

STATE OF NEW HAMPSHIRE LOTTERY COMMISSION



RFP LOT 2020-01 Sports Wagering System and Services

August 7, 2019



Over \$2 Billion and Counting for our Schools

**STATE OF NEW HAMPSHIRE
LOTTERY COMMISSION**

**Sports Wagering System and Services
RFP LOT 2020-01**

SECTION 1 – Overview and Schedule

A. Executive Summary

Pursuant to RSA 287-I the New Hampshire Lottery Commission (“Lottery”) has been authorized to conduct and regulate sports wagering within the State of New Hampshire through the use of contracted agents and vendors. This legislation allows three channels of sports wagering. First, through an internet mobile platform (Mobile Channel). Second, through physical sports book retail locations (Retail Channel). Finally, through traditional lottery retailers (Lottery Channel). A copy of the relevant statutory language is attached to this Request for Proposal (RFP) as Appendix A. This RFP seeks proposals from prospective agents for sports wagering systems and services for all three channels. Proposers may submit a proposal for one, two, or all three channels. The Lottery reserves the right to select one Proposer or multiple Proposers within the limits set forth in RSA 287-I.

Proposers for all three channels will be asked to propose full-service solutions. The Lottery considers full service to include hardware, software, data networks, and fully integrated sports book services including market creation, market and event management, risk management, player acquisition and customer relationship management (CRM), responsible gaming program and integrity monitoring. The lottery currently utilizes a player account management (PAM) system and player wallet procured from Neo Pollard Interactive to support the New Hampshire iLottery platform. Proposers may propose an integration with the existing PAM system and player wallet or may propose a separate solution and payment process services. All such services must include Know Your Customer (KYC), Anti-Money Laundering (AML), and geo-location services. Regardless of the PAM system utilized, the Lottery strongly prefers a single sign-on functionality for both iLottery and sports betting platforms. All servers initiating wagers for the sports wagering platform must be located within the State of New Hampshire and the agent(s) must make all reasonable efforts to ensure that data relating to sports wagering remains within the State of New Hampshire.

Proposers wishing to submit a proposal for the Retail Channel should be aware of the requirement for local approval of the location within each city or town as set forth in RSA 287-I:6. In New Hampshire, the majority of cities hold local elections in November of odd numbered years. Towns generally hold town meetings or elections in March of every year. Due to the timing of these elections, the Lottery has informed the municipalities that have elections this fall that they will need to consider the issue of sports betting retail locations in their city during this election cycle or delay potential implementation until November of 2021. Towns will be able to consider approval of sports book retail locations in the spring of 2020.

A city or town approving a sports book retail location in their community does not guarantee that the municipality will be awarded a location, nor will the locations be awarded on a first come first serve basis. Rather, the Lottery will ask potential agents to propose locations and will approve locations that are in the best interests of the agent, Lottery and the State pending local approval pursuant to RSA 287-I:6 and any other required local permitting, licenses and approvals.

Pursuant to RSA 287-I:3 this procurement will be conducted in separate stages. This RFP will request submission of technical proposals and qualifications as set forth in detail in this document. After submission of technical proposals, and at the option of the Lottery, oral presentations and product demonstrations, the Lottery will select a number of Proposers who are best qualified to be sports betting agents based on the scoring criteria set forth in this document. Those Proposers will then be asked to provide a price proposal based on a percentage share of net gaming revenue from sports betting being paid to the Lottery. The Lottery may allow for varied price proposals based on factors including the agent operating multiple channels and the number of agents contracted for each channel. Proposers are advised that only the most qualified Proposers will be selected for invitation to submit price proposals and be eligible for award of a contract.

It is the Lottery’s intent to begin offering sports wagering as soon as practical after execution of the contract(s).

B. Schedule

The following table provides a Schedule of Events for this RFP through contract finalization and approval. Lottery reserves the right to amend this Schedule at its sole discretion and at any time through a published Addendum.

EVENT	DATE	LOCAL TIME
RFP Released to Proposers (Advertisement)	August 7, 2019	
Proposer Inquiry Period Ends	August 26, 2019	4:00 PM
Final Agency Responses to Proposer Inquiries	September 4, 2019	4:00 PM
Proposers Submit Technical Proposals	September 16, 2019	4:00 PM
Estimate Timeframe for Proposer Oral Presentations and Interviews (by invitation)	Week of September 30, 2019	
Price Proposal Due (by invitation)	October 10, 2019	
Estimated Notification of Selection and Begin Contract Negotiations	October 17, 2019	
Estimated Date of Approval of Final Contract	November 20, 2019	

SECTION 2 – Description of New Hampshire Lottery/Existing Lottery And State Gaming Infrastructure

The Lottery is an executive branch commission of the State of New Hampshire that is responsible for operating lottery sales and for regulating charitable gaming within the State. For the Fiscal Year 2019, the Lottery reported over \$384 million in revenue and generated a net profit of over \$100.7 million.

Pursuant to RSA 287-I, the Lottery is responsible for the operation and regulation of sports wagering within the State of New Hampshire. Lottery will operate the games through selected agents and vendors and also regulate the activities of the vendors and agents. The Lottery anticipates three distinct channels of sports wagering. First through an online internet based mobile platform (Mobile Channel), second through no more than 10 physical sports book retail locations (Retail Channel) and finally parlay and proposition sports wagers through a segment of the Lottery's existing network of approximately 1,400 retailers (Lottery Channel). The Mobile Channel is permitted to offer all three tiers of wagering as defined in RSA 287-I. The Retail Channel is permitted to offer Tier I and III wagers and the Lottery Channel is permitted to offer Tier III wagers only.

The Lottery launched an online/mobile lottery platform on September 4, 2018, which allows players to play e-instant tickets and purchase multi-state jackpot games. As of the end of June 2019, the Lottery had more than 46,000 registered iLottery users with more than 23,000 players having made at least one deposit on the system. As part of this iLottery platform, the Lottery has procured a (PAM) system and player wallet that is supplied and managed by NeoPollard Interactive.

The Lottery currently regulates 15 charitable game rooms throughout the State of varying sizes. The rooms and gaming employees are licensed through the Lottery after review of applications and background checks. Additionally, the game rooms are equipped with surveillance that has been reviewed and approved by the Lottery. Proposers for the Retail Channel are encouraged to review the existing game rooms within the State and determine if any of those existing facilities can be leveraged to offer retail sports betting.

The Lottery has over 1,400 lottery retailers within the State. The retail network is connected to a central gaming system operated by Intralot, Inc. The Lottery retail equipment is connected to the gaming system by a combination of cellular, satellite, and internet networks. Retailers utilize MP machines (kiosks), Microlots (desktop units), and LTVMs (vending machines). The Lottery has approximately 180 Keno retailers who utilize MPs in bar and tavern/adult environments.

SECTION 3 – Process for Submitting a Proposal

A. Proposal Submission, Deadline, and Location Instructions

Proposals submitted in response to this RFP must be received by Lottery no later than the time and date specified in the Schedule section herein. **Proposers may submit a single proposal for multiple channels but must clearly state what channels they are proposing to service in the introduction to the proposal. Proposers who submit for multiple channels may be awarded less than all of the channels proposed.** All proposals must be accompanied by an executed transmittal letter form, which is attached to this RFP as Appendix B. Proposals may be submitted by U.S. Mail, Delivery Service or in Person. Proposals must be addressed to:

State of New Hampshire Lottery Commission
c/o Charles McIntyre, Executive Director
14 Integra Drive, Concord NH 03301

Proposals must be clearly marked as follows:

**STATE OF NEW HAMPSHIRE
RESPONSE TO RFP LOT 2020-01
Sports Wagering System and Services**

Unless waived as a non-material deviation in accordance with Section 6B, late submissions will not be accepted and will be returned to the Proposer unopened. Delivery of the Proposals shall be at the Proposer's expense. The time of receipt shall be considered when a Proposal has been officially documented by the Lottery, in accordance with its established policies, as having been received at the location designated above. The Lottery accepts no responsibility for mislabeled mail or mail that is not delivered or is undeliverable for whatever reason. Any damage that may occur due to shipping shall be the Proposer's responsibility.

All Proposals submitted in response to this RFP must consist of at least:

- a) One (1) original and five (5) clearly identified hard copies of the Proposal, including all required attachments;
- b) One (1) original and one (1) clearly identified electronic copy of the Proposal, including all required attachments contained on digital media such as USB drive; and
- c) One electronic copy of the Proposal with all Confidential Information fully redacted, as provided for in Section 7E of this RFP.

B. Proposal Inquiries

All inquiries concerning this RFP, including but not limited to, requests for clarifications, questions, and any changes to the RFP, shall be submitted via email to the following RFP designated Points of Contact:

TO: Lynda Plante, Deputy Director, Lynda.Plante@lottery.nh.gov

CC: Amanda Laskey, Amanda.Laskey@lottery.nh.gov

Inquiries must be received by the Lottery's RFP Points of Contact no later than the conclusion of the Proposer Inquiry Period (see Schedule of Events section, herein). Inquiries received later than the conclusion of the Proposer Inquiry Period shall not be considered properly submitted and may not be considered.

The Lottery intends to issue official responses to properly submitted inquiries on or before the date specified in the Schedule section, herein; however, this date is subject to change at Lottery's discretion. The Lottery may consolidate and/or paraphrase questions for sufficiency and clarity. The Lottery may, at its discretion, amend this RFP on its own initiative or in response to issues raised by inquiries, as it deems appropriate. Oral statements, representations, clarifications, or modifications concerning the RFP shall not be binding upon the Lottery. Official responses by the Lottery will be made only in writing by the process described above.

C. Restriction of Contact with Agency Employees

From the date of release of this RFP until an award is made and announced regarding the selection of a Proposer, all communication with personnel employed by or under contract with the Lottery regarding this RFP is forbidden unless first approved by the RFP Points of Contact listed in the Proposal Inquiries section, herein. Lottery employees have been directed not to hold conferences and/or discussions concerning this RFP with any potential contractor during the selection process, unless otherwise authorized by the RFP Points of Contact. Proposers may be disqualified for violating this restriction on communications.

D. Validity of Proposal

Proposals must be valid for one hundred and eighty (180) days following the deadline for submission of Proposals in Schedule of Events, or until the Effective Date of any resulting Contract, whichever is later.

SECTION 4 – Proposed Scope of Work

The successful Proposer(s) will operate a sportsbook within the limits prescribed by RSA 287-I and all administrative regulations promulgated by the Lottery pursuant to that statute. The selected Proposers will be responsible for the following areas of responsibilities:

I. Creation of a New Hampshire Sports Betting Skin (All Channels)

The successful Proposer(s) will be responsible for the creation and implementation, in consultation with the Lottery, of a “skin” or brand for the sports betting platform. Proposers are advised that they can propose existing skins or brands that are in use in the market, a New Hampshire specific brand or a hybrid skin with the existing brand but identifying the New Hampshire nature of the product. The Proposer will be responsible to refresh their skin at least every three (3) years unless a different timeframe is agreed to between the contractor and Lottery.

