this subsection. The State may renew this contract for any or all of the option periods specified may exercise any of the renewal options early and may exercise more than one option at a time based on continuing need and favorable market conditions, when in the best interest of the State. The contract may not renew automatically nor may the contract renew solely at the Vendor's option.

1.3 TERMINATION FOR CAUSE: The State may terminate this contract, in whole or in part, immediately upon notice to the Vendor if: (a) the State determines that the actions or inactions of the Vendor, its agents, employees or subcontractors have caused, or reasonably could cause, jeopardy to health, safety, or property, or (b) the Vendor has notified the State that it is unable or unwilling to perform the contract.

If Vendor fails to perform to the State's satisfaction any material requirement of this contract, is in violation of a material provision of this contract, or the State determines that the Vendor lacks the financial resources to perform the contract, the State shall provide written notice to the Vendor to cure the problem identified within the period of time specified in the State's written notice. If not cured by that date the State may either: (a) immediately terminate the contract without additional written notice or (b) enforce the terms and conditions of the contract.

For termination due to any of the causes contained in this Section, the State retains its rights to seek any available legal or equitable remedies and damages.

1.4 TERMINATION FOR CONVENIENCE: The State may, for its convenience and with 30 days prior written notice to Vendor, terminate this contract in whole or in part and without payment of any penalty or incurring any further obligation to the Vendor. The Vendor shall be entitled to compensation upon submission of invoices and proof of claim for supplies and services provided in compliance with this contract up to and including the date of termination.

2. DESCRIPTION OF SUPPLIES AND SERVICES

2.1 GOAL: To utilize the knowledge and expertise of the Vendor, that is lacking in the Procuring Agency's staff, to obtain supplies and services necessary to help meet the statutory responsibilities of the Procuring Agency.

2.2 SUPPLIES AND/OR SERVICES REQUIRED:

2.3 MILESTONES AND DELIVERABLES: Vendor shall not perform services, provide supplies or incur expenses in amount exceeding the amount shown in this Section, unless the State has authorized a higher amount in writing prior to the Vendor performing the services, providing the supplies, or incurring the expenses.

Not-to-exceed \$ _____

2.4 VENDOR / STAFF SPECIFICATIONS:

2.5 ASSIGNMENT AND SUBCONTRACTING:

2.5.1 This contract may not be assigned, transferred in whole or in part by the Vendor without the prior written consent of the State.

2.5.2 For purposes of this section, subcontractors are those specifically hired to perform all or part of the work covered by the contract.

Will subcontractors be utilized? ☐ Yes ☐ No

2.5.3 Vendor shall describe below the names and addresses of all authorized subcontractors to be utilized by Vendor in the performance of this contract, together with a description of the work to be performed by the subcontractor and the anticipated amount of money that each subcontractor is expected to receive pursuant to this contract. Vendor shall provide a copy of any subcontracts within 20 days of execution of this contract.

Subcontractor Name _____	Amount to be paid _____
Address _____	Description of work _____

Subcontractor Name _____	Amount to be paid _____
Address _____	Description of work _____

2.5.4 The Vendor shall notify the State of any additional or substitute subcontractors hired during the term of this contract. Vendor shall provide to the State a copy of all such subcontracts within 20 days of execution of the subcontract.

2.5.5 All subcontracts must include the same certifications that Vendor must make as a condition of this contract. Vendor shall include in each subcontract the subcontractor certifications as shown on the Standard Subcontractor Certification form available from the State.

2.6 TRANSPORTATION AND DELIVERY:

2.7 WHERE SERVICES ARE TO BE PERFORMED: Unless otherwise specified in this section all services shall be performed in the United States. If the Vendor manufactures the supplies or performs the services purchased hereunder in another country in violation of this provision, such action may be deemed by the State as a breach of the contract by Vendor. Vendor shall disclose the locations where the services required shall be performed and the known or anticipated value of the services to be performed at each location. If the Vendor received additional consideration in the evaluation based on work being performed in the United States, it shall be a breach of contract if the Vendor shifts any such work outside the United States.

Location where services will be performed _____
Value of services performed at this location _____

Location where services will be performed _____
Value of services performed at this location _____

2.8 SCHEDULE OF WORK: Any work performed on State premises shall be done during the hours designated by the State and performed in a manner that does not interfere with the State and its personnel.

2.9 WARRANTIES FOR SUPPLIES AND SERVICES:

2.9.1 Vendor warrants that the supplies furnished under this contract will: (a) conform to the standards, specifications, drawing, samples or descriptions furnished by the State or furnished by the Vendor and agreed to by the State, including but not limited to all specifications attached as exhibits hereto; (b) be merchantable, of good quality and workmanship, and free from defects for a period of twelve months or longer if so specified in writing, and fit and sufficient for the intended use; (c) comply with all federal and state laws, regulations and ordinances pertaining to the manufacturing, packing, labeling, sale and delivery of the supplies; (d) be of good title and be free and clear of all liens and encumbrances and; (e)

not infringe any patent, copyright or other intellectual property rights of any third party. Vendor agrees to reimburse the State for any losses, costs, damages or expenses, including without limitations, reasonable attorney's fees and expenses, arising from failure of the supplies to meet such warranties.

2.9.2 Vendor shall insure that all manufacturers' warranties are transferred to the State and shall provide a copy of the warranty. These warranties shall be in addition to all other warranties, express, implied or statutory, and shall survive the State's payment, acceptance, inspection or failure to inspect the supplies.

2.9.3 Vendor warrants that all services will be performed to meet the requirements of the contract in an efficient and effective manner by trained and competent personnel. Vendor shall monitor performances of each individual and shall reassign immediately any individual who is not performing in accordance with the contract, who is disruptive or not respectful of others in the workplace, or who in any way violates the contract or State policies.

2.10 REPORTING, STATUS AND MONITORING SPECIFICATIONS:

2.10.1 Vendor shall immediately notify the State of any event that may have a material impact on Vendor's ability to perform the contract.

2.10.2 By August 31 of each year, Vendor shall report the number of qualified veterans and certain ex-offenders hired during Vendor's last completed fiscal year. Vendor may be entitled to employment tax credit for hiring individuals in those groups (35 ILCS 5/216, 5/217).

3. **PRICING**

3.1 METHOD AND RATE OF COMPENSATION: The State will compensate Vendor for the initial term as follows:

- ☐ Hourly _____
- ☐ Monthly _____
- ☐ Annually _____
- ☐ Project _____
- ☐ Item (show unit of measure and rate) _____

3.2 TYPE OF PRICING: Pricing under this contract is

- ☐ Firm _____
- ☐ Estimated _____

3.3 RENEWAL COMPENSATION: If this contract is renewed, the price shall be at the same rate as for the initial term unless a different compensation or formula for determining the renewal compensation is stated in this section.

3.4 EXPENSES: Any expenses that Vendor may charge are shown in this section. The State will not compensate Vendor for expenses related to travel, lodging or meal.

3.5 DISCOUNT: _____ % discount for payment within _____ days of receipt of invoice

3.6 TAX: Vendor shall not bill for any taxes unless accompanied by proof the State is subject to the tax. If necessary, Vendor may request the applicable agency's Illinois tax exemption number and federal tax exemption information.

3.7 INVOICING: Vendor shall invoice at the completion of the contract unless invoicing is tied in this contract to milestones, deliverables, or other invoicing requirements agreed to in this contract.

Send invoices to _____.

3.8 PAYMENT TERMS AND CONDITIONS:

3.8.1 By submitting an invoice, Vendor certifies that the supplies or services provided meet all requirements of the contract, and the amount billed and expenses incurred are as allowed in the contract. Invoices for supplies purchased, services performed and expenses incurred through June 30 of any year must be submitted to the State no later than July 31 of that year; otherwise Vendor may have to seek payment through the Illinois Court of Claims (30 ILCS 105/25). All invoices are subject to statutory offset (30 ILCS 210).

3.8.2 Payments, including late payment charges, will be paid in accordance with the State Prompt Payment Act (30 ILCS 540) and rules (74 Ill. Adm. Code 900) when applicable. This shall be Vendor's sole remedy for late payments by the State. Payment terms contained on Vendor's invoices shall have no force and effect.

3.8.3 The State will not pay for supplies provided or services rendered, including related expenses, incurred prior to the execution of this contract by the Parties even if the effective date of the contract is prior to execution.

3.8.4 As a condition of receiving payment Vendor must (i) be in compliance with the contract, (ii) pay its employees prevailing wages when required by law (Examples of prevailing wage categories include public works, printing, janitorial, window washing, building and grounds services, site technician services, natural resource services, security guard and food services. Vendor is responsible for contacting the Illinois Dept. of Labor 217-782-6206; <http://www.state.il.us/agency/idol/index.htm> to ensure understanding of prevailing wage requirements), (iii) pay its suppliers and subcontractors according to the terms of their respective contracts, and (iv) provide lien waivers to the State upon request.