II. Buildout of Retail Space (Retail Channel)

The successful Proposer(s) will need to identify up to ten (10) retail environments for the creation of sports books within the State. Each proposed location must be approved by the Lottery. The Proposers will be responsible to build out the space in a manner that is consistent with the approved skin/branding. Each retail environment will be operated in compliance with security and internal controls as approved by the Lottery. The Lottery is seeking retail sports books that are first-rate entertainment venues with commercially appealing location, atmosphere and décor. The Proposer will be responsible to install and operate a sufficient number of tills, kiosks and “bring your device” (BYD) technologies. Retail shops may be stand-alone or co-located with existing adult centered retail environments as approved by the Lottery.

III. Customer Acquisition (All Channels)

The successful Proposer(s) will be responsible for implementing a customer acquisition program. Proposer may utilize e-mail marketing, bonus structures, and affiliate programs to support customer acquisition. Proposer will also be expected to use their resources to market their sports book offering(s) in New Hampshire and coordinate with Lottery’s marketing team and vendors to support advertisement of the overall sports betting program.

IV. Sports Betting Platform Hardware, Software and Networking (All Channels)

The successful Proposer(s) will be responsible for providing a full-scale sports betting platform. Proposer must have an established sports betting software platform that is currently in use in at least three jurisdictions. Proposer will be responsible for procuring and operating at least two servers, one production system and one disaster recovery system, to support sports wagering within the State and any associated equipment including firewalls, UPS, cabling, etc. The Proposer must locate both the primary and disaster recovery server within the State of New Hampshire in a physically secure environment. Proposer will be responsible for ensuring the security of the location. Equipment must be approved by the Lottery. Proposer shall be responsible for all networking for the system. Proposer shall ensure that the system balance loads

during high transaction periods. The Lottery shall be granted access to the sports betting system through a back office portal.

V. Local Personnel Support (All Channels)

The successful Proposer(s) shall provide a project manager who will be the primary point of contact with the Lottery. Proposer must also provide 24/7 technical support for the sports betting platform and for retail and lottery equipment utilized in the sports betting program.

VI. Sports Betting Services (All Channels)

The successful Proposer(s) shall be responsible for providing all ancillary services required to operate the sports betting platform including event creation, market creation, odds compilation and management, risk management, content management and bet settlement. Each channel should provide relevant customer support and sales support for sports wagering within the channel, including a call center. In addition, the successful Proposer(s) will be responsible for providing real-time or near real-time player analytics, business intelligence reporting and tailored CRM services informed by those analytics.

VII. Player Account Management and Player Wallet (Mobile Channel)

The successful Proposer(s) will need to provide a PAM system and player wallet. Proposers may, but are not required to, propose integration with the existing lottery player account management and player wallet. The Proposer will be responsible for ensuring, either directly or through integration of systems the geolocation of a player, KYC requirements including identity, age and eligibility to play, all relevant AML compliance requirements, and fraud protection and detection. Proposer shall either directly, or through integration of systems, accept payments as allowed by New Hampshire law and pay players winnings and refunds. Proposer shall ensure that its payment processing systems are PCI compliant.

VIII. Responsible Gaming and Integrity Monitoring

The successful Proposer(s) will have a responsible gaming program that has been reviewed and approved by the Lottery. The plan should include responsible gaming tools that are embedded in the Proposer's systems, policies and procedures. Further, the Proposer will participate in sports integrity monitoring programs or services as approved by the Lottery.

IX. Financial Reporting and Auditing

The successful Proposer(s) will be responsible for providing financial reporting on all sports betting activities and for periodically performing internal and third-party audits of their accounting system by reputable third-party companies approved by the Lottery. Proposers will be responsible for providing annual System and Organization Controls II (SOC II) audits, SSAE reporting and all required IRS reporting. Proposers will also be responsible to push transaction data to a trusted independent third-party provider to allow for reconciliation with the Proposer's sports betting transaction data. Proposer(s) will need to work with the Lottery to develop a process for reporting and transfer of the Lottery's revenue share.

SECTION 5 - Content and Requirements for a Proposal

Proposals shall address in detail the following topics within the page limitations. Proposers shall answer all areas indicated for the channel they are proposing. Due to the fact that this is a recently legalized activity that has not been offered by the State before, Proposers are advised that the Lottery wishes to consider the broadest range of potential goods and services available. When discussing the technical solution, Proposers are encouraged to address a preferred solution while highlighting alternate capabilities that the Proposer may be able to offer to the Lottery in fashioning a sports betting product that fits the New Hampshire market. The Lottery will evaluate the proposals on the strength of the proposed solution and the capabilities of the Proposer to be flexible in their approach as the Lottery learns more about the sports betting market within the State.

The Proposals shall address the following questions:

A. Describe the Proposer's History, Business Structure, Experience and Capabilities (All Channels)

Proposer shall provide the following information:

I. General Information

- a. Legal Name of the Proposer's business;
- b. Name the Principal(s) of the business;
- c. Name, telephone number and email address of the representative authorized to discuss this Proposal on behalf of the Proposer;
- d. Number of employees of the Proposer's business;
- e. Date of establishment of the Proposer's business;
- f. An organizational chart of the Proposer's business, including all partners and officers;
- g. A list of all parent or subsidiary companies and an explanation of their relationship to the Proposer; and
- h. A list of all owners of greater than 5% of the Proposer's business.

II. Financial Information

- a. Provide audited financial statements for the previous five (5) years;
- b. A summary of the financial resources available to the Proposer to execute this project; and
- c. Disclose any bankruptcy, insolvency, re-organization involving the Proposer, its parent company, subsidiary companies or any subcontractors that the Proposer intends to rely on to provide services pursuant to this RFP.

If a Proposer experiences a material change in financial condition between the time of proposal and the date of award or during the term of any resultant contract, Proposer must notify Lottery of such change of condition within a reasonable time after that change is known. Financial stability being a key condition for performance of the contract, the Lottery reserves the right to disqualify a Proposal or terminate a resultant contract based on a material change of condition that may impact the Proposer's ability to successfully perform the services sought in this RFP. "Material Change" is defined as any event that, following Generally Accepted Accounting Principles (GAAP) would require disclosure in the annual

report of a publicly traded United States corporation or that would be required to be disclosed under State or Federal law.

III. Experience and Capabilities

- a. Generally describe the Proposer's business and capabilities with an emphasis on the capability to provide sports betting services associated with the channel being proposed.
- b. Indicate the persons from the Proposer who will be principally responsible for the implementation of the services proposed if the Proposer is awarded a contract. For each person provide their name and job title, biography of their experience in sports betting and their responsibilities in the RFP process and ultimate implementation of services.
- c. List all jurisdictions where the Proposer and parent company have been licensed or otherwise authorized by contract or otherwise to conduct sports betting operations, including the date of licensure or authorization. Please indicate whether the licenses or authorizations granted are still valid and in effect. Please disclose any disciplinary actions taken against Proposer's license or authorization within the last ten (10) years. Please further describe any disciplinary actions taken by any regulatory agency against any owner, partner, officers, directors, employees or agents of Proposer. The same information shall be provided for any subcontractor that the Proposer intends to rely on to deliver services to the Lottery pursuant to this RFP.
- d. Please provide a list of three (3) references, including name, telephone number and email address, of organizations or businesses ("clients") that the Proposer has provided sports betting related services for in the past three (3) years. Please provide for each reference the name of the client, the jurisdictions in which the services were provided, the dates that the services were provided and the volume of the services provided as expressed by the number of registered players or the number of betting transactions handled on an annual basis for that client.

IV. Integrity and Ethics

- a. Proposer shall identify any conviction, judgment, administrative proceedings or investigations in the past five (5) years by local, state or federal law enforcement authority against the Proposer, its parent company, subsidiary companies or any subcontractors that the Proposer intends to rely on to provide services pursuant to this RFP.
- b. Proposer shall disclose the details of any litigation during the past five (5) years, whether complete or active, involving the Proposer, its parent company, subsidiary companies or any subcontractors that the Proposer intends to rely on to provide services pursuant to this RFP.
- c. Identify any person who will receive a commission or other value from the Proposer or any associated entity if the Proposer is selected to provide sports betting services.
- d. Has the Proposer or any subcontractor that the Proposer intends to rely on been assessed any penalties or liquidated damages during the past two (2) years on any contract. If so, please list the client and the circumstances surrounding the assessment of the penalty or damages.
- e. Has the Proposer or any subcontractor that the Proposer intends to rely on been terminated, either for cause or for convenience during the past five (5) years on any contract. If so, please list the client and the circumstances surrounding the termination.

- f. Has the Proposer, its parent company, subsidiary companies or any subcontractors been the subject of any order, judgment or decree of any state or federal authority barring, suspending or otherwise limiting the right of those businesses to engage in any business, practice or activity.
- g. Identify any actual or potential conflicts of interest that may arise from the award of a contract to the Proposer pursuant to this RFP and identify how the Proposer plans to address any actual or potential conflicts.
- h. Please provide a copy of any letter provided from a regulatory jurisdiction, foreign or domestic, addressing any investigations, findings, fines, fees, and/or discipline relating to sports betting activities.

The Lottery expects complete candor from Proposers in addressing this section. Any lack of candor on these questions may be cause, at the discretion of the Lottery, for immediate disqualification of the Proposal.

B. How would you propose to design and implement a mobile sports betting platform for the New Hampshire market? (Mobile Channel Only)

RSA 287-I:7 allows the State of New Hampshire, through its contracted agent(s) to operate all tiers of mobile sports wagering within the State. The Lottery may select one (1) or up to five (5) agents. In narrative form, please address how you would implement a mobile sports wagering platform within New Hampshire. Please note that specific questions addressing technical and compliance parts of the system will be addressed elsewhere in this RFP. Proposers are encouraged within the narrative to address, at a minimum, the following matters:

- a. Branding or skin of a proposed mobile site (existing brand, New Hampshire-specific brand or hybrid) and the rationale behind the selection of the skin;
- b. Player acquisition model, including leveraging of the Lottery's existing player database, advertising and affiliate programs and marketing budget;
- c. Availability of a mobile app either for direct betting or as a portal to a web-based sports betting platform and whether the app conforms to Apple and Android technical requirements in the United States;
- d. Proposed player account management, player wallet, and payment processing systems;
- e. The feasibility of single sign-on with the Lottery's existing iLottery platform;
- f. Timeframe to implement mobile wagering from award of contract;
- g. Proposer's experience in similar markets including lessons learned from those implementations that can be used in New Hampshire;
- h. The effect of having either an exclusive mobile wagering skin or multiple sports wagering skins; and
- i. The Proposer's existing database of potential New Hampshire players.

Proposers are encouraged in this section to address their preferred path and product for implementation while also describing alternatives that can be available to the Lottery in fashioning a mobile sports wagering market. (Page limit 15 pages)

**C. How would you propose to design and implement a retail betting channel in New Hampshire?
(Retail Channel Only)**

RSA 287-I:5 allows the Lottery, through a contracted agent, to accept all wagers except in-play wagers as defined by the statute at sports book retail locations. There may be no more than 10 such locations within the State that must get approval within each municipality. The Lottery will reserve the right to award less than all ten (10) locations in this RFP, to award all locations to a single agent, or to award multiple agents different locations. In narrative form, Proposers are asked to explain how they would design and implement a retail betting channel within New Hampshire. Proposers are asked to consider the following in their narrative response:

- a. The branding for sports book retail locations including representative photographs and/or renderings of the sports book environment;
- b. The optimal number of retail locations (not to exceed 10);
- c. Proposers experience with retail environments in similar jurisdictions;
- d. The proposed towns or municipalities where Proposer would like to locate retail shops;
- e. Any known locations where Proposer has an agreement or letter of interest to locate;
- f. How Proposer would leverage existing licensed gaming facilities within the state;
- g. Whether Proposer would have stand-alone shops or co-locate with existing retail establishments or a combination of both;
- h. Brand and model of sports betting equipment, such as tills and kiosks to be used in the retail environment;
- i. Proposed size of shops in terms of square footage, number of tills or kiosks to accept bets. If Proposer anticipates varying the size of shops, please advise of the different footprints envisioned;
- j. Marketing and acquisition plan including marketing budget;
- k. Ability to leverage players own mobile devices within the retail environment;
- l. Timeframe for implementation from the date of award;
- m. Number of employees anticipated to be hired at the retail shops;
- n. Proposed hours of operations; and
- o. Overview of internal controls and security requirements for retail environments.