4. STANDARD BUSINESS TERMS AND CONDITIONS

4.1 AVAILABILITY OF APPROPRIATION (30 ILCS 500/20-60): This contract is contingent upon and subject to the availability of funds. The State, at its sole option, may terminate or suspend this contract, in whole or in part, without penalty or further payment being required, if (1) the Illinois General Assembly or the federal funding source fails to make an appropriation sufficient to pay such obligation, or if funds needed are insufficient for any reason, (2) the Governor decreases the Department's funding by reserving some or all of the Department's appropriation(s) pursuant to power delegated to the Governor by the Illinois General Assembly; or (3) the Department determines, in its sole discretion or as directed by the Office of the Governor, that a reduction is necessary or advisable based upon actual or projected budgetary considerations. Contractor will be notified in writing of the failure of appropriation or of a reduction or decrease.

4.2 AUDIT/RETENTION OF RECORDS (30 ILCS 500/20-65): Vendor and its subcontractors shall maintain books and records relating to the performance of the contract or subcontract and necessary to support amounts charged to the State under the contract or subcontract. Books and records, including information stored in databases or other computer systems, shall be maintained by the Vendor for a period of three years from the later of the date of final payment under the contract or completion of the contract, and by the subcontractor for a period of three years from the later of final payment under the term or completion of the subcontract. If federal funds are used to pay contract costs, the Vendor and its subcontractors must retain its records for five years. Books and records required to be maintained under this section shall be available for review or audit by representatives of: the procuring Agency, the Auditor General, the Executive Inspector General, the Chief Procurement Officer, State of Illinois internal auditors or other governmental entities with monitoring authority, upon reasonable notice and during normal business hours. Vendor and its subcontractors shall cooperate fully with any such audit and with any investigation conducted by any of these entities. Failure to maintain books and records required by this section shall establish a presumption in favor of the State for the recovery of any funds paid by the State under the contract for which adequate books and records are not available to support the purported disbursement. The Vendor or subcontractors shall not impose a charge for audit or examination of the Vendor's books and records.

4.3 TIME IS OF THE ESSENCE: Time is of the essence with respect to Vendor's performance of this contract. Vendor shall continue to perform its obligations while any dispute concerning the contract is being resolved unless otherwise directed by the State.

4.4 NO WAIVER OF RIGHTS: Except as specifically waived in writing, failure by a Party to exercise or enforce a right does not waive that Party's right to exercise or enforce that or other rights in the future.

4.5 FORCE MAJEURE: Failure by either Party to perform its duties and obligations will be excused by unforeseeable circumstances beyond its reasonable control and not due to its negligence including acts of nature, acts of terrorism, riots, labor disputes, fire, flood, explosion, and governmental prohibition. The non-declaring Party may cancel the contract without penalty if performance does not resume within 30 days of the declaration.

4.6 CONFIDENTIAL INFORMATION: Each Party, including its agents and subcontractors, to this contract may have or gain access to confidential data or information owned or maintained by the other Party in the course of carrying out its responsibilities under this contract. Vendor shall presume all information received from the State or to which it gains access pursuant to this contract is confidential. Vendor information, unless clearly marked as confidential and exempt from disclosure under the Illinois Freedom of Information Act, shall be considered public. No confidential data collected, maintained, or used in the course of performance of the contract shall be disseminated except as authorized by law and with the written consent of the disclosing Party, either during the period of the contract or thereafter. The receiving Party must return any and all data collected, maintained, created or used in the course of the performance of the contract, in whatever form it is maintained, promptly at the end of the contract, or earlier at the request of the disclosing Party, or notify the disclosing Party in writing of its destruction. The foregoing obligations shall not apply to confidential data or information lawfully in the receiving Party's possession prior to its acquisition from the disclosing Party; received in good faith from a third-party not subject to any confidentiality obligation to the disclosing Party; now is or later becomes publicly known through no breach of confidentiality obligation by the receiving Party; or is independently developed by the receiving Party without the use or benefit of the disclosing Party's confidential information.

4.7 USE AND OWNERSHIP: All work performed or supplies created by Vendor under this contract, whether written documents or data, goods or deliverables of any kind, shall be deemed work-for-hire under copyright law and all intellectual property and other laws, and the State of Illinois is granted sole and exclusive ownership to all such work, unless otherwise agreed in writing. Vendor hereby assigns to the State all right, title, and interest in and to such work including any related intellectual property rights, and/or waives any and all claims that Vendor may have to such work including any so-called "moral rights" in connection with the work. Vendor acknowledges the State may use the work product for any purpose. Confidential data or information contained in such work shall be subject to confidentiality provisions of this contract.

4.8 INDEMNIFICATION AND LIABILITY: The Vendor shall indemnify and hold harmless the State of Illinois, its agencies, officers, employees, agents and volunteers from any and all costs, demands, expenses, losses, claims, damages, liabilities, settlements and judgments, including in-house and contracted attorneys' fees and expenses, arising out of: (a) any breach or violation by Vendor of any of its certifications, representations, warranties, covenants or agreements; (b) any actual or alleged death or injury to any person, damage to any property or any other damage or loss claimed to result in whole or in part from Vendor's negligent performance; or (c) any act, activity or omission of Vendor or any of its employees, representatives, subcontractors or agents. Neither Party shall be liable for incidental, special, consequential or punitive damages.

4.9 INSURANCE: Vendor shall, at all times during the term and any renewals, maintain and provide a Certificate of Insurance naming the State as additional insured for all required bonds and insurance. Certificates may not be modified or canceled until at least 30 days notice has been provided to the State. Vendor shall provide: (a) General Commercial Liability-occurrence form in amount of \$1,000,000 per occurrence (Combined

Single Limit Bodily Injury and Property Damage) and \$2,000,000 Annual Aggregate; (b) Auto Liability, including Hired Auto and Non-owned Auto, (Combined Single Limit Bodily Injury and Property Damage) in amount of \$1,000,000 per occurrence; and (c) Worker's Compensation Insurance in amount required by law. Insurance shall not limit Vendor's obligation to indemnify, defend, or settle any claims.

4.10 INDEPENDENT CONTRACTOR: Vendor shall act as an independent contractor and not an agent or employee of, or joint venturer with the State. All payments by the State shall be made on that basis.

4.11 SOLICITATION AND EMPLOYMENT: Vendor shall not employ any person employed by the State during the term of this contract to perform any work under this contract. Vendor shall give notice immediately to the Agency's director if Vendor solicits or intends to solicit State employees to perform any work under this contract.

4.12 COMPLIANCE WITH THE LAW: The Vendor, its employees, agents, and subcontractors shall comply with all applicable federal, state, and local laws, rules, ordinances, regulations, orders, federal circulars and all license and permit requirements in the performance of this contract. Vendor shall be in compliance with applicable tax requirements and shall be current in payment of such taxes. Vendor shall obtain at its own expense, all licenses and permissions necessary for the performance of this contract.

4.13 BACKGROUND CHECK: Whenever the State deems it reasonably necessary for security reasons, the State may conduct, at its expense, criminal and driver history background checks of Vendor's and subcontractors officers, employees or agents. Vendor or subcontractor shall reassign immediately any such individual who, in the opinion of the State, does not pass the background checks.

4.14 APPLICABLE LAW: This contract shall be construed in accordance with and is subject to the laws and rules of the State of Illinois. The Department of Human Rights' Equal Opportunity requirements (44 Ill. Adm. Code 750) are incorporated by reference. Any claim against the State arising out of this contract must be filed exclusively with the Illinois Court of Claims (705 ILCS 505/1). The State shall not enter into binding arbitration to resolve any contract dispute. The State of Illinois does not waive sovereign immunity by entering into this contract. The official text of cited statutes is incorporated by reference (An unofficial version can be viewed at <http://www.ilga.gov/legislation/ilcs/ilcs.asp>). In compliance with the Illinois and federal Constitutions, the Illinois Human Rights Act, the U. S. Civil Rights Act, and Section 504 of the federal Rehabilitation Act and other applicable laws and rules the State does not unlawfully discriminate in employment, contracts, or any other activity.

4.15 ANTI-TRUST ASSIGNMENT: If Vendor does not pursue any claim or cause of action it has arising under federal or state antitrust laws relating to the subject matter of the contract, then upon request of the Illinois Attorney General, Vendor shall assign to the State rights, title and interest in and to the claim or cause of action.

4.16 CONTRACTUAL AUTHORITY: The Agency that signs for the State of Illinois shall be the only State entity responsible for performance and payment under the contract. When the Chief Procurement Officer or authorized designee signs in addition to an Agency, they do so as approving officer and shall have no liability to Vendor. When the Chief Procurement officer or authorized designee signs a master contract on behalf of State agencies, only the Agency that places an order with the Vendor shall have any liability to Vendor for that order.

4.17 NOTICES: Notices and other communications provided for herein shall be given in writing by registered or certified mail, return receipt requested, by receipted hand delivery, by courier (UPS, Federal Express or other similar and reliable carrier), by e-mail, or by fax showing the date and time of successful receipt. Notices shall be sent to the individuals who signed the contract using the contact information following the signatures. Each such notice shall be deemed to have been provided at the time it is actually received. By giving notice, either Party may change the contact information.

4.18 MODIFICATIONS AND SURVIVAL: Amendments, modifications and waivers must be in writing and signed by authorized representatives of the Parties. Any provision of this contract officially declared void, unenforceable, or against public policy, shall be ignored and the remaining provisions shall be interpreted, as far as possible, to give effect to the Parties' intent. All provisions that by their nature would be expected to survive, shall survive termination. In the event of a conflict between the State's and the Vendor's terms, conditions and attachments, the State's terms, conditions and attachments shall prevail.

4.19 PERFORMANCE RECORD / SUSPENSION: Upon request of the State, Vendor shall meet to discuss performance or provide contract performance updates to help ensure proper performance of the contract. The State may consider Vendor's performance under this contract and compliance with law and rule to determine whether to continue the contract, suspend Vendor from doing future business with the State for a specified period of time, or to determine whether Vendor can be considered responsible on specific future contract opportunities.

4.20 FREEDOM OF INFORMATION ACT: This contract and all related public records maintained by, provided to or required to be provided to the State are subject to the Illinois Freedom of Information Act notwithstanding any provision to the contrary that may be found in this contract.

5. STANDARD CERTIFICATIONS

Vendor acknowledges and agrees that compliance with this section and each subsection for the term of the contract and any renewals is a material requirement and condition of this contract. By executing this contract Vendor certifies compliance with this section and each subsection and is under a continuing obligation to remain in compliance and report any non-compliance.

This section, and each subsection, applies to subcontractors used on this contract. Vendor shall include these Standard Certifications in any subcontract used in the performance of the contract using the Standard Subcontractor Certification form provided by the State.

If this contract extends over multiple fiscal years including the initial term and all renewals, Vendor and its subcontractors shall confirm compliance with this section in the manner and format determined by the State by the date specified by the State and in no event later than July 1 of each year that this contract remains in effect.

If the Parties determine that any certification in this section is not applicable to this contract it may be stricken without affecting the remaining subsections.

5.1 As part of each certification, Vendor acknowledges and agrees that should Vendor or its subcontractors provide false information, or fail to be or remain in compliance with the Standard Certification requirements, one or more of the following sanctions will apply:

- the contract may be void by operation of law,
- the State may void the contract, and
- the Vendor and its subcontractors may be subject to one or more of the following: suspension, debarment, denial of payment, civil fine, or criminal penalty.

Identifying a sanction or failing to identify a sanction in relation to any of the specific certifications does not waive imposition of other sanctions or preclude application of sanctions not specifically identified.

5.2 Vendor certifies it and its employees will comply with applicable provisions of the U.S. Civil Rights Act, Section 504 of the Federal Rehabilitation Act, the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) and applicable rules in performance under this contract.

5.3 Vendor certifies it is not in default on an educational loan (5 ILCS 385/3). This applies to individuals, sole proprietorships, partnerships and individuals as members of LLCs.

5.4 Vendor (if an individual, sole proprietor, partner or an individual as member of a LLC) certifies it has not received an (i) an early retirement incentive prior to 1993 under Section 14-108.3 or 16-133.3 of the Illinois Pension Code, 40 ILCS 5/14-108.3 and 40 ILCS 5/16-133.3, or (ii) an early retirement incentive on or after 2002 under Section 14-108.3 or 16-133.3 of the Illinois Pension Code, 40 ILCS 5/14-108.3 and 40 ILCS 5/16-133, (30 ILCS 105/15a).

5.5 Vendor certifies it is a properly formed and existing legal entity (30 ILCS 500/1.15.80, 20-43); and as applicable has obtained an assumed name certificate from the appropriate authority, or has registered to conduct business in Illinois and is in good standing with the Illinois Secretary of State.

5.6 To the extent there was a incumbent Vendor providing the services covered by this contract and the employees of that Vendor that provide those services are covered by a collective bargaining agreement, Vendor certifies (i) that it will offer to assume the collective bargaining obligations of the prior employer, including any existing collective bargaining agreement with the bargaining representative of any existing collective bargaining unit or units performing substantially similar work to the services covered by the contract subject to its bid or offer; and (ii) that it shall offer employment to all employees currently employed in any existing bargaining unit performing substantially similar work that will be performed under this contract (30 ILCS 500/25-80). This does not apply to heating, air conditioning, plumbing and electrical service contracts.

5.7 Vendor certifies it has not been convicted of bribing or attempting to bribe an officer or employee of the State of Illinois or any other State, nor has Vendor made an admission of guilt of such conduct that is a matter of record (30 ILCS 500/50-5).

5.8 If Vendor has been convicted of a felony, Vendor certifies at least five years have passed after the date of completion of the sentence for such felony, unless no person held responsible by a prosecutor's office for the facts upon which the conviction was based continues to have any involvement with the business (30 ILCS 500/50-10).

5.9 If Vendor, or any officer, director, partner, or other managerial agent of Vendor, has been convicted of a felony under the Sarbanes-Oxley Act of 2002, or a Class 3 or Class 2 felony under the Illinois Securities Law of 1953, Vendor certifies at least five years have passed since the date of the conviction. Vendor further certifies that it is not barred from being awarded a contract and acknowledges that the State shall declare the contract void if this certification is false (30 ILCS 500/50-10.5).

5.10 Vendor certifies it is not barred from having a contract with the State based on violating the prohibition on providing assistance to the state in identifying a need for a contract (except as part of a public request for information process) or by reviewing, drafting or preparing solicitation or similar documents for the State (30 ILCS 500/50-10.5e).

- 5.11** Vendor certifies that it and its affiliates are not delinquent in the payment of any debt to the State (or if delinquent has entered into a deferred payment plan to pay the debt), and Vendor and its affiliates acknowledge the State may declare the contract void if this certification is false (30 ILCS 500/50-11) or if Vendor or an affiliate later becomes delinquent and has not entered into a deferred payment plan to pay off the debt (30 ILCS 500/50-60).
- 5.12** Vendor certifies that it and all affiliates shall collect and remit Illinois Use Tax on all sales of tangible personal property into the State of Illinois in accordance with provisions of the Illinois Use Tax Act (30 ILCS 500/50-12) and acknowledges that failure to comply can result in the contract being declared void.
- 5.13** Vendor certifies that it has not been found by a court or the Pollution Control Board to have committed a willful or knowing violation of the Environmental Protection Act within the last five years, and is therefore not barred from being awarded a contract (30 ILCS 500/50-14).
- 5.14** Vendor certifies it has not paid any money or valuable thing to induce any person to refrain from bidding on a State contract, nor has Vendor accepted any money or other valuable thing, or acted upon the promise of same, for not bidding on a State contract (30 ILCS 500/50-25).
- 5.15** Vendor certifies it is not in violation of the "Revolving Door" section of the Illinois Procurement Code (30 ILCS 500/50-30).
- 5.16** Vendor certifies that it has not retained a person or entity to attempt to influence the outcome of a procurement decision for compensation contingent in whole or in part upon the decision or procurement (30 ILCS 500/50-38).
- 5.17** Vendor certifies it will report to the Illinois Attorney General and the Chief Procurement Officer any suspected collusion or other anti-competitive practice among any bidders, offerors, contractors, proposers or employees of the State (30 ILCS 500/50-40, 50-45, 50-50).
- 5.18** In accordance with the Steel Products Procurement Act, Vendor certifies steel products used or supplied in the performance of a contract for public works shall be manufactured or produced in the United States, unless the executive head of the procuring agency grants an exception (30 ILCS 565).
- 5.19** a) If Vendor employs 25 or more employees and this contract is worth more than \$5000, Vendor certifies it will provide a drug free workplace pursuant to the Drug Free Workplace Act.
b) If Vendor is an individual and this contract is worth more than \$5000, Vendor shall not engage in the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance during the performance of the contract (30 ILCS 580).
- 5.20** Vendor certifies that neither Vendor nor any substantially owned affiliate is participating or shall participate in an international boycott in violation of the U.S. Export Administration Act of 1979 or the applicable regulations of the U.S. Department of Commerce. This applies to contracts that exceed \$10,000 (30 ILCS 582).
- 5.21** Vendor certifies it has not been convicted of the offense of bid rigging or bid rotating or any similar offense of any state or of the United States (720 ILCS 5/33 E-3, E-4).
- 5.22** Vendor certifies it complies with the Illinois Department of Human Rights Act and rules applicable to public contracts, including equal employment opportunity, refraining from unlawful discrimination, and having written sexual harassment policies (775 ILCS 5/2-105).
- 5.23** Vendor certifies it does not pay dues to or reimburse or subsidize payments by its employees for any dues or fees to any "discriminatory club" (775 ILCS 25/2).
- 5.24** Vendor certifies it complies with the State Prohibition of Goods from Forced Labor Act, and certifies that no foreign-made equipment, materials, or supplies furnished to the State under the contract have been or will be produced in whole or in part by forced labor, or indentured labor under penal sanction (30 ILCS 583).
- 5.25** Vendor certifies that no foreign-made equipment, materials, or supplies furnished to the State under the contract have been produced in whole or in part by the labor or any child under the age of 12 (30 ILCS 584).
- 5.26** Vendor certifies that it is not in violation of Section 50-14.5 of the Illinois Procurement Code (30 ILCS 500/50-14.5) that states: "Owners of residential buildings who have committed a willful or knowing violation of the Lead Poisoning Prevention Act (410 ILCS 45) are prohibited from doing business with the State until the violation is mitigated".
- 5.27** Vendor warrants and certifies that it and, to the best of its knowledge, its subcontractors have and will comply with Executive Order No. 1 (2007). The Order generally prohibits Vendors and subcontractors from hiring the then-serving Governor's family members to lobby procurement activities of the State, or any other unit of government in Illinois including local governments if that procurement may result in a contract valued at over \$25,000. This prohibition also applies to hiring for that same purpose any former State employee who had procurement authority at any time during the one-year period preceding the procurement lobbying activity.