Proposers are encouraged in this section to address their preferred path for implementation of a retail channel while also describing alternatives that can be available to the Lottery in fashioning a retail sports wagering product. (Limit 20 pages).

D. How would you propose to design and implement a lottery-based sports betting product? (Lottery Channel Only)

Pursuant to RSA 287-I:5, the Commission is authorized to directly engage in Tier III sports wagering and to utilize vendors to support this initiative. Proposers are asked in narrative form to describe how they would design and implement a Tier III sports wagering program in connection with the Lottery's existing lottery retail network. Within the narrative response, the Proposers shall consider the following:

- a. The branding for lottery sports wagering games;
- b. Customer acquisition and advertising plan and budget for Tier III lottery sports wagering;
- c. The types of games/wagers that would be offered within the Tier III sports wagering category including proposed prize payout/house win models;
- d. How would Proposer leverage the existing retailer network;
- e. Would Proposer integrate with existing lottery terminals or require new hardware for lottery retailers;
- f. If the Proposer envisions using separate hardware in lottery retailers, please note the type, brand and model of the hardware with the space requirements;
- g. How would Proposer leverage the Keno retailer subset of the existing retailer network;
- h. What would be the time for implementation from the date of award;
- i. What integration would be necessary with the Lottery's existing lottery gaming system; and
- j. An overview of the internal controls and security requirements in a retail environment.

Proposers are encouraged in this section to address their preferred path for implementation of a lottery channel while also describing alternatives that can be available to the Lottery in fashioning a lottery-based sports wagering product. (Page limit 20 pages).

E. Proposed Economic Development Within the State (All Channels)

Pursuant to RSA 287-I:3, the Lottery is required to consider the Proposer's contribution to economic development within the State. The Lottery seeks Proposers who are invested in the New Hampshire market and integrate into the community in which they sell their services. Proposers are asked to address in narrative form how they will contribute to economic development within the State. Specifically, Proposers are asked to address how many and what type of jobs will be created within the State, whether Proposer will move any aspect of their company's operations within the State beyond what is essential to conduct the services required in the contract, whether the Proposer anticipates leasing or purchasing space within the State of New Hampshire, and any other activities that will demonstrate a commitment to the communities of New Hampshire. (Page Limit 8 pages).

F. Describe Your Sports Betting Hardware and Software Solution (All Channels)

Proposer is asked to provide a description of the hardware and software solution it is proposing to utilize if awarded a contract. Please describe the solution including a detailed description and specifications of the following:

- a. The core betting software including middleware applications and services;
- b. The core betting hardware including servers, middleware servers, firewalls, routers, switches;
- c. Retail hardware and software for tills, kiosks, BYD solutions, cash validators and identity validators on self-service machines, payment card readers (Retail and Lottery Channels only);
- d. Ability of system to balance loads and handle high volume transaction periods;
- e. Sports data feeds utilized, including whether the Proposer intends to contract for official data feeds or utilize alternate data feeds;
- f. Risk Management software;
- g. Business Intelligence solution;
- h. CRM software system;
- i. Bet settlement tools if outside of the core system;
- j. Websites and mobile applications (Mobile only);
- k. Geolocation Services;
- l. Player account manager; if not utilizing the Lottery's existing PAM;
- m. Payment processing services;
- n. Player wallet solution;
- o. Hardware and software solution for creating an independent transaction record with a trusted third party; and
- p. Security measures to ensure confidentiality of wagering information, personal information and financial information.

Proposers should highlight both the customer and back end interface with the system. Specifically, the proposal should highlight how the player will engage the system from sign-on account creation, through payment or deposit, play on the system, and withdrawal. Proposers should also describe the back-end or back office system access that would be available to Lottery and the reporting and monitoring capabilities built into the systems.

Proposers should describe how their solution will be constructed in terms of integration with third-party providers. For each such integration, please identify if the Proposer has integrated with that provider before for the specific services or software being proposed in this solution.

Proposer shall provide GLI or similar certifications, if applicable, for each piece of hardware and software that it will rely on in production. Pursuant to RSA 287-I, all servers which initiate sports wagers must be located within the State of New Hampshire. Proposer will be responsible to validate that bettors are eligible to bet and are within the borders of the State of New Hampshire at the time of each wager and at the time of each deposit or payment based on a wager.

Proposers should highlight the availability of their systems including guaranteed uptime, full system redundancy with completely mirrored hardware and software at the primary and disaster recovery locations; automated and operator prompted failover with no or extremely limited interruption and no loss or corruption of data, transaction level synchronization between primary and disaster recovery programs. Proposers are asked to propose guaranteed service levels for the software and hardware solution.

In addition to a narrative response, Proposers are asked to provide specifications for the hardware and software proposed. (Limit 20 pages, plus attached specifications)

G. Sports Betting Associated Services (All Channels)

Proposers should describe how they will provide the services associated with operation of a full scale sports betting environment, including a detailed description of the personnel and processes for each of the following:

- a. Market Creation, Management, and Trading;
- b. Odds Compilation and Management;
- c. Risk Management, including system and manual controls on specific bettors, bet types and bet limits. Proposers should provide a proposed risk management strategy and controls for Lottery's approval while highlighting the ability to change risk management strategies if required;
- d. Bet Settlement;
- e. Project Management;
- f. Customer Relationship Management;
- g. Marketing and Advertising;
- h. Payment Processing;
- i. Customer Service/ Retailer Service and Training; and
- j. Technical/IT Assistance.

Proposers should highlight their capabilities and resources in these defined areas and how they would propose to deploy those capabilities and resources to support New Hampshire sports betting. Proposers should also feel free to highlight additional value-added services that are not specifically identified in this document. (Limit 20 pages)

H. Compliance (All Channels)

Please provide the Proposer's plan, including any existing policies and procedures for compliance with the following statutory requirements:

- a. Age Verification;
- b. Identity Verification;
- c. Geo-fencing/Geolocation (Mobile Channel Only);
- d. Surveillance plans for sports book locations (Retail Channel Only);
- e. Security mechanisms to ensure confidentiality of wagering and personal information;
- f. Physical and Logical Security for the sports betting platform and physical locations including access control;
- g. Employment and contractor background checks;
- h. Identification of Fraud or Suspicious Activity;
- i. Integrity monitoring and reporting including current membership in integrity monitoring programs and systems;
- j. Security system testing of the sports betting platform;
- k. Third-party auditing of financial transactions within the sports betting platform, including if appropriate, an independent control system;
- l. Identification and blocking of Prohibited Sports Bettors as they are defined by RSA 287-I;
- m. Procedures to prevent past posting of wagers;
- n. Cash reserve policies (Retail Locations);
- o. Anti-Money Laundering policies and procedures;
- p. Internal Revenue Service reporting; and
- q. Segregation of Duties.

In addition to a narrative response addressing these issues, Proposers are asked to provide a current example of house rules or betting rules used by Proposer. Proposers are also requested to submit a preliminary security and internal control report and computer security report as required by RSA 287-I:8. Proposer should feel free to address any other compliance programs or procedures not specifically addressed above. (Limit 20 pages plus attachment of house rules and preliminary reports)

I. Responsible Gaming (All Channels)

Proposer shall identify and describe their proposed responsible gaming practices and controls. Proposer shall provide a detailed explanation of their proposed policies, practices and tools related the following areas:

- a. Underage gaming including processes for age verification in each channel that the Proposer seeks to provide services;
- b. Responsible gaming including identification of problem gaming activity and referral for services;
- c. Self-exclusion including detail on the controls in place to prevent marketing to persons that have self-excluded;
- d. Responsible gaming messaging within the system or betting environments;
- e. Advertising and marketing standards including not targeting underage groups, not targeting marginal or at-risk groups;
- f. Proposed betting and/or deposit limits on a daily/weekly/monthly basis; and
- g. Player protection including imposed gaming breaks, wellness or reality checks.

In addition to a narrative response, Proposer may provide any existing corporate policies relating to Responsible Gaming. (Limit 10 pages plus attachments)

J. Accounting System and Auditing (All Channels)

Proposer will describe their proposed accounting and auditing practices including:

- a. Ability to integrate with the State of New Hampshire financial system;
- b. SSAE compliance;
- c. Programs for properly accounting for gross and net revenues, prize amounts and commissions in order to calculate revenue share percentages agreed to under the contract;
- d. System reporting for financial information consistent with GAAP standards;
- e. Internal control standards for financial transactions including segregation of duties;
- f. W-2G reporting and all other aspects of IRS reporting;
- g. Internal auditing processes; and
- h. Third-party auditing, including SOC II reports.

Additionally, the Lottery wishes to implement a system where bet transactions are sent periodically to a trusted third-party source to allow for reconciliation between the independent bet transaction data and the sports betting platform transaction data. Proposers must submit a solution that is procured by Proposer and does not require hosting or support from the Lottery.

SECTION 6 – Evaluation of Proposals

A. Criteria for Evaluation and Scoring

In conducting this RFP, the Lottery is seeking to make a selection of an agent or agents based on the general principles stated below:

1. The Lottery intends to select one or more entities that have substantial history in similar markets, and are of the highest quality and ethical standard in the gaming industry.
2. The Lottery seeks entities that wish to partner with the Lottery in a collaborative manner. RSA 287-I does not create a “tax and regulate model.” Rather, companies will be working as agents of the Lottery and will be evaluated based on their ability to work with the Lottery in creating and operating the New Hampshire sports betting market.
3. The Lottery seeks agents that propose branding and/or retail spaces that are suited to the New Hampshire market and the State’s aesthetic.
4. The Lottery seeks a partner that is invested in the New Hampshire market and is willing to commit long-term personnel and resources to the State.
5. The Lottery is seeking cutting-edge hardware and software solutions that are flexible and can be adapted as the New Hampshire sports betting market becomes more defined.
6. The Lottery seeks an agent that can work with Lottery in creating and managing an overall market strategy and risk management strategy and that has system tools that allow flexibility in these strategies over the course of the contract.
7. The Lottery is seeking a full suite of sports betting services with ongoing project management that will serve as a bridge between the services and the Lottery.
8. The Lottery is seeking companies that are dedicated to identifying and curbing problem gaming within the State and have processes and tools to address these issues.

Based on the principles set forth by the Lottery, each responsive proposal will be evaluated and considered with regard to the following specific criteria:

I. Company Experience, Resources, Financial Stability (125 points)

Considering the information provided in response to Section 5, I-III, the Lottery will award points based on:

- a. The overall strength and experience of the company in the sports betting space specifically and the legal gaming space generally;
- b. The past experiences of the company performing similar work in analogous markets paying attention to information gleaned from references;
- c. The financial capacity of the company to perform the work proposed, particularly in light of start-up costs associated with the proposal; and
- d. The quality and experience of the personnel dedicated to the New Hampshire sports betting project.