5.28 Vendor certifies that information technology, including electronic information, software, systems and equipment, developed or provided under this contract will comply with the applicable requirements of the Illinois Information Technology Accessibility Act Standards as published at www.dhs.state.il.us/iitaa. (30 ILCS 587)

5.29 Vendor certifies that it has read, understands, and is in compliance with the registration requirements of the Elections Code (10 ILCS 5/9-35) and the restrictions on making political contributions and related requirements of the Illinois Procurement Code (30 ILCS 500/20-160 and 50-37). Vendor will not make a political contribution that will violate these requirements. These requirements are effective for the duration of the term of office of the incumbent Governor or for a period of 2 years after the end of the contract term, whichever is longer.

In accordance with section 20-160 of the Illinois Procurement Code, Vendor certifies as applicable:

☐ Vendor is not required to register as a business entity with the State Board of Elections.

or

☐ Vendor has registered **and has attached a copy** of the official certificate of registration as issued by the State Board of Elections. As a registered business entity, Vendor acknowledges a continuing duty to update the registration as required by the Act.

6.0 DISCLOSURES AND CONFLICTS OF INTEREST

Instructions: Vendor shall disclose financial interests, potential conflicts of interest and contract information identified in Sections 1, 2 and 3 below as a condition of receiving an award or contract (30 ILCS 500/50-13 and 50-35). Failure to fully disclose shall render the contract, bid, proposal, subcontract, or relationship voidable by the chief procurement officer if s/he deems it in the best interest of the State of Illinois and may be cause for barring from future contracts, bids, proposals, subcontracts, or relationships with the State.

- There are five sections to this form and each must be completed to meet full disclosure requirements.
- Note: The requested disclosures are a continuing obligation and must be promptly supplemented for accuracy throughout the process and throughout the term of the resultant contract if the bid/offer is awarded. As required by 30 ILCS 500/50-2, for multi-year contracts Vendors must submit these disclosures on an annual basis.

A publicly traded entity may submit its 10K disclosure in satisfaction of the disclosure requirements set forth in Section 1 below. HOWEVER, if a Vendor submits a 10K, they must still must complete Sections 2, 3, 4 and 5 and submit the disclosure form.

If the Vendor is a wholly owned subsidiary of a parent organization, separate disclosures must be made by the Vendor and the parent. For purposes of this form, a parent organization is any entity that owns 100% of the Vendor.

This disclosure information is submitted on behalf of (show official name of Vendor, and if applicable, D/B/A and parent):

Name of Vendor: _____

D/B/A (if used): _____

Name of any Parent Organization: _____

Section 1: Section 50-35 Disclosure of Financial Interest in the Vendor. *(All Vendors must complete this section)*

Vendors must complete subsection (a), (b) or (c) below. Please read the following subsections and complete the information requested.

- a. If Vendor is a Publicly traded corporation subject to SEC reporting requirements
- i. Vendor shall submit their 10K disclosure (include proxy if referenced in 10k) in satisfaction of the financial and conflict of interest disclosure requirements set forth in subsections 50-35 (a) and (b) of the Procurement Code. The SEC 20f or 40f, supplemented with the names of those owning in excess of 5% and up to the ownership percentages disclosed in those submissions, may be accepted as being substantially equivalent to 10K.

Check here if submitting a 10k ☐, 20f ☐, or 40f ☐.

OR

- b. If Vendor is a privately held corporation with more than 400 shareholders
- i. These Vendors may submit the information identified in 17 CFR 229.401 and list the names of any person or entity holding any ownership share in excess of 5% in satisfaction of the financial and conflict of interest disclosure requirements set forth in subsections 50-35 a and b of the Illinois Procurement Code.

OR

- c. If Vendor is an individual, sole proprietorship, partnership or any other not qualified to use subsections (A) or (B), complete (i) and (ii) below as appropriate.
- i. For **each individual** having any of the following financial interests in the Vendor (or its parent), please mark each that apply and show the applicable name and address. Use a separate form for each individual.

1. Do you have an ownership share of greater than 5% of the offering entity or parent entity?

☐ Yes ☐ No

2. Do you have an ownership share of less than 5%, but which has a value greater than \$106,447.20?

☐ Yes ☐ No

3. Do you receive more than \$106,447.20 of the offering entity's or parent entity's distributive income? (Note: Distributive income is, for these purposes, any type of distribution of profits. An annual salary is not distributive income.)

☐ Yes ☐ No

4. Do you receive greater than 5% of the offering entity's or parent entity's total distributive income, but which is less than \$106,447.20?

☐ Yes ☐ No

5. If you responded yes to any of questions 1 – 4 above, please provide either the percentage or dollar amount of your ownership or distributive share of income: _____. For partnerships with more than 50 partners, the percentage share of ownership of each individual identified above may be shown in the following ranges (dollar value fields must also be completed when applicable):

0.5% or less _____ >0.5 to 1.0% _____ >1.0 to 2.0% _____ >2.0 to 3.0 % _____ > 3.0 to 4.0% _____ %
>4.0 to 5.0% _____ and in additional 1% increments as appropriate _____ %

6. If you responded yes to any of the questions 1-4 above, please check the appropriate type of ownership/distributable income share:

Sole Proprietorship ☐ Stock ☐ Partnership ☐ Other (explain) _____

Name: _____

Address: _____

ii. In relation to individuals identified above, indicate whether any of the following potential conflict of interest relationships apply. If "Yes," please describe each situation (label with appropriate letter) using the space at the end of this Section (attach additional pages as necessary). If no individual has been identified above, mark not applicable (N/A) here _____.

(a) State employment, currently or in the previous 3 years, including contractual employment of services directly with the individuals identified in Section 1 in their individual capacity unrelated to the Vendor's contract. Yes ☐ No ☐

(b) State employment of spouse, father, mother, son, or daughter, including contractual employment for services in the previous 2 years. Yes ☐ No ☐

(c) Elective status; the holding of elective office of the State of Illinois, the government of the United States, any unit of local government authorized by the Constitution of the State of Illinois or the statutes of the State of Illinois currently or in the previous 3 years. Yes ☐ No ☐

(d) Relationship to anyone holding elective office currently or in the previous 2 years; spouse, father, mother, son, or daughter. Yes ☐ No ☐

(e) Appointive office; the holding of any appointive government office of the State of Illinois, the United States of America, or any unit of local government authorized by the Constitution of the State of Illinois or the statutes of the State of Illinois, which office entitles the holder to compensation in excess of expenses incurred in the discharge of that office currently or in the previous 3 years. Yes ☐ No ☐

(f) Relationship to anyone holding appointive office currently or in the previous 2 years; spouse, father, mother, son, or daughter. Yes ☐ No ☐

(g) Employment, currently or in the previous 3 years, as or by any registered lobbyist of the State government. Yes ☐ No ☐

(h) Relationship to anyone who is or was a registered lobbyist in the previous 2 years; spouse, father, mother, son, or daughter. Yes ☐ No ☐

(i) Compensated employment, currently or in the previous 3 years, by any registered election or re-election committee registered with the Secretary of State or any county clerk in the State of Illinois, or any political action committee registered with either the Secretary of State or the Federal Board of Elections. Yes ☐ No ☐

(j) Relationship to anyone; spouse, father, mother, son, or daughter; who is or was a compensated employee in the last 2 years of any registered election or reelection committee registered with the Secretary of State or any county clerk in the State of Illinois, or any political action committee registered with either the Secretary of State or the Federal Board of Elections. Yes ☐ No ☐

Section 2: Section 50-13 Conflicts of Interest *(All Vendors must complete this section)*

(a) Prohibition. It is unlawful for any person holding an elective office in this State, holding a seat in the General Assembly, or appointed to or employed in any of the offices or agencies of State government and who receives compensation for such employment in excess of 60% of the salary of the Governor of the State of Illinois [\$106,447.20], or who is an officer or employee of the Capital Development Board or the Illinois Toll Highway Authority, or who is the spouse or minor child of any such person to have or acquire any contract, or any direct pecuniary interest in any contract therein, whether for stationery, printing, paper, or any services, materials, or supplies, that will be wholly or partially satisfied by the payment of funds appropriated by the General Assembly of the State of Illinois or in any contract of the Capital Development Board or the Illinois Toll Highway Authority.