II. Company Integrity and Ethics (100 points)

Considering the information provided in response to Section 5, IV, Lottery will award points based on:

- a. The criminal history associated with Proposer, affiliated company or subcontractor awarding points to those companies who have provided gaming services without a history of criminal conduct;
- b. History of administrative or regulatory issues with the Proposer's business practices awarding points to those companies that have demonstrated an ability to operate in regulated jurisdictions without incurring penalties, fees, fines or other administrative or regulatory actions; and
- c. The absence of conflicts of interest or the identification and appropriate management of any potential or real conflicts of interest.
- d. History of contract issues with clients including damages, penalties or terminations awarding points to those companies that demonstrate the ability to comply with contract provisions.

Negative histories in these areas will be cause for the Lottery to not award points for this section. Lottery advises Proposers that it may conduct independent research in these areas to validate the claims made in the proposal.

III. General Design and Implementation of the Sports Betting Product (150 points)

Considering the information provided in Section 5B for Mobile Channel, Section 5C for Retail Channel and Section 5D for Lottery Channel, Lottery will award points based on:

- a. The fit of the proposed skin and branding for the New Hampshire market. While a brand need not be New Hampshire specific, Proposer should identify the rationale for selecting the brand for this market based on market research, local aesthetic or existing brand strength in the market;
- b. Understanding of the New Hampshire market in the proposal. The Lottery will evaluate whether Proposer provided a rationale for marketing, player acquisition and locations of retail shops that demonstrate an intelligent approach to the New Hampshire market. With respect to retail shops, points will be awarded based on the design of the retail sports book facilities as first-class entertainment venues with modern commercially appealing design and décor as well as demonstrating functionality for sports bettors;
- c. Flexibility of the Proposer to adjust the sports betting product during the lifetime of the contract;
- d. The ability to successfully leverage existing Lottery resources and the State's existing gaming infrastructure;
- e. General strength of the proposed sports betting product, including the Proposer's understanding of the unique challenges and opportunities with each channel that is being proposed; and
- f. Ability to align sports betting in a manner that supports and enhances existing Lottery products, including use of a single sign-on for iLottery and sports betting, if appropriate.

IV. Economic Development in New Hampshire (100 points)

Considering the information provided in Section 5E, Lottery will award points based on:

- a. Personnel and operations which will be located in New Hampshire, with a particular emphasis on high level or multi-jurisdictional operations that will be located in the State;
- b. Investment in retail and office space in New Hampshire including the potential to co-locate Lottery employees in the company's space. For companies that already have locations or personnel within the State, only additional investments and personnel will be awarded in this section; and
- c. Other commitments and investments to the well-being and health of the New Hampshire community.

V. Strength of the Sports Betting Hardware and Software Solutions (175 points)

Considering the information provided in Section 5F, Lottery will award points based on:

- a. The strength of the core betting software product including ease of use for player and Lottery, flexibility of software system, speed and accuracy of the betting platform in setting and adjusting odds before and during an event. Particular emphasis will be given to the reliability, redundancy and stability of the system and network architecture;
- b. The central system hardware and networking infrastructure. The Lottery strongly prefers a solution that is entirely vendor hosted and supported with no requirement for the Lottery to host or support hardware or software;
- c. End user hardware and software solutions, including websites, apps, self-service terminals and kiosks, tills, BYD hardware and software;
- d. Software programs that support the ancillary sports betting services including, but not limited to, odds creation and management and risk management; and
- e. For any account-based wagering proposed, the full-service solution including player account management and player wallet solution or integration with Lottery's existing services, built-in compliance and responsible gaming (RG) tools and payment processing solutions.

VI. Strength of the Proposer's Sports Betting Services (175 points)

Considering the information provided in Section 5G, Lottery will award points based on:

- a. Proposer's strength in event creation in terms of number and consumer appeal, odds compilation and management, risk management and bet settlement. Particular attention will be given to the Proposer's risk management strategies and the ability to be flexible in their risk management approach through the use of technology or manual processes;
- b. Proposer's technological and human resources in trading services including the ability to handle live markets with particular attention provided to the speed and accuracy of the data feeds utilized by traders and the core betting system;
- c. Proposer's dedication to strong project management for the New Hampshire project including the strength of any proposed candidates for that position that are identified in the proposal;

- d. Proposer's plan and budget for marketing/advertising, customer acquisition and retention. This includes the ability to market to Proposer's current player database, if any, and the New Hampshire player database; and
- e. Customer support services including call center, IT support and payment processing.

VII. Proposer's Compliance Program (75 points)

Considering the information provided in Section 5H, Lottery will award points based on:

- a. Understanding the compliance requirements set forth in RSA 287-I and general industry standards;
- b. Overall compliance program including the technical support for age verification, identity verification, geolocation, fraud monitoring, AML practices;
- c. Security program for all areas proposed including retail, physical, data center and virtual environment; and
- d. System controls and compliance tools embedded in the software and hardware solutions and how those tools are augmented with manual controls.

VIII. Responsible Gaming (75 points)

Considering the information provided in Section 5I, Lottery will award points based on:

- a. Proposer's overall commitment to responsible gaming practices with an emphasis on the Proposer's experience in developing and implementing policies and messaging in other jurisdictions;
- b. Established technical solutions for responsible gaming embedded in the proposed software solutions including but not limited to self-exclusion functionality, bet limits, wellness checks, financial health checks, cooling-off periods; and
- c. Relationships with independent responsible gaming groups or providers including a description of Proposer's relationship with those entities.

IX. Accounting and Audit Program (25 points)

Considering the information provided in Section 5J, Lottery will award points based on:

- a. Proposer's plan and technical capabilities to establish a financial recording and reporting structure that will provide the Lottery a means of monitoring and auditing sports betting financial transactions;
- b. Proposer's internal and external auditing programs;
- c. Ability to ensure compliance with all IRS reporting requirements; and
- d. Ability to push transaction data to a trusted third-party to enable reconciliation with the transaction data on the central betting system. Proposers will be evaluated based on their ability to propose and implement a solution that does not require hosting or support by the Lottery.

Pursuant to RSA 287-I, this RFP will be a multi-step process. The proposals requested in this document will be considered the “technical proposal.” No price proposals will be requested at this time. All responsive technical proposals will be evaluated as set forth in this RFP. Based on the scoring, Lottery will identify the best technical proposals in each channel and will invite a select number of Proposers for oral interviews and product demonstrations. Following oral interviews, Lottery will ask for price proposals from select Proposers. If Lottery determines to make an award after review of price proposals, Lottery will issue an “intent to negotiate” notice to the selected Proposers. Should the Lottery be unable to reach agreement with the selected Proposer(s) during contract discussions, Lottery may then undertake contract discussions with the next preferred Proposer and so on; or Lottery may reject all proposals, cancel this RFP, or solicit new proposals under a new acquisition process.

As detailed above, Lottery will use a scoring scale of 1000 points, which will be distributed as set forth in the table below.

CATEGORIES	POINTS
Company Experience, Resources, Financial Stability	125
Company Integrity and Ethics	100
Design and Implementation of the Sports Betting Product	150
Economic Development in New Hampshire	100
Strength of the Sports Betting Hardware and Software Solutions	175
Strength of the Proposer’s Sports Betting Services	175
Proposer’s Compliance Program	75
Responsible Gaming	75
Accounting and Audit Program	25
TOTAL POTENTIAL MAXIMUM POINTS AWARDED	1000

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B. Planned Evaluations

Lottery plans to use the following process:

- Initial screening to ensure that the proposals are in compliance with submission requirements;
- Preliminary evaluation of the proposals;
- Oral interviews and Product Demonstrations by invitation to select Proposers;
- Final Evaluation of Technical Proposals and scoring;
- Invitation to present Price Proposals to select Proposers;
- Review of Price Proposals and final scoring; and
- Select the highest scoring Proposer(s) and begin contract negotiation.

C. Initial Screening

Lottery will conduct an initial screening step to verify Proposer compliance with the technical submission requirements set forth in the RFP and the minimum content set forth in Section 5 of this RFP. Lottery may waive or offer a limited opportunity to cure immaterial deviations from the RFP requirements if it is determined to be in the best interest of the State.

D. Preliminary Technical Scoring of Proposals

Lottery will establish an evaluation team to initially score the Technical Proposals. This evaluation team will review the technical proposals and give a preliminary score to the technical proposals under the guidelines set forth in Section 6. Only those Proposers who are considered best qualified will be invited to participate in the remainder of the RFP process.

E. Oral Interviews and Product Demonstrations

Proposers may be invited to oral interviews and/or product demonstrations including demonstrations of any proposed automated systems or technology components. Lottery retains the sole discretion to determine whether to conduct oral interviews, with which Proposers and the number of interviews. Proposers are advised that the Lottery may conduct interviews with less than all responsive Proposers.

The purpose of oral interviews and product demonstrations is to clarify and expound upon information provided in the written proposals. Proposers are prohibited from altering the basic substance of their proposals during the oral interviews and product demonstrations. Lottery may ask the Proposer to provide written clarifications of elements in their Technical Proposal regardless of whether it intends to conduct oral interviews.

Information gained from oral interviews and product demonstrations will be used to refine technical review scores assigned from the initial review of the proposals.

F. Final Technical Scoring of Proposals

Following oral interviews, product demonstrations, reference checks, and/or review of written clarifications of proposals requested by Lottery, the evaluation team will determine a final score for each Technical Proposal.

G. Price Proposal Review

Upon completion of scoring of the Technical Proposal, the Lottery will invite a select number of the best qualified Proposers to offer a Price Proposal.

Proposers are advised that **this is not a low bid/high bid award** and that only those Proposers who are deemed best qualified on the basis of their Technical Proposal will be invited to submit a Price Proposal.

H. Final Selection

The Lottery will, after final approval by the Lottery Commission, conduct a final selection for each channel based on the evaluation of the proposals and begin contract negotiations with the selected Proposer(s).

I. Rights of Lottery in Accepting and Evaluating Proposals

Lottery reserves the right to:

- Make independent investigations in evaluating Proposals;
- Request additional information to clarify elements of a Proposal;
- Waive minor or immaterial deviations from the RFP requirements, if determined to be in the best interest of the State;
- Omit any planned evaluation step if, in Lottery's view, the step is not needed;
- At its sole discretion, reject any and all Proposals at any time;
- Request a Best and Final Offer from a select number of best qualified Proposers, if in the opinion of the Lottery, it is in the best interest of the State. Proposers are advised that due to the timeframe of this RFP process, a Best and Final Offer may not be conducted and therefore, Proposers are advised to submit their most competitive "price" if invited to submit a Price Proposal.
- Open contract discussions with the next highest scoring Proposer and so on, if the Lottery is unable to reach an agreement on contract terms with the preferred Proposer(s).

SECTION 7 – Terms and Conditions Related to the RFP Process

A. RFP Addendum

Lottery reserves the right to amend this RFP at its discretion, prior to the Proposal submission deadline. In the event of an addendum/addenda to this RFP, Lottery, at its sole discretion, may extend the Proposal submission deadline, as it deems appropriate.