(b) Interests. It is unlawful for any firm, partnership, association, or corporation, in which any person listed in subsection (a) is entitled to receive (i) more than 7 1/2% of the total distributable income or (ii) an amount in excess of the salary of the Governor (\$177,412.00), to have or acquire any such contract or direct pecuniary interest therein.

(c) Combined interests. It is unlawful for any firm, partnership, association, or corporation, in which any person listed in subsection (a) together with his or her spouse or minor children is entitled to receive (i) more than 15%, in the aggregate, of the total distributable income or (ii) an amount in excess of 2 times the salary of the Governor [\$354,824.00], to have or acquire any such contract or direct pecuniary interest therein.

Check One: ☐ No Conflicts Of Interest
☐ Potential Conflict of Interest (If checked, name each conflicted individual, the nature of the conflict, and the name of the State agency that is associated directly or indirectly with the conflicted individual.)

Section 3: Debarment/Legal Proceeding Disclosure *(All Vendors must complete this section).*

Each of the persons identified in Sections 1, 2 and 3 must each identify any of the following that occurred within the previous 10 years:

Debarment from contracting with any governmental entity	Yes ☐	No ☐
Professional licensure discipline	Yes ☐	No ☐
Bankruptcies	Yes ☐	No ☐
Adverse civil judgments and administrative findings	Yes ☐	No ☐
Criminal felony convictions	Yes ☐	No ☐

If any of the above is checked yes, please identify with descriptive information the nature of the debarment and legal proceeding. The State reserves the right to request more information, should the information need further clarification.

Section 4: Disclosure of Business Operations with Iran *(All Vendors must complete this section).*

In accordance with 30 ILCS 500/50-36, each bid, offer, or proposal submitted for a State contract, other than a small purchase defined in Section 20-20 [of the Illinois Procurement Code], shall include a disclosure of whether or not the bidder, offeror, or proposing entity, or any of its corporate parents or subsidiaries, within the 24 months before submission of the bid, offer, or proposal had business operations that involved contracts with or provision of supplies or services to the Government of Iran, companies in which the Government of Iran has any direct or indirect equity share, consortiums or projects commissioned by the Government of Iran and:

- i. more than 10% of the company's revenues produced in or assets located in Iran involve oil-related activities or mineral-extraction activities; less than 75% of the company's revenues produced in or assets located in Iran involve contracts with or provision of oil-related or mineral – extraction products or services to the Government of Iran or a project or consortium created exclusively by that Government; and the company has failed to take substantial action;
or
- ii. the company has, on or after August 5, 1996, made an investment of \$20 million or more, or any combination of investments of at least \$10 million each that in the aggregate equals or exceeds \$20 million in any 12- month period that directly or significantly contributes to the enhancement of Iran's ability to develop petroleum resources of Iran.

A bid, offer, or proposal that does not include this disclosure shall not be considered responsive. We may consider this disclosure when evaluating the bid, offer, or proposal or awarding the contract.

You must check one of the following items and if item 2 is checked you must also make the necessary disclosure:

☐ There are no business operations that must be disclosed to comply with the above cited law.

☐ The following business operations are disclosed to comply with the above cited law:

Section 5: Current and Pending Contracts *(All Vendors must complete this section).*

Does the Vendor have any contracts pending contracts, bids, proposals or other ongoing procurement relationships with units of State of Illinois government? Yes ☐ No ☐

If yes, please identify each contract, pending contract, bid, proposal and other ongoing procurement relationship it has with units of State of Illinois government by showing agency name and other descriptive information such as bid number, project title, purchase order number or contract reference number.

Section 6: Representative Lobbyist/Other Agent *(All Vendors must complete this section).*

Is the Vendor represented by or employing a lobbyist required to register under the Lobbyist Registration Act or other agent who is not identified under Sections 1 and 2 and who has communicated, is communicating, or may communicate with any State officer or employee concerning the bid, offer or contract? Yes ☐ No ☐

If yes, please identify each agent / lobbyist, including name and address.

Costs/Fees/Compensation/Reimbursements related to assistance to obtain contract (describe):

Vendor certifies that none of these costs will be billed to the State in the event of contract award. Vendor must file this information with the Secretary of State.

This Disclosure is signed and made under penalty of perjury pursuant to Sections 500/50-13 and 500/50-35(a) of the Illinois Procurement Code.

This Disclosure information is submitted on behalf of: _____
(Vendor/Subcontractor Name)

Name of Authorized Representative: _____
Title of Authorized Representative: _____
Signature of Authorized Representative: _____
Date: _____

7. **SUPPLEMENTAL PROVISIONS**

7.1 **State Supplemental Provisions**

- ☐ Definitions
- ☐ Required Federal Clauses, Certifications and Assurances
- ☐ ARRA Requirements (American Recovery and Reinvestment Act of 2009)
- ☐ Public Works Requirements (construction and maintenance of a public work) (820 ILCS 130/4)
- ☐ Prevailing Wage (janitorial cleaning, window cleaning, building and grounds, site technician, natural resources, food services, and security services, if valued at more than \$200 per month or \$2000 per year (30 ILCS 500/25-60)
- ☐ Prevailing Wage (all printing contracts) (30 ILCS 500/25-60)
- ☐ BEP Subcontracting Requirements (Utilization Plan and Letter of Intent)
- ☒ Other (describe)

Vendor's officers, employees and agents, as well as any persons living in the primary residences of such individuals, are prohibited from purchasing or redeeming Illinois Lottery game tickets.

7.2 **Vendor Supplemental Provisions**

☐ _____

ILLINOIS LOTTERY
INTERNAL CONTROL SYSTEM RFP
LOT-11-ICS, PBC11-56782
APPENDIX A

VENDOR NAME: _____

RESPONSE FORMAT FOR SECTION 3 TECHNICAL APPROACH ELEMENTS

Section		Met	Not Met
3.1.3	Requirement: The ICS shall be able to independently process all daily sales, wagers, cancels, returns, validations, claims, claim payments, inventory, coupons and retailer management and accounting activities including accounting credits, credits generated by our outside sales team, and commissions and retailer selling/cashing bonuses for both online and instant transactions.		
Explanation/Supplemental Information:			
3.1.3	Requirement: The ICS must also be able to incorporate various controls into it to protect this system from unauthorized access, tampering, power outages, and any event or combination of events that may affect the security and integrity of the transactions processed by the CGS managed by the private manager.		
Explanation/Supplemental Information:			
3.1.3	Requirement: The primary ICS shall be configured to receive or retrieve the data in near real-time via data links to the primary and backup CGS sites.		
Explanation/Supplemental Information:			
3.1.3	Requirement: The secondary ICS will be mirrored to the primary ICS (hot backup – no direct link to CGS) so that the Lottery can operate the ICS from either the primary or secondary site at any time.		
Explanation/Supplemental Information:			
3.1.3	Requirement: The backup ICS in Oak Brook will be configured to receive data in near real-time via data links to the primary and backup CGS. Manual intervention will be required to switch ICS operations to the geo-diverse backup ICS.		
Explanation/Supplemental Information:			
3.1.3	Desired Feature: The following information should be captured by the ICS, at a minimum: - Online ticket sales, wagers, advance wagers, cancellations, validations, claims, claim payments, selling commissions, selling/cashing bonuses, any type of accounts receivable adjustment (problem ticket credits, debit memos, credit memos, cash payments, penalties, interest), electronic funds transfer sweeps, promotion activity, and purged tickets, including all such activities associated with an Internet ticket sales pilot program that is expected to launch in 2011 for the Mega Millions and Lotto games. - Liability warnings for Pick 3 and Pick 4. - Instant ticket activations, returns, validations, claims, claim payments, settlements (by game), selling commissions, selling/cashing bonuses, any type of accounts receivable adjustment (debit memos, credit memos, cash payments, penalties, interest), EFT sweeps, and promotion activity. - All subscriptions activities including sales, wagers, subscription periods, payments received, cancellations, winners, and prize payments. - Instant ticket inventory status changes.		

	- Retailer management activities, including changes in license status, terminal status, billing status or any changes that impact the status of our retailers. - Sales, wagers, advance wagers, cancellations, validations, claims, claim payments, selling commissions, selling/cashing bonuses, any type of accounts receivable adjustment (problem ticket credits, debit memos, credit memos, cash payments, penalties, interest), electronic funds transfer sweeps, and promotion activity, arising from Internet-based games, should such games be offered during the term of the Contract.		
Explanation/Supplemental Information:			
3.1.3	Requirement: The ICS must be able to interface with the MUSL DRS for applicable games. The lottery will need to enter winning numbers into the ICS in order to calculate the prizes for each prize level and liabilities.		
Explanation/Supplemental Information:			
3.1.3	Desired Feature: The ICS should retrieve winning numbers information from a holding place as opposed to receiving it directly into the application that processes the transactions.		
Explanation/Supplemental Information:			
3.1.3	Desired Feature: At a minimum, the ICS should perform the following balancing procedures. Any procedure not provided must be called out. - Produce and compare draw reports, end-of-day game reports, weekly, monthly, and annual reports identical to those provided by the CGS for accuracy. At a minimum, counts and amounts of all financial activity by game, retailer, and chain must be balanced daily, as well as balancing total validations and outstanding prize liabilities by game and draw. Taxes and offset withholdings should also be balanced. To the extent that sales by game by sales channel (self-service, retailer, Internet, etc.) are captured by the CGS and transmitted to the ICS, these totals should also be balanced. - After each online game draw, the ICS must recalculate draw day sales, prizes, liabilities, and winners selected for comparison to the CGS reports. - Weekly (based on accounting week, which is Tuesday through Monday), the ICS must recalculate retailer accounting information to compare to the CGS for accuracy. Information should be obtainable by retailer, by chain, by central billing entity (multiple chains,) by date and by game, if possible. - Provide exception reports to ensure only active licensed retailers have active terminals and selling activity.		
Explanation/Supplemental Information:			
	Requirement: Any out-of-balance conditions shall be reported immediately as an alert to the appropriate Illinois Lottery employees, private manager employees, CGS employees, ICS Vendor employees, and others as designated by the Illinois Lottery.		
Explanation/Supplemental Information:			
3.1.3	Desired Feature: The ICS should provide the ability to recalculate and confirm the following financial statement items: - Accounts receivable and ticket sales including commissions, bonuses, sales, cancels, validations, claims, adjustments, pack/ticket returns, pack activations, settlements. - Deferred revenue – including future sales, cancellations, and adjustments.		

	- Prize expenses and prize payables – including validations, claims and winners, pack activations, pack returns, adjustments. - Unclaimed prizes.		
Explanation/Supplemental Information:			
3.1.3	REMOTE ACCESS SOLUTION. Vendor must provide a solution that:		
	Requirement: Allows Lottery to control Vendor's access through a VPN (Vendor to supply VPN software)		
Explanation/Supplemental Information:			
	Requirement: Includes key logging software to track activity during the session		
Explanation/Supplemental Information:			
	Requirement: Includes a script that automatically disables the Vendor's access when troubleshooting is complete		
Explanation/Supplemental Information:			
3.1.4	Requirement: Vendor must provide all hardware necessary to deploy the four subsystems that comprise the ICS (primary, secondary, backup and test).		
Explanation/Supplemental Information:			
3.1.4	Requirement: Hardware must be rack mountable and compatible with CAT 5 or 6 network cabling		
Explanation/Supplemental Information:			
3.1.4 and 3.2.1	Requirement: Vendor shall provide details of the hardware requirements and configuration necessary to implement the ICS, including space and electrical requirements (110V or 220V; number of watts drawn), per location.		
Explanation/Supplemental Information:			
3.1.5	Requirement: On-call programming support 24/7 for out-of-balance conditions or other conditions that jeopardize the integrity of the Lottery's data.		
Explanation/Supplemental Information:			
3.1.5	Requirement: Programming support to ensure ICS compatibility with changes made to the CGS and also any changes necessary to ensure the integrity of the system		
Explanation/Supplemental Information:			
3.1.5	Requirement: Software upgrades and updates developed by the Vendor during the term of the Agreement must also be available to the Illinois Lottery, and the Lottery must be notified of all future upgrades and modifications to the application		

Explanation/Supplemental Information:			
3.1.5	Requirement: Vendor must provide any necessary maintenance or upgrades to vendor-supplied hardware as necessary to ensure ICS functionality		
Explanation/Supplemental Information:			
3.1.6	Requirement: Vendor must be able to install the ICS by May 9, 2011.		
Explanation/Supplemental Information:			
3.1.6	Requirement: ICS, as approved by the Lottery, must be fully functional by the time the new CGS is moved to production, anticipated to be June 26, 2011		
Explanation/Supplemental Information:			
3.2.1	Requirement: System must consist of at least four (4) computer systems, including hardware and software, installed in two geo-diverse locations. Primary, secondary and test in Springfield; backup in Oak Brook.		
Explanation/Supplemental Information:			
3.2.1	Desired Feature: A development and test system that is identical to the primary ICS should also be maintained at a location convenient for the Vendor.		
Explanation/Supplemental Information:			
3.2.1	Requirement: Configuration block diagrams, down to the component level of the proposed System, must be submitted with the Vendor's proposal, including manufacturer, product name, model number or version, software platform, modular software or not, proprietary software or not, bandwidth needed for hot backup.		
Explanation/Supplemental Information:			
3.2.1	Requirement: Any deviations from the suppliers' standard hardware and software products must be disclosed and an explanation provided.		
Explanation/Supplemental Information:			
3.2.1.1	Requirement: The Vendor shall furnish, install and maintain the ICS computer hardware, operating system, and application software at Lottery Headquarters (primary ICS) and provide technical and maintenance support services throughout the life of the contract.		
Explanation/Supplemental Information:			
3.2.1.1 and 3.2.1.2	Requirement: The Vendor shall provide the ICS on a server-class system including server-class data storage and data archival elements.		
Explanation/Supplemental Information:			
3.2.1.1 and 3.2.1.2	Requirement: Vendor shall provide the ICS on a robust and proven operating system platform.		

Explanation/Supplemental Information:			
3.2.1.2	Requirement: The Vendor shall furnish, install, and maintain the secondary ICS computer hardware, operating system, and application software at our CMS Data Center (secondary ICS) and provide technical and maintenance support services throughout the life of the contract.		
Explanation/Supplemental Information:			
3.2.1.2	Requirement: The secondary system must be a hot backup to the primary system, allowing the Lottery to operate the ICS from the primary or secondary systems at any time (no manual intervention to switch between systems). Both systems must be current.		
Explanation/Supplemental Information:			
3.2.1.3	Requirement: The Vendor will furnish, install, and maintain the ICS computer hardware, operating system, and application software in Oak Brook, Illinois (backup ICS).		
Explanation/Supplemental Information:			
3.2.1.3.1	Requirement: The backup ICS will always contain recent transactions in case a failover and recovery is needed.		
Explanation/Supplemental Information:			
3.2.1.3.1	Requirement: The System must be able to demonstrate, on a scheduled basis to be determined by the Lottery, that the backup ICS is fully functional by operating in production from the backup site.		
Explanation/Supplemental Information:			
3.2.1.3.1	Requirement: In case the backup ICS has taken over, then the primary ICS will be updated as soon as it returns to service, restoring the duplex/failover functionality of the ICS hosts.		
Explanation/Supplemental Information:			
3.2.1.3.1	Requirement: A formal balancing process must be completed by the Vendor in collaboration with the Lottery on the same scheduled basis, which ensures the accuracy between the CGS, the primary and secondary ICS and the backup ICS.		
Explanation/Supplemental Information:			
3.2.1.3.2	Requirement: The backup System must be of the same processing capacity and architecture as Lottery Headquarters' primary ICS.		
Explanation/Supplemental Information:			
3.2.1.4	Requirement: As any changes are made to the ICS as part of the service maintenance part of this contract, it is expected that the Vendor completes QA testing prior to delivering the software to the Lottery.		
Explanation/Supplemental Information:			
3.2.1.4	Requirement: The Successful Proposer shall furnish, install, and maintain computer hardware, operating system, and application software to be used for Customer Acceptance Testing (CAT) of the		

	initial ICS or changes to the ICS. The CAT system, as well as any of the above production systems, must be available for testing by Lottery, with full support from the Vendor.		
Explanation/Supplemental Information:			
3.2.1.4.1	Requirement: The CAT system located at Lottery headquarter must be identical in architecture and capacity to the primary, secondary, and backup systems and must include all the same software and features as does live production		
Explanation/Supplemental Information:			
3.2.1.4.1	Requirement: In the event of failures of active production Systems, the CAT system must be able to be updated and activated for production in case of further hardware or software failure.		
Explanation/Supplemental Information:			
3.2.1.4.2	Requirement: The Vendor must not conduct software development or its own quality assurance activities on any of the production systems, or on the CAT system identified above. Rather they must employ separate development and QA system(s) at a location convenient for the Vendor. The test system employed by the Vendor shall employ the same architecture and capacity as Illinois' production systems to ensure compatibility upon release for customer acceptance testing.		
Explanation/Supplemental Information:			
3.2.1.5	Requirement: The ICS must have the ability to accommodate near twenty-four (24) hour-a-day sales operations as required by the Illinois Lottery and to mirror the CGS, with 99.99% uptime, measured in 5 minute intervals.		
Explanation/Supplemental Information:			
3.2.1.5	Requirement: Changes/outages should be scheduled during CGS scheduled maintenance/downtime, generally between 2:30 a.m. and 5:00 a.m. Vendor must notify the agency at least 48 hours in advance of scheduled maintenance.		
Explanation/Supplemental Information:			
3.2.1.6	Requirement: The ICS shall interface to the CGS and to the Illinois Lottery's internal network.		
Explanation/Supplemental Information:			
3.2.1.6	Requirement: Vendor will need to work with CMS to provide complete interface between the primary and secondary ICSs in order to create hot backup functionality.		
Explanation/Supplemental Information:			
3.2.1.6	Requirement: Vendor shall propose a network interface solution for Lottery's test system.		
Explanation/Supplemental Information:			
3.2.1.7	Requirement: The ICS must receive and process a near-real time feed of gaming transactions from the CGS over the network connections described.		
Explanation/Supplemental Information:			