B. Non-Collusion

The Proposer's signature on a Proposal submitted in response to this RFP guarantees that the prices, terms and conditions, and Work quoted have been established without collusion with other Proposers and without effort to preclude Lottery from obtaining the best possible competitive Proposal.

C. Property of Lottery

All material received in response to this RFP shall become the property of the State and will not be returned to the Proposer. Upon Contract award, the State reserves the right to use any information presented in any Proposal.

D. Confidentiality of a Proposal

Unless necessary for the approval of a Contract, the substance of a Proposal must remain confidential until the Effective Date of any Contract resulting from this RFP. A Proposer's disclosure or distribution of Proposals other than to Lottery will be grounds for disqualification.

E. Public Disclosure

Pursuant to RSA 21-G:37, all responses to this RFP shall be considered confidential until the award of a contract. At the time of receipt of Proposals, Lottery will post the number of responses received with no further information. No later than five (5) business days prior to submission of a Contract to the Governor and Executive Council pursuant to this RFP, Lottery will post the name and rank or score of each Proposer. In the event that the Contract does not require Governor and Executive Council approval, Lottery shall disclose the rank or score of the Proposals at least 5 business days before final approval of the Contract.

The content of each Proposer's Proposal shall become public information upon the award of any resulting Contract. Any information submitted as part of a response to this Request for Proposal (RFP) may be subject to public disclosure under RSA 91-A. In addition, in accordance with RSA 9-F:1, any Contract entered into as a result of this RFP will be made accessible to the public online via the website Transparent NH (<http://www.nh.gov/transparentnh/>). Accordingly, business financial information and proprietary information such as trade secrets, business and financials models and forecasts, and proprietary formulas may be exempt from public disclosure under RSA 91-A:5, IV.

If you believe any information being submitted in response to this Request for Proposal, Bid or Information should be kept confidential as financial or proprietary information; you must specifically identify that information in a letter to the agency, and must mark/stamp each page of the materials that you claim must be exempt from disclosure as "CONFIDENTIAL". A designation by the Proposer of

information it believes exempt does not have the effect of making such information exempt. Lottery will determine the information it believes is properly exempted from disclosure.

Marking of the entire Proposal or entire sections of the Proposal (e.g. pricing) as confidential will neither be accepted nor honored. Notwithstanding any provision of this RFP to the contrary, Proposer pricing will be subject to disclosure upon approval of the Contract. Lottery will endeavor to maintain the confidentiality of portions of the Proposal that are clearly and properly marked confidential.

If a request is made to Lottery to view portions of a Proposal that the Proposer has properly and clearly marked confidential, Lottery will notify the Proposer of the request and of the date Lottery plans to release the records. By submitting a Proposal, Proposers agree that unless the Proposer obtains a court order, at its sole expense, enjoining the release of the requested information, Lottery may release the requested information on the date specified in Lottery's notice without any liability to the Proposers.

F. Non-Commitment

Notwithstanding any other provision of this RFP, this RFP does not commit Lottery to award a Contract. Lottery reserves the right, at its sole discretion, to reject any and all Proposals, or any portions thereof, at any time; to cancel this RFP; and to solicit new Proposals under a new acquisition process.

G. Proposal Preparation Cost

By submitting a Proposal, a Proposer agrees that in no event shall Lottery be either responsible for or held liable for any costs incurred by a Proposer in the preparation of or in connection with the Proposal, or for Work performed prior to the Effective Date of a resulting Contract.

H. Ethical Requirements

From the time this RFP is published until a contract is awarded, no bidder shall offer or give, directly or indirectly, any gift, expense reimbursement, or honorarium, as defined by RSA 15-B, to any elected official, public official, public employee, constitutional official, or family member of any such official or employee who will or has selected, evaluated, or awarded an RFP, or similar submission. Any bidder that violates RSA 21-G:38 shall be subject to prosecution for an offense under RSA 640:2. Any bidder who has been convicted of an offense based on conduct in violation of this section, which has not been annulled, or who is subject to a pending criminal charge for such an offense, shall be disqualified from bidding on the RFP, or similar request for submission and every such bidder shall be disqualified from bidding on any RFP or similar request for submission issued by any state agency. A bidder that was disqualified under this section because of a pending criminal charge which is subsequently dismissed, results in an acquittal, or is annulled, may notify the Department of Administrative Services, which shall note that information on the list maintained on the State's internal intranet system, except in the case of annulment, the information, shall be deleted from the list.

I. Challenges on Form or Process of the RFP

Any challenges regarding the validity or legality of the form and procedures of this RFP, including but not limited to the evaluation and scoring of Proposals, shall be brought to the attention of Lottery at least ten (10) business days prior to the Proposal Submission Deadline. By submitting a Proposal, the Proposer is deemed to have waived any challenges to the form or procedures set forth in this RFP.

Remainder of this page intentionally left blank.

SECTION 8 – Contract Terms and Award

A. Non-Exclusive Contract

Any resulting Contract from this RFP will be a non-exclusive contract. The State reserves the right, at its discretion, to retain other contractors to provide any of the services or deliverables identified under this procurement or make an award by item, part or portion of an item, group of items, or total Proposal.

B. Award

If the State decides to award a contract as a result of this RFP process, any award is contingent upon approval of the contract by the Governor and Executive Council of the State of New Hampshire and upon continued appropriation of funding for the contract.

C. Standard Contract Terms

The term of the contract for the Mobile and Retail Channels will be six years. These contracts may be extended by two additional terms of two years each at the sole option of the Lottery. The term of the contract for the Lottery Channel will be five years with no options for extension except for emergency extensions as provided for in the contract.

Lottery will require the successful Proposer to execute a contract using the Standard Terms and Conditions of the State of New Hampshire which is attached as Appendix C as may be amended during contract negotiations. Lottery may consider modifications of this contract form during negotiations. To the extent that a Proposer believes that exceptions to the standard form contract will be necessary for the Proposer to enter into the Agreement, the Proposer should note those issues during the Proposer Inquiry Period. Lottery will review requested exceptions and accept, reject or note that it is open to negotiation of the proposed exception at its sole discretion. If Lottery accepts a Proposer's exception Lottery will, at the conclusion of the inquiry period, provide notice to all potential Proposers of the exceptions which have been accepted and indicate that exception is available to all potential Proposers. Any exceptions to the standard form contract that are not raised during the Proposer inquiry period are waived. In no event is a Proposer to submit its own standard contract terms and conditions as a replacement for the State's terms in response to this solicitation.

<End>

Appendix A: RSA 287-I

CHAPTER 215
HB 480-FN - FINAL VERSION

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05/15/2019 1974s
05/30/2019 2196s
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STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Nineteen

AN ACT relative to sports betting.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 215:1 New Chapter; Sports Betting. Amend RSA by inserting after chapter 287-H the
2 following new chapter:

3 **CHAPTER 287-I**
4 **SPORTS BETTING**

5 287-I:1 Definitions. For the purposes of this chapter these words shall have the
6 following meaning:

7 I. "Agent" means a party who is authorized by contract or agreement with the
8 commission to conduct a sports book.

9 II. "Authorized sports bettor" means an individual 18 years of age or older who is
10 physically present in the state of New Hampshire when placing a sports wager with the
11 commission or an authorized agent of the commission and is not a prohibited sports
12 bettor.

13 III. "Collegiate sports event" means a sports or athletic event participated in or
14 offered or sponsored by a public or private institution that offers educational services
15 beyond the secondary level.

16 IV. "Commission" means the lottery commission.

17 V. "Director" means the executive director of the lottery commission or designee.

18 VI. "High school sports event" means a sports or athletic event participated in or
19 offered or sponsored by a public or private institution that offers educational services at
20 the secondary level.

21 VII. "In-play sports wager" means a sports wager on a sports event after the
22 sports event has begun and before it ends.

23 VIII. "Mobile sports wagering platform" means the combination of hardware,
24 software, and data networks used to manage, administer, record, and/or control sports
25 wagers.

26 IX. "Professional sports event" means an event at which 2 or more persons
27 participate in a sports or athletic event and receive compensation in excess of actual
28 expenses for their participation in such event.

CHAPTER 215
HB 480-FN - FINAL VERSION
- Page 2 -

1 X. "Prohibited sports bettor" means:

2 (a) Any member or employee of the commission and any spouse, child, sibling,
3 or parent residing in the same household as a member or employee of the commission.

4 (b) Any principal or employee of any agent.

5 (c) Any contractor of the commission or its agents when such contract relates
6 to the conduct of sports wagering.

7 (d) Any contractor or employee of an entity that conducts sports wagering in
8 another jurisdiction when the bettor possesses confidential nonpublic information as a
9 result of his or her contract or employment relating to the wager being placed.

10 (e) Any amateur or professional athlete if the sports wager is based in whole
11 or part on a sport or athletic event overseen by the athlete's governing sports body.

12 (f) Any sports agent, owner, or employee of a team, player, umpire, referee,
13 coach, union official, or official of a sports governing body if the sports wager is based in
14 whole or part on a sport or athletic event overseen by the governing body which
15 oversees the individual's sport.

16 (g) Any individual placing a wager as an agent of or proxy for a prohibited
17 sports bettor.

18 (h) Any person under the age of 18.

19 XI. "Prohibited sports event" means:

20 (a) A collegiate sports event in which one of the participants is a collegiate
21 team of a college institution that is primarily located in New Hampshire;

22 (b) A collegiate sports event that takes place in New Hampshire;

23 (c) Any high school sports event in any location;

24 (d) Any amateur sports event where the participants are primarily under the
25 age of 18; provided that "prohibited sports event" does not include the games of a
26 collegiate sports tournament in which a New Hampshire college team participates, nor
27 does it include any games of a collegiate sports tournament that occurs outside New
28 Hampshire even though some of the individual games or events are held in New
29 Hampshire; and provided further that sports wagers are permitted on collegiate sports
30 tournament games in which a New Hampshire college team participates only if the
31 outcome of the wager is based on the outcome of all games within the tournament.

32 XII. "Sports governing body" means the organization that prescribes final rules
33 and enforces codes of conduct with respect to a sporting event and participants therein.

34 XIII. "Sports book" means the business of accepting wagers on any sports event
35 by any system or method of wagering.

36 XIV. "Sports wager" means cash or cash equivalent paid by an individual to
37 participate in sports wagering.

CHAPTER 215
HB 480-FN - FINAL VERSION
- Page 3 -

1 XV. "Sports wagering" means wagering on sporting events or any portion thereof,
2 or on the individual performance statistics of athletes participating in a sports event, or
3 combination of sports events, by any system or method of wagering, including but not
4 limited to in person communication and electronic communication through Internet
5 websites accessed via a mobile device or computer and mobile device applications. The
6 term sports wagering shall include, but not be limited to, single game bets, teaser bets,
7 parlays, over-under bets, money line bets, pools, exchange wagering, in game wagering,
8 in-play bets, proposition bets, and straight bets.

9 XVI. "Tier I sports wager" means a sports wager that is placed before the start of
10 the sports event and is determined solely by the final score or final outcome of that
11 single sports event.

12 XVII. "Tier II sports wager" means an in-play sports wager.

13 XVIII. "Tier III sports wager" means a sports wager that is neither a tier I or tier
14 II wager.

15 287-I:2 Sports Book Authorized. The commission is authorized to operate a sports
16 book for the purposes of accepting and paying sports wagers by authorized bettors
17 within the state in conformance with the requirements of this chapter.

18 287-I:3 Commission Agents. The commission shall conduct sports books for sports
19 wagering through agents selected through a competitive bid process and approved by
20 the governor and executive council. Any such contract shall be based on the state
21 receiving a percentage of revenue from sports wagering activities within the state. The
22 commission shall ensure that an agent demonstrates financial stability, responsibility,
23 good character, honesty, and integrity. In selecting an agent, the commission shall
24 consider, at a minimum, the experience and background of the agent, the agent's ability
25 to serve proposed locations for sports book retail operations, the agent's mobile and
26 Internet capabilities, the agent's contribution to economic development within the state,
27 the agent's commitment to prevention of problem gambling, to responsible gaming, and
28 to integrity in betting. The commission shall select a group of bidders who best meet the
29 criteria set forth in this paragraph and select from that group the agents whose bids
30 provide the state with the highest percentage of revenue from the sports wagering
31 activities covered by the bids, provided that the commission determines that the
32 bidder's commitment to return said revenue percentage to the state is consistent with
33 the bidder's commitment to meet all other criteria specified in the bid request and in
34 applicable law. All agents shall be subject to criminal and financial background checks
35 as prescribed by the commission.

36 287-I:4 Commission Directed Sports Wagering. The commission is further authorized
37 to directly offer lottery games to authorized bettors within the state in the form of tier

CHAPTER 215
HB 480-FN - FINAL VERSION
- Page 4 -

1 III sports wagers through the commission's lottery retailers subject to the provisions of
2 this chapter. The commission may retain vendors to support the commission in
3 operating a sports book and such vendors shall be selected through a competitive bid
4 process and approved by the governor and executive council.

5 287-I:5 Sports Book Retail Operations. The commission and its agents are further
6 authorized to operate physical sports book retail locations within the state for the
7 purposes of accepting tier I and tier III sports wagers from authorized bettors and
8 paying prizes relating to those wagers. The sports book retail locations may be co-
9 located with other commercial businesses or general commercial retail locations. No
10 more than 10 sports book retail locations may be in operation at any given time.

11 287-I:6 Local Option for Operation of Sports Book Retail Locations.

12 I. Any town or city may allow the operation of a sports book retail location
13 according to the provisions of this subdivision, in the following manner, excepting that
14 nothing in this section shall be construed to prohibit Internet or mobile wagering or
15 lottery games involving tier III sports wagers in the jurisdiction, if so authorized by the
16 passage of this statute.

17 (a) In a town, the question shall be placed on the warrant of an annual town
18 meeting under the procedures set out in RSA 39:3, and shall be voted on a ballot. In a
19 city, the legislative body may vote to place the question on the official ballot for any
20 regular municipal election, or, in the alternative, shall place the question on the official
21 ballot for any regular municipal election upon submission to the legislative body of a
22 petition signed by 25 of the registered voters.

23 (b) The selectmen, aldermen, or city council shall hold a public hearing on the
24 question at least 15 days but not more than 30 days before the question is to be voted on.
25 Notice of the hearing shall be posted in at least 2 public places in the municipality and
26 published in a newspaper of general circulation at least 7 days before the hearing.

27 (c) The wording of the question shall be substantially as follows: "Shall we
28 allow the operation of sports book retail locations within the town or city?"

29 II. If a majority of those voting on the question vote "Yes", sports book retail
30 locations may be operated within the town or city.

31 III. If the question is not approved, the question may later be voted upon
32 according to the provisions of paragraph I at the next annual town meeting or regular
33 municipal election.

34 IV. A municipality that has voted to allow the operation of sports book retail
35 locations may consider rescinding its action in the manner described in paragraph I of
36 this section.

37 V. An unincorporated place may allow the operation of a physical sports book

CHAPTER 215
HB 480-FN - FINAL VERSION
- Page 5 -

1 retail location by majority vote of the county delegation, after a public hearing is held.

2 VI. The commission shall maintain a list of municipalities where sports book
3 retail locations may be placed into operation.

4 287-I:7 Mobile Sports Wagering Authorized. The commission and its agents are
5 authorized to operate a sports books that offer tier I, tier II, and tier III sports wagers
6 through a mobile sports wagering platform by mobile devices or over the Internet. No
7 more than 5 mobile sports wagering agents shall be in operation at any given time. With
8 respect to mobile sports wagering, the commission, either independently, or through its
9 agent, shall provide:

10 I. Age verification measures to be undertaken to block access to and prevent
11 sports wagers by persons under the age of 18 years.

12 II. Identity verification through secure online databases or by examination of
13 photo identification.

14 III. That mobile sports wagers must be initiated and received within the
15 geographic borders of the state of New Hampshire and may not be intentionally routed
16 outside of the state. The incidental intermediate routing of mobile sports wager shall
17 not determine the location or locations in which such a wager is initiated, received, or
18 otherwise made.

19 IV. Wager limits for daily, weekly, and monthly amounts consistent with the best
20 practices in addressing problem gambling.

21 V. A voluntary self-exclusion program for players to self-exclude themselves from
22 wagering for set periods of time.

23 VI. Security mechanisms to ensure the confidentiality of wagering and personal
24 and financial information except as otherwise authorized by this chapter.

25 287-I:8 Sports Wagering Supervision. The commission shall create a division of
26 sports wagering which will be responsible for ensuring compliance with the
27 requirements of this chapter and any rules promulgated by the commission in
28 accordance with the authorities granted under this chapter. In addition, the division,
29 under the direction of the director and commission, shall ensure that the commission's
30 agents and vendors comply with the following obligations:

31 I. Each agent or vendor engaged in sports wagering shall submit a security and
32 internal control report for the division's review and approval prior to conducting any
33 sports wagering within the state and every year thereafter. This report shall address all
34 aspects of security and controls including physical security, personnel security, and
35 computer systems security including:

36 (a) Surveillance plans for all retail sports book locations, including
37 surveillance coverage and direct access for the commission to the surveillance system.

CHAPTER 215
HB 480-FN - FINAL VERSION
- Page 6 -

- 1 (b) User access controls for sports book personnel.
- 2 (c) Segregation of duties within the sports book.
- 3 (d) Employment background checks and policies.
- 4 (e) Automated and manual risk management procedures.
- 5 (f) Procedures for identifying and reporting fraud and suspicious conduct.
- 6 (g) Procedures to establish connectivity with monitoring services and/or
- 7 sports governing bodies relating to suspicious activity.
- 8 (h) Any and all monitoring systems utilized by the agents or vendor to report
- 9 and receive information on suspicious betting activities.
- 10 (i) Systems and procedures to prevent prohibited sports bettors from placing
- 11 wagers.
- 12 (j) Description of anti-money laundering compliance standards.
- 13 (k) Descriptions of all integrated third-party systems or components and the
- 14 security procedures relating to those systems.

15 II. For each wagering computer system used to conduct sports wagering,
16 including all mobile sports wagering platforms within the state, the agent or vendor
17 providing such system shall provide a detailed computer system security report to be
18 approved by the commission prior to the acceptance of wagers and each year thereafter.
19 The report shall address the issues set forth in the security and internal control report
20 along with the following:

- 21 (a) Documented system security testing performed by a licensed third-party
- 22 contractor approved by the commission;
- 23 (b) A description of all software applications that comprise the system;
- 24 (c) A procedure for third-party auditing of financial transactions received by
- 25 the system;
- 26 (d) A description of all types of wagers supported by the system;
- 27 (e) Unique identification and verification systems for wagers;
- 28 (f) Procedures to prevent past posting of wagers;
- 29 (g) A list of data recorded relating to each wager;
- 30 (h) System redundancy to ensure recording of wagers during a system outage;
- 31 (i) A mechanism to provide read only access to the commission to the back
- 32 office system for the purposes of reviewing and auditing wagering activities;
- 33 (j) Integration with an independent control system to ensure integrity of
- 34 system wagering information;
- 35 (k) Capabilities for canceling existing wagers, freezing or suspending
- 36 wagering across the platform, or for specific events; and
- 37 (l) Any other issue identified by the division upon review of the proposed

CHAPTER 215
HB 480-FN - FINAL VERSION
- Page 7 -

1 gaming system.

2 III. Each agent engaged in sports wagering shall submit house rules for the
3 division's review and approval prior to conducting any sports wagering within the state
4 and every year thereafter. These house rules shall include at a minimum:

- 5 (a) The method for calculation and payment of winning wagers.
- 6 (b) The effect of schedule changes for a sports event.
- 7 (c) The method of notifying bettors of odds or proposition changes.
- 8 (d) Acceptance of wagers at terms other than those posted.
- 9 (e) Expiration dates for winning tickets.
- 10 (f) Circumstances under which the agent will void a bet.
- 11 (g) Treatment of errors, late bets, and related contingencies.
- 12 (h) Method of contacting the agents or vendor for questions or complaints.
- 13 (i) Description of those persons who are prohibited from wagering with the
14 agents or contractor if broader than the prohibited bettors list set forth in this section.
- 15 (j) The method and location for posting and publishing the approved house
16 rules.

17 IV. Each agent or vendor engaged in sports wagering shall submit accounting
18 controls for the division's review and approval prior to conducting any sports wagering
19 within the state and every year thereafter. These accounting controls shall include at a
20 minimum:

- 21 (a) A process for documenting and verifying beginning of day cash balance;
- 22 (b) Processes for recording collection of wagers, payment of wagers, and
23 cancellation of wagers issued;
- 24 (c) Processes for handling cash within sports book retail locations including
25 segregation of duties related to counting and storage of cash; and
- 26 (d) The establishment of a segregated account related to New Hampshire
27 sports wagering activities.

28 V. The commission's agents shall submit a responsible gaming plan for the
29 division's review and approval prior to conducting any sports wagering within the state
30 and every year thereafter. This plan should include identification of posting and
31 materials related to problem gaming, resources to be made available to bettors
32 expressing concerns about problem gaming, house imposed player limits, and self-
33 exclusion programs.

34 VI. The commission's agents shall maintain a cash reserve available to pay
35 wagers as determined by the commission.

36 VII. The commission's agents or vendor shall not accept any wager on a sports
37 event unless it has received approval from the commission to conduct that type or

CHAPTER 215
HB 480-FN - FINAL VERSION
- Page 8 -

1 category of wager. A type of wager refers to the method of determining the outcome of
2 the wager. The category refers to the kind of event being wagered on. The commission
3 shall approve wager categories and types in a reasonable time frame. Once a particular
4 category or wager type is approved for its first use it may be used on multiple events
5 without further approval.

6 VIII. The commission shall only approve wagers on categories of events where:

- 7 (a) The outcome can be verified;
- 8 (b) The outcome can be generated by a reliable and independent process; and
- 9 (c) The event is conducted in conformity with applicable laws.

10 IX. Wagers made under this section shall be made with:

- 11 (a) Cash;
- 12 (b) Cash equivalent;
- 13 (c) PayPal;
- 14 (d) Debit card;
- 15 (e) ACH;
- 16 (f) Promotional funds; and
- 17 (g) Any other means approved by the executive director.

18 X. Any agent or contractor who sends or receives electronic sports wagers is
19 responsible to ensure that any transfer of that wager is initiated and received and
20 completed within the state of New Hampshire and that only incidental intermediate
21 routing of the wager occurs outside of the state. The agent and contractor shall be
22 responsible for periodically reviewing their information technology systems and
23 networks to ensure compliance with this section.