3.2.1.7	Requirement: In the event that the network transmission fails, the ICS must be capable of using physical media from the CGS as the source of ICS data and operate in a standalone mode.		
Explanation/Supplemental Information:			
3.2.1.8	Requirement: Vendor must have a documented security incident policy and procedure and provide a copy with its proposal.		
Explanation/Supplemental Information:			
3.2.1.8	Requirement: The following security requirements apply to all Systems in the Vendor's configuration: Systems Access. All systems and users requiring access to a host system (for any purpose) must be approved by the Lottery. Host systems must also support controls and procedures that allow Lottery to audit all system access. Authentication, Authorization and Access Controls. The Vendor's proposal must clearly identify controls related to user authentication, authorization and access controls for operating systems. Principle of Least Privilege. All systems must be configured to support only those services required to provide the intended System functions. System users must be granted access only to the operating system functions and file systems needed to perform their job functions. Compliance with Security Requirements. ICS host systems must be compliant with all systems security and fault tolerance requirements accepted as operating principles by Lottery, or promulgated by any multi-jurisdictional game organization for which the Illinois Lottery must comply (e.g. MUSL.) Protection against Unauthorized Access or Service Disruption. The Vendor shall ensure that host systems are not vulnerable to unauthorized access or malware. The Vendor's proposal must specify the methods by which host systems will be protected against emerging and future malware and other attacks. Incident Reporting. Vendor must report any security breach incidents (regardless of severity or loss of actual data) to the Lottery within 4 hours after Vendor becomes aware of the incident. Other Systems Security Controls. The Vendor's proposal must provide any additional information on other systems security components and controls that will be implemented including host intrusion protection, operating system hardening, login and password controls, system security log management, etc. The acceptability of all system security controls will be subject to Lottery approval. Disaster Recovery. In the event of irreparable damages or of an unplanned, extended abandonment of Lottery Headquarters or the CGS contractor's primary data center, the Vendor shall provide hosts, software, and other components necessary to resume ICS operations under a dual system operational scenario. Such secondary system components shall be furnished, installed and operational within thirty (30) days after the disaster.		
Explanation/Supplemental Information:			
3.2.2.1	Requirement: The System must provide particular features and functions to meet requirements for correct, effective, and efficient operation. Reprocessing. This is the basic function of the ICS. All game reprocessing activities At a minimum, all game reprocessing activities include: sales, advanced sales, cancels, returns, cashes, validations, validation attempts, confirmed, activated, and settled books, and other play-related transactions, any other retailer terminal commands, error conditions, operating system entries, job console entries, and management workstation modifications. System Tampering. The Vendor's proposal shall evidence the Vendor's methods and procedures that prevent tampering with the System, including reports on attempts to tamper. The Lottery reserves the right to review any and		

	all System narratives, source program listings and maintenance procedures to ensure data and System integrity. Operator Console Records. All operator commands and management workstation modifications executed by the System and any System warnings or problem messages shall be placed on a non-volatile medium. This log must be provided on a searchable media which Lottery may at its option process and review for auditing purposes. Software Checksums. Checksums are required for executable programs on the ICS for auditing purposes. Checksums must be available on all ICS systems whenever Lottery chooses to request them from the Vendor, or to generate them. CGS-to-ICS Monitoring. Real-time monitoring of transaction traffic must be provided. The Lottery shall receive immediate notification of abnormal System operations and their causes, such as communication difficulties, host system hardware or operating system errors, etc. ICS Software and Data Backups. The System must support processes executed by Lottery that provide secure on-site and off-site storage of critical files, software, and back-up data. Report balancing and reconciliation will be employed to ensure that current files and archived backup copies are valid. Back-up media retention shall follow a schedule set and operated by the Illinois Lottery, and back-up media shall be checked and exercised periodically to ensure data integrity. For example, the Lottery may restore a backup file to a testing system to ensure viability. Anomalous Gaming Data Reporting. The System must be capable of generating reports from the anomalous conditions that may indicate gaming operational problems or attempts at fraud. This capability must include, but is not limited to, the ability to report a retailer with anomalous and excessive transactions (such as sales and cancels), attempted cashes of stolen tickets, unusual console log entries, unusual transaction journal entries, and systemic events such as no sales for a game scheduled to be operational. This reporting capability will support investigations, as needed. Vendor must specify the software that will be utilized for report production.
Explanation/Supplemental Information:	
3.2.2.2	Requirement: The following security requirements apply to all Vendor-developed and third-party applications (including database platforms) utilized or provided by the Vendor. Authentication, Authorization and Access Controls. The Vendor's proposal must clearly identify controls related to user authentication, authorization and access controls for applications (including database applications). Audit Trail. All application login attempts, whether successful or not, must be logged. Log entries must reference the time, date, IP address, and login success status. All transactions representing modifications to the System must be logged and protected by verification steps. Display and reporting tools must be available for Lottery to verify the events recorded in the audit trail. Vendor must specify the software that will be utilized for report production. Principle of Least Privilege. All applications and databases must be designed and configured to support only the processes and user access required to provide the intended application functions. Application and database users must be granted access only to the application and database functions and data elements needed to perform their job functions. Compliance with Security Requirements. All applications must be compliant with all application security standards and guidelines accepted as operating principles by Lottery or promulgated by any multi-jurisdictional (e.g., MUSL) game organizations for which the Illinois Lottery must comply. Protection against Application Compromise. Regarding Vendor-developed applications, the proposal must provide information on the mechanisms used to validate code to ensure applications are not vulnerable to denial of service attacks or similar security threats. Other Application Security Controls. The Vendor's proposal must provide any additional information on other application and database security controls that will be implemented. The acceptability of all related security controls will be subject to Lottery approval.
Explanation/Supplemental Information:	
3.2.2.3	Requirement: The Vendor must support the current set of Lottery game offerings and provide flexibility for growth into new games, game features, and play types.

	1. Current Games and Play Types. The ICS must support all games currently being offered by the Illinois Lottery at the time the ICS is to take over, including 13- to 52-week subscription play for the Little Lotto, Lotto, Mega Millions and Powerball games. Refer to the following Illinois Lottery web site: http://www.illinoislottery.com. 2. Additional Games and Play Types. The Lottery reserves the right to add games, game features, play types, and promotions for start-up, or at any time later in the contract. Expansion may include monitor-type or Internet-based games. 3. Association-Based Games. The ICS must support games from any multi-jurisdiction associations with which Lottery may become affiliated. 4. Non-Traditional Transactions. Lottery does not currently conduct non-traditional transactions through its Retailer terminals, network, or CGS (for example, hunting and fishing licenses.) However if the private manager decides to support such transactions, then the ICS must also support this change in Lottery business requirements
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Explanation/Supplemental Information:

3.2.2.4	Requirement: Support for On-Line Game Drawings 1. Transactions at Close. The System must check that all transactions before the game close transaction apply to the forthcoming drawing and all transactions after the game close transaction apply to the subsequent drawing. 2. Drawing Information. The System must identify critical drawing information including: • Gross sales including sales for each sales day for each draw, advanced sales for each draw, and subscription sales for each draw; • Net game pool or handle (sales minus cancels;) • Liabilities; • Hash total of plays (including cancels); • Draw, wager, and cancel close times; • Break duration time; • Pool status; • Draw date; • Draw identifier. 3. Winning Numbers Entry. ICS processing relative to a drawing must allow (i) manual entry of winning numbers for games not drawn by the Illinois Lottery (e.g., Powerball), and (ii) the ability to accept winning numbers passed from the CGS in the transaction stream directed to the ICS. 4. Interface Files. The ICS should be able to produce interface files for other Lottery or third-party applications, as may arise from Lottery's business requirements. 5. Closing, Drawing, and Cashing Time Window. Lottery considers it mandatory to minimize the time window between close of the games, drawings, and the ability to pay winning tickets. The ICS shall allow for summarizing game results and winners immediately to support validations.		
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Explanation/Supplemental Information:

3.2.2.5	Requirement: The ICS must process Instant Ticket transactions from the CGS in a near-real time manner to ensure accuracy of the following: 1. Sales, returns, and adjustments 2. Inventory levels – books issued, activations, settlements, returns, sales, stolen & missing tickets, as well as other adjustments 3. Validation totals 4. Prize liability 5. Game close		
Explanation/Supplemental Information:			
3.2.2.6	Requirement: Reporting and inquiry functions must be provided which allow Lottery to balance system totals, game totals, retailer activity totals, and inventory totals against the CGS activity. Vendor must specify the software that will be utilized for report production.		
Explanation/Supplemental Information:			
3.2.2.7	Requirement: The ICS must be capable of supporting a broad range of promotional transactions as implemented under the CGS, such as raffles, free plays, cross promotions, multiple drawings per day of the same game, bonus drawings, bonus winner payoffs, sampler tickets, retailer clerk incentives, external coupons, and CGS-generated coupons		
Explanation/Supplemental Information:			
3.2.2.8.1	Requirement: The System must provide the ability to operate the ICS in its intended production mode, including start-up, shutdown, job scheduling, monitoring the systems, control, monitoring backups, checking uninterruptible power supply, as-needed manual switching to the backup system, deploying new software installs and other operator duties as assigned		
Explanation/Supplemental Information:			
3.2.2.8.2	Requirement: The System must permit Lottery staff to enter critical data (such as winning numbers) and receive displays and reports.		
Explanation/Supplemental Information:			
3.2.3	Requirement: Vendor must specify the amount of space and other environmental support required by the ICS configuration at the backup facility in Oak Brook, IL.		
Explanation/Supplemental Information:			
3.2.3.1	Requirement: The Vendor must provide and update as needed a Business Continuity Plan (ICS BCP) for the primary, secondary, backup, and test ICSs.		
Explanation/Supplemental Information:			
3.2.3.1	Desired Feature: The initial ICS BCP should be delivered before the ICS start-up date		
Explanation/Supplemental Information:			
3.2.3.1	Requirement: The ICS BCP must ensure continuation of the ICS functionality in the event of system failures or disasters impacting the ability to operate either the primary, secondary, or backup ICS. Provision shall also be made for the safe, secure off-site storage of original software, current systems configuration and data backups, software and configuration changes and other System documentation.		

Explanation/Supplemental Information:			
3.2.3.1	Desired Feature: The Proposal should contain an outline for, or sample of, a disaster recovery plan		
Explanation/Supplemental Information:			
3.2.3.2	Requirement: Before start-up, the Vendor shall produce and submit a summary of their disaster recovery plan for their infrastructure necessary to support the Illinois Lottery, since the Vendor's software development facilities and capabilities are critical for the term of the Contract.		
Explanation/Supplemental Information:			
3.2.4.2	Requirement: Vendor shall train Lottery personnel on the use and operation of the System. This includes but is not limited to, operation of the hardware, application software, balancing procedures, and out-of-balance procedures.		
Explanation/Supplemental Information:			
3.2.4.2	Requirement: The Vendor must provide training for Lottery staff, at Lottery offices or appropriate venues, or both, as approved by Lottery.		
Explanation/Supplemental Information:			
3.2.4.2	Requirement: Follow-up training must be provided when changes are made to the ICS for any new software.		
Explanation/Supplemental Information:			
3.2.4.2	Requirement: The Vendor must provide all procedure manuals (hard copy and electronic) before System start-up and provide follow-up training and updated manuals when any change is made.		
Explanation/Supplemental Information:			
3.2.4.2	Requirement: Training must be customized to meet the unique needs of Illinois Lottery employees performing specific primary and support activities in the following functional areas: IT Operations, Security Administration and Quality Assurance; Internal Audit; select groups requiring an executive overview.		
Explanation/Supplemental Information:			
3.2.4.3	Requirement: The Vendor shall provide on-call system technical support services twenty-four (24) hours a day, seven (7) days a week, 365 days a year.		
Explanation/Supplemental Information:			
3.2.4.3	Requirement: Team member who is on call must be able to respond (return the phone call and start troubleshooting the issue) within 15 minutes.		
Explanation/Supplemental Information:			
3.2.4.3	Requirement: Vendor must also describe its escalation procedure in the event that on-call personnel are unable to troubleshoot the problem within 30 minutes, or if the identified problem cannot be		

	resolved within 60 minutes, after the Lottery's call.		
Explanation/Supplemental Information:			
3.2.4.3	Requirement: The Vendor's proposal must identify how systems and software engineering support services for System administration, System error correction, changes to Lottery's games, and changes to administrative reporting requirements will be delivered in relation to the following: System Software Support. The Vendor must provide systems engineering support for System administration, corrections, updates, and enhancements. Good configuration management practices are vital. Application Software Support. The Vendor must provide support for development, changes, testing, and installation of ICS application software. Good configuration management practices are vital		
Explanation/Supplemental Information:			
3.2.4.4	Requirement: The System shall be delivered with a full set of tools for its operation and administration. Lottery will perform user account administration for operating systems, databases and applications. Otherwise, the Vendor shall provide all other systems, database and application administration and hardware and software maintenance tasks as part of its support obligation. Systems, database and application administration and maintenance responsibilities include, but are not limited to, operating system, database and application installation and configuration changes; security vulnerability assessment and management; coordination and fulfillment of all hardware maintenance; and licensing maintenance. Application responsibilities relate to all installed software components including third-party applications.		
Explanation/Supplemental Information:			
3.2.4.4	Requirement: Vendor must maintain documentation of all systems, database and application administration and maintenance events and make documentation available for Lottery review as requested.		
Explanation/Supplemental Information:			
3.2.4.4	Requirement: Vendor shall obtain replacement parts and maintenance services that are approved, recommended, or recognized by the original equipment and software suppliers as effective.		
Explanation/Supplemental Information:			
3.2.4.5	System Change Control and Configuration Management. The Vendor shall operate under well-defined change control and configuration management practices, as described below, which shall apply to all of the following components: documentation, procedures, specifications, program application source and object code, operating systems, database platforms, other third-party applications, host systems, and any other major System components. - The Vendor shall ensure through procedural and System controls that only Lottery-approved changes, on an approved schedule, can be made. Reports and displays shall be available to Lottery to review all related change and configuration management activities. - All changes to host systems or applications must first be completed on the related Quality Assurance systems. All changes approved by Lottery and completed for production systems must also be completed on the associated backup systems. - Checksums are required for software at the time it is released for Lottery testing, and must be available at any time for		

	back-up or ICS.		
	4. System components shall be documented with version and release numbers/patch versions, or model and serial numbers. 5. System components shall be traceable, identifying the history, use, and location of a component. 6. The Vendor shall track all changes made to System components, provide reports showing when and by whom a change was made and for what purpose, and must avoid multiple update conflicts. Change logs must reference associated planning documents and approvals. 7. The Vendor shall have the ability to produce a configuration status report identifying the current configuration of any System component as well as an inventory report including all System components. 8. For all host systems supporting gaming operations, an on-line backup of the current configuration is required to ensure these components can be restored quickly and limit the time period where the System would be operating in a non-redundant configuration in the case of a System or device failure. 9. The Vendor shall provide and maintain comprehensive System documentation for Lottery including but not limited to: security standards and processes, multi-jurisdictional security standards compliance documents, change control processes and procedures, daily balancing procedures, draw balancing, data dictionaries, third-party licensing documentation, etc. Documentation should be provided to Lottery prior to the go-live date for the ICS		
Explanation/Supplemental Information:			
3.2.4.6	Requirement: Vendor shall include a summary of their security plan with their proposal. The Vendor shall include a summary of their security plan with their proposal and present a complete security plan ready for approval by the Illinois Lottery before start-up.		
Explanation/Supplemental Information:			
3.2.4.6	Requirement: The Vendor must update the security plan as needed, and must cooperate with Lottery in demonstrating the effectiveness of the plan if requested.		
Explanation/Supplemental Information:			
3.2.4.6	Requirement: Proposers shall include the following sections in the final security plan. 1. Business Impact Analysis 2. Risk, Threat, and Vulnerability Analysis 3. Personnel Security Practices 4. Physical Security 5. Data Security 6. Systems Security 7. Application and Database Security 8. Patch Management 9. Incident Response 10. Protection of Software and Other Copyrighted Materials		

	11. Plan Evaluation		
	12. Training Sign On Procedures		
Explanation/Supplemental Information:			
3.2.4.6	Requirement: The security plan must address incident response procedures (e.g., in case of an electronic intrusion); periodic audits to ensure compliance with the security plan; and periodic meetings on security. The final security plan must follow a format approved by Lottery, must be approved by Lottery, and must comply with multi-jurisdictional security requirements (e.g. MUSL rules)		
Explanation/Supplemental Information:			