24 287-I:9 Proceeds to Education Fund. The proceeds received by the commission from
25 sports wagering, less the administrative costs of the commission, prizes paid, and
26 payments for problem gambling services, shall be deposited in the education trust fund
27 established in RSA 198:39.

28 287-I:10 Limitations on Sports Wagers. The commission and its agents are
29 prohibited from the following activities:

30 I. Accepting or making payment relating to sports wagers made by prohibited
31 sports bettors.

32 II. Accepting sports wagers on prohibited sports events.

33 III. Accepting sports wagers from persons who are physically outside of the state
34 of New Hampshire at the time of the sports wager.

35 287-I:11 Disclosure of Data Source. The commission and agents shall publicly
36 disclose the source of the data that will be used to determine the outcome of a tier II or
37 tier III wager.

CHAPTER 215
HB 480-FN - FINAL VERSION
- Page 9 -

1 287-I:12 Risk Management. The commission's agents may take any risk management
2 strategies as authorized by the director.

3 287-I:13 Maintaining Sports Integrity. The commission and agents may participate
4 in national and international monitoring services and associations and may share
5 betting information with those entities and sports governing bodies in order to ensure
6 the integrity of sports wagers and sports events. The director may restrict, limit, or
7 exclude wagering on a sports event if he or she determines that such an action is
8 necessary to ensure the integrity of the sports book.

9 287-I:14 Financial Reports. The commission may seek financial and compliance
10 reports from its agents periodically and may conduct audits of these reports to ensure
11 that the state receives the agreed upon revenue sharing proceeds.

12 287-I:15 Compliance Reviews. The commission shall retain oversight of its agents to
13 ensure that all sports wagering activities are conducted in accordance with this statute
14 and any rules adopted by the commission.

15 287-I:16 Fantasy Sports Exempted. Nothing in this chapter shall apply to fantasy
16 sports contests authorized pursuant to RSA 287-H.

17 287-I:17 Rulemaking. The commission shall adopt rules, pursuant to RSA 541-A,
18 relative to the operation, conduct, location, and oversight of sports books. The
19 commission may enact emergency rules, which will take effect upon approval.

20 215:2 Bets Void. Amend RSA 338:2 to read as follows:

21 338:2 Bets Void. *Except as authorized by the lottery commission*, all bets and wagers
22 upon any question where the parties have no interest in the subject except that created
23 by the wager are void; and either party may recover any property by him *or her*
24 deposited, paid, or delivered upon such wager or its loss, and repel any action brought
25 for anything, the right or claim to which grows out of such bet or wager.

26 215:3 Education Trust Fund; Sports Betting Added. Amend RSA 198:39, I(k) to read
27 as follows:

28 (k) Funds collected and paid over to the state treasurer by the lottery
29 commission pursuant to RSA 284:44, [~~and~~] RSA 284:47, *and RSA 287-I*.

30 215:4 New Subparagraph; Gambling; Exceptions. Amend RSA 647:2, V by inserting
31 after subparagraph (e) the following new subparagraph:

32 (f) Sports wagering as defined by RSA 287-I:1, XV.

33 215:5 New Chapter; Council for Responsible Gambling. Amend RSA by inserting
34 after chapter 338-A the following new chapter:

CHAPTER 338-B

COUNCIL FOR RESPONSIBLE GAMBLING

35
36
37 338-B:1 Definitions. In this chapter, "council" means the council for responsible

CHAPTER 215
HB 480-FN - FINAL VERSION
- Page 10 -

1 gambling.

2 **338-B:2 Statement of Purpose.** Education, prevention, and treatment relating to
3 gambling disorders are an integral part of a responsible gaming environment within the
4 state.

5 **338-B:3 Establishment.** There is established the council for responsible gambling
6 which shall promote education, prevention, and treatment of problem gambling within
7 the state.

8 **338-B:4 Membership.**

9 I. The council shall consist of 5 members appointed by the governor and
10 executive council and shall be qualified in the field of addiction or mental health
11 services with a focus on problem gambling and shall be residents of the state. A member
12 may be removed by the governor and executive council only for cause shown in
13 accordance with RSA 4:1. The members shall elect one of their number as chairperson.
14 Three members of the council shall constitute a quorum.

15 II. Members shall serve 3 year terms and until their successors are appointed;
16 provided that for the initial appointments only, one member shall be appointed to a term
17 of one year, 2 members shall be appointed to a term of 2 years and 2 members shall be
18 appointed to a term of 3 years. Any vacancy shall be filled for the unexpired terms.

19 III. Members of the council shall receive mileage at the rate of state employees
20 when attending meetings of the council or performing duties on behalf of the council.

21 **338-B:5 Powers and Duties.** The council shall have the authority to enter into grants
22 and contracts for the purposes of furthering education, prevention, and treatment of
23 problem gambling within the state.

24 **338-B:6 Report of the Council.** The council shall submit a biennial report to the
25 governor and executive council on or before October 1 of each even-numbered year. The
26 report shall include a description of the council's activities including a financial report
27 for the relevant time period.

28 **338-B:7 Administrative Attachment.** The council shall be administratively attached
29 to the lottery commission in accordance with RSA 21-G:10. In addition to the support
30 provided to an administratively attached agency, the lottery commission shall also
31 provide the following to the council:

32 I. Funding in an amount not to exceed \$250,000 per fiscal year to conduct the
33 activities prescribed by this chapter. In accordance with the purpose of this chapter,
34 these payments shall be considered administrative expenses of the lottery commission as
35 set forth in RSA 284:21-j.

36 II. Meeting and office space as reasonably required by the council to conduct the
37 activities prescribed by this chapter.

CHAPTER 215
HB 480-FN - FINAL VERSION
- Page 11 -

1 **III. Personnel as reasonably required by the council to conduct activities**
2 **prescribed by this chapter, except that the lottery commission may charge the council**
3 **for use of such personnel pursuant to an agreement between the lottery commission and**
4 **the council.**

5 **215:6 Effective Date. This act shall take effect upon its passage.**

Approved: July 12, 2019
Effective Date: July 12, 2019

Appendix B: Transmittal Letter

STATE OF NEW HAMPSHIRE PROPOSAL TRANSMITTAL LETTER

Date: _____

Company Name: _____

Address: _____

To: Charles McIntyre, Executive Director

Telephone: (603) 271-3391

Fax: (603) 271-1160

Email: Charles.McIntyre@lottery.nh.gov

RE: Proposal Invitation Name: **SPORTS WAGERING SYSTEM AND SERVICES**

RFP Number: **LOT 2020-01**

Proposal Due Date and Time: **September 16, 2019 at 4:00 p.m.**

[Insert name of signor] _____, on behalf of [insert name of entity submitting Proposal] _____ (collectively referred to as "Vendor") hereby submits the written Proposal submitted herewith ("Proposal") to the State of New Hampshire in response to RFP #LOT 2020-01 for SPORTS WAGERING SYSTEM AND SERVICES Contract(s).

Vendor attests to the fact that:

1. The Vendor has reviewed and agreed to be bound by the Proposal.
2. The Vendor has not altered any of the language or other provisions contained in the Proposal document.
3. The Proposal is effective for a period of 180 days from the Proposal Opening date as indicated above.
4. The Proposal was established without collusion with other vendors.
5. The Vendor has read and fully understands this Proposal.
6. Further, in accordance with RSA 21-I:11-c, the undersigned Vendor certifies that neither the Vendor nor any of its subsidiaries, affiliates or principal officers (principal officers refers to individuals with management responsibility for the entity or association):
 - a. Has, within the past two (2) years, been convicted of, or pleaded guilty to, a violation of RSA 356:4, or any state or federal law or county or municipal ordinance prohibiting specified Proposal practices, or involving antitrust violation, which has not been annulled;
 - b. Has been prohibited, either permanently or temporarily, from participating in any public works project pursuant to RSA 638:20;
 - c. Has previously provided false, deceptive, or fraudulent information on a vendor code number application form, or any other document submitted to the state of New Hampshire, which information was not corrected as of the time of the filing of a bid, proposal, or quotation;
 - d. Is currently debarred from performing work on any project of the federal government or the government of any state;
 - e. Has, within the past two (2) years, failed to cure a default on any contract with the federal government or the government of any state;
 - f. Is presently subject to any order of the Department of Labor, the Department of Employment Security, or any other state department, agency, board, or commission, finding that the applicant is not in compliance with the

requirements of the laws or rules that the department, agency, board, or commission is charged with implementing;

- g. Is presently subject to any sanction or penalty finally issued by the department of labor, the department of employment security, or any other state department, agency, board, or commission, which sanction or penalty has not been fully discharged or fulfilled;
- h. Is currently serving a sentence or is subject to a continuing or unfulfilled penalty for any crime or violation noted in this section;
- i. Has failed or neglected to advise the division of any conviction, plea of guilty, or finding relative to any crime or violation noted in this section, or of any debarment, within 30 days of such conviction, plea, finding, or debarment; or
- j. Has been placed on the debarred parties list described in RSA 21:-I:11-c within the past year.

Authorized Signor's Signature _____

Authorized Signor's Title _____

NOTARY PUBLIC/JUSTICE OF THE PEACE

COUNTY: _____ **STATE:** _____ **ZIP:** _____

On the ____ **day of** _____, **2019** **personally appeared before me, the above named**
_____, **in his/her capacity as authorized representative of** _____, **known to me or**
satisfactorily proven, and took oath that the foregoing is true and accurate to the best of his/her knowledge and
belief.

In witness thereof, I hereunto set my hand and official seal.

(Notary Public/Justice of the Peace)

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

My commission expires: _____ **(Date)**

Appendix C: Standard Terms and Conditions

SECTION 1 – GENERAL PROVISIONS

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

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name New Hampshire Lottery Commission		1.2 State Agency Address 14 Integra Drive Concord, NH 03301	
1.3 Contractor Name		1.4 Contractor Address	
1.5 Contractor Phone Number	1.6 Account Number	1.7 Completion Date	1.8 Price Limitation
1.9 Contracting Officer for State Agency Charles R. McIntyre, Executive Director		1.10 State Agency Telephone Number 603-271-3391	
1.11 Contractor Signature		1.12 Name and Title of Contractor Signatory	
1.13 Acknowledgement: State of _____, County of _____ On _____, before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace [Seal]			
1.13.2 Name and Title of Notary or Justice of the Peace			
1.14 State Agency Signature <div style="text-align: right;">Date:</div>		1.15 Name and Title of State Agency Signatory	
1.16 Approval by the N.H. Department of Administration, Division of Personnel <i>(if applicable)</i> By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) <i>(if applicable)</i> By: _____ On: _____			
1.18 Approval by the Governor and Executive Council <i>(if applicable)</i> By: _____ On: _____			

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

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

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

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

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

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

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

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

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

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

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

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

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

7. PERSONNEL.

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

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

Agreement. This provision shall survive termination of this Agreement.

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

8. EVENT OF DEFAULT/REMEDIES.

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

8.1.1 failure to perform the Services satisfactorily or on schedule;

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

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

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

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

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

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

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

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

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

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

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

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

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

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

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

14. INSURANCE.

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

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

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

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

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

15. WORKERS' COMPENSATION.

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

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

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

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

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

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

19. CONSTRUCTION OF AGREEMENT AND TERMS.

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

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

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

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

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

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

**STATE OF NEW HAMPSHIRE
NEW HAMPSHIRE LOTTERY COMMISSION
CONTRACT 201X-XXX**

SECTION 2 –GENERAL TERMS AND CONDITIONS

INTRODUCTION

This Contract is by and between the State of New Hampshire, acting through the New Hampshire Lottery Commission (“State” or “Lottery”), and Full Contractor Name a State Name Type of business formation (“Contractor”), having its principal place of business at Business Address, City, State, Zip.

The general scope of the project is to provide a full service sports betting solution as proposed by Contractor in response to New Hampshire Lottery Commission RFP LOT 2020-01 “Sports Wagering Systems and Services.”

2.1 Incorporation of Documents

This Agreement consists of the following, which are incorporated by reference and which together with any and all amendments hereto, is hereafter referred to as the “Agreement”:

- A. State of NH Form P37; and
- B. Part 2 –General Terms and Conditions; and
- C. The Exhibits to this Contract, which are attached as noted:

Exhibit A	Scope of Work
Exhibit B	Payment Terms
Exhibit C	Special Provisions
Exhibit D	Choose an item.
Exhibit E	Choose an item.
Exhibit F	Choose an item.

- D. The following documents and materials are incorporated herein by reference, and the parties acknowledge receipt of true and complete copies of the same:
 - i. State of New Hampshire Lottery Commission RFP LOT 2020-01 “Sports Wagering Systems and Services
 - ii. Contractor’s Proposal Response to RFP LOT 2020-01 “Sports Wagering Systems and Services dated _____.

2.2 Order of Precedence

In the event of a conflict among any of the provisions in this agreement, following Order of Precedence shall apply:

- a. The documents identified in Section 2.1, A;
- b. The documents identified in Section 2.1, B;

Date: _____

Contractor Initials: _____

**STATE OF NEW HAMPSHIRE
NEW HAMPSHIRE LOTTERY COMMISSION
CONTRACT 201X-XXX**

- c. The documents identified in Section 2.1, C;
- d. The documents identified in Section 2.1, D, i;
- e. The documents identified in Section 2.1, D, ii.

2.3 Timing of the Work

Contractor shall commence work upon issuance of a Notice to Proceed by the Lottery. Time is of the essence in the performance of Contractor's obligation under the contract.

2.4 Non-Exclusive Contract

The Lottery reserves the right, at its discretion, to retain other vendors to provide any of the Services or Deliverables identified under this Agreement. Contractor shall make best efforts to coordinate work with all other Lottery vendors performing services which relate to the work or deliverables set forth in the Agreement.

2.5 Contract Term

The term of this Agreement shall be as set forth in Part I, Section 1.7: *Completion Date*. The Lottery may exercise an option (based on contract type as defined in the RFP).

2.6 Change of Ownership

In the event that Contractor should change more than 50% of ownership for any reason whatsoever that results in a change of control of the Contractor, the Lottery shall have the option of:

- a. continuing under the Agreement with Contractor, its successors or assigns for the full remaining term of the Agreement;
- b. continuing under the Agreement with Contractor, its successors or assigns for such period of time as determined necessary by the Lottery; or
- c. immediately terminate the Agreement without liability to or further compensation owed to Contractor, its successors or assigns.

2.7 Notices

All legal notices under this Agreement shall be served or given only by registered or certified mail, except in cases of emergency, in which case, they shall be confirmed by registered or certified mail, and, if intended for the Lottery shall be addressed to the individual set forth in Section 1.9: *Contracting Officer for State Agency* at the address set forth in Section 1.2: *State Agency Address* and if intended for the Contractor shall be addressed to the individual set forth in Section 1.12: *Name and Title of Contractor Signatory* at the address set forth in Section 1.4: *Contractor Address*.

Date: _____

Contractor Initials: _____

2.8 Waiver of Breach

In addition to the provisions set forth in Part I, Section 16 of the contract, no failure by the Lottery to enforce any of the provisions in this Agreement shall be deemed a waiver of its rights under this Agreement.

2.9 Partial Invalidity

If any term, covenant, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

2.10 Entire Agreement

This document constitutes the entire agreement and understanding between the parties, and supersedes all prior contracts and understandings, whether oral or written, pertaining to the Project.

2.11 Governing Law, Venue and Jurisdiction

As set forth in Part I, Section 19, this agreement shall be construed in accordance with the laws of the State of New Hampshire. Any action on this Agreement may only be brought in the State of New Hampshire in accordance with the dispute resolution procedures of this Agreement set forth herein. The Parties agree to venue in Merrimack County Superior Court.

2.12 Force Majeure

Neither Contractor nor the Lottery shall be responsible for delays or failures in performance resulting from events beyond the control of such party and without fault or negligence of such party. Such events shall include, but not be limited to, acts of God, strikes, lock outs, riots, and acts of War, epidemics, acts of Government, fire, power failures, nuclear accidents, earthquakes, and unusually severe weather.

Remainder of this page intentionally left blank

Date: _____

Contractor Initials: _____

SECTION 3 – CONTRACT MANAGEMENT

3.1 Project Management

The Project requires the coordinated efforts of a Project Team consisting of both Contractor and Lottery personnel. Contractor shall provide all necessary resources to perform its obligations under the Contract. Contractor is responsible for providing all appropriate resources and personnel to manage this Project to a successful completion.

3.2 Contractor’s Contract Manager

Contractor shall assign a Contract Manager who will be responsible for all Contract authorization and administration. Contractor’s Contract Manager is:

Full Contractor Name
TITLE
STREET
CITY, STATE, ZIP
Tel: PHONE
Email: Name.com

3.3 Contractor’s Project Manager

Contractor shall assign a Project Manager who is qualified to perform or supervise the Contractor’s obligations under this Agreement. Contractor’s Project Manager is:

NAME
TITLE
STREET
CITY, STATE, ZIP
Tel: PHONE
Email: Name.com

Contractor’s selection of the Project Manager shall be subject to the prior written approval of the Lottery. The Lottery’s approval process may include, without limitation, at the Lottery’s discretion, review of the proposed Project Manager’s resume, qualifications, references, and background checks, and an interview. The Lottery may require removal or reassignment of Project Manager who, in the sole judgment of the Lottery, is found unacceptable or is not performing to the Lottery’s satisfaction. Project Manager must be qualified to perform the obligations required of the position under the Contract, shall have full authority to make binding decisions under the Contract, and shall function as Contractor’s representative for all administrative and management matters. Project Manager must be available to promptly respond during Normal Business Hours within two (2) hours of inquiries from the Lottery, and be at the site as needed. Project Manager must work diligently and use his/her best efforts on the Project.

Date: _____

Contractor Initials: _____

3.4 Change of Project Manager

Contractor may not change its assignment of Project Manager without providing the Lottery written notice and obtaining the prior approval of the Lottery of the replacement Project Manager. Lottery approvals for replacement of Project Manager shall not be unreasonably withheld. The replacement Project Manager is subject to the same requirements and review as set forth in Section 3.3, above. Contractor shall assign a replacement Project Manager within ten (10) business days of the departure of the prior Project Manager, and Contractor shall continue during the ten (10) business day period to provide competent project management services through a qualified interim Project Manager.

3.5 Termination for Lack of Project Management

Notwithstanding any other provision of the Contract, the Lottery shall have the option, at its discretion, to terminate the Contract, declare Contractor in default and pursue its remedies at law and in equity, if Contractor fails to assign a Project Manager meeting the requirements and terms of the Contract.

3.6 Contractor Key Project Staff

The Lottery considers the following individuals to be key project staff for this Project:

- | | | |
|----|-------|------|
| 1. | Title | Name |
| 2. | Title | Name |
| 3. | Title | Name |

The Lottery reserves the right to require removal or reassignment of Key Project Staff who are found unacceptable to the Lottery. Any background checks shall be performed in accordance with the provisions of this Agreement. Contractor shall not change Key Project Staff commitments without providing the Lottery written notice and obtaining the prior written approval of the Lottery. Lottery approvals for replacement of Key Project Staff will not be unreasonably withheld. The replacement Key Project Staff shall have comparable or greater skills than Key Project Staff being replaced.

3.7 Termination for Lack of Key Project Staff

Notwithstanding any other provision of the Contract to the contrary, the Lottery shall have the option to terminate the Contract, declare Contractor in default and to pursue its remedies at law and in equity, if Contractor fails to assign Key Project Staff meeting the requirements and terms of the Contract or if it is dissatisfied with Contractor's replacement Key Project Staff.

3.8 Lottery Contract Manager

The Lottery shall assign a Contract Manager who shall function as the Lottery's representative with regard to Contract administration. The Lottery Contract Manager is:

NAME
TITLE
STREET
CITY, STATE, ZIP

Date: _____

Contractor Initials: _____

Tel: PHONE
Email: Name.com

3.9 Lottery Project Manager

The Lottery shall assign a Project Manager. The Lottery Project Manager is:

NAME
TITLE
STREET
CITY, STATE, ZIP
Tel: PHONE
Email: Name.com

The Lottery Project Manager's duties shall include the following:

- a. Leading the Project;
- b. Engaging and managing all contractors working on the project;
- c. Managing significant issues and risks;
- d. Reviewing and accepting Contract Deliverables;
- e. Invoice sign-offs;
- f. Review and approval of change orders;
- g. Managing stakeholders' concerns.

3.10 Background Checks

The Lottery may require, and, at its sole expense, conduct reference and background screening of the Contractor's Contract Manager, Project Manager and Key Project Staff. The Lottery shall maintain the confidentiality of background screening results in accordance with the Contract Agreement.

3.11 Change Orders

The Lottery may make changes or revisions at any time by written Change Order. Within five (5) business days of Contractor's receipt of a Change Order, Contractor shall advise the Lottery, in detail, of any impact on cost (e.g., increase or decrease), the Schedule, and the Work Plan.

Contractor may request a change within the scope of the Contract by written Change Order, identifying any impact on cost, the Schedule, and the Work Plan. The Lottery shall acknowledge receipt of Contractor's requested Change Order within five (5) business days. The Lottery must approve all Change Orders in writing. The Lottery shall be deemed to have rejected the Change Order if the parties are unable to reach an agreement in writing within 30 days of receipt of the Change Order.

A Change Order which is accepted and executed by both parties shall amend the terms of this Agreement.

Date: _____

Contractor Initials: _____

**STATE OF NEW HAMPSHIRE
NEW HAMPSHIRE LOTTERY COMMISSION
CONTRACT 201X-XXX**

3.12 Dispute Resolution

Prior to the filing of any formal proceedings with respect to a dispute (other than an action seeking injunctive relief with respect to intellectual property rights or Confidential Information), the party believing itself aggrieved (the “Invoking Party”) shall call for progressive management involvement in the dispute negotiation by written notice to the other party. Such notice shall be without prejudice to the Invoking Party’s right to any other remedy permitted under the Contract.

The parties shall use reasonable efforts to arrange personal meetings and/or telephone conferences as needed, at mutually convenient times and places, between negotiators for the parties at the following successive management levels, each of which shall have a period of allotted time as specified below in which to attempt to resolve the dispute:

Dispute Resolution Responsibility and Schedule Table

LEVEL	CONTRACTOR NAME	LOTTERY	<u>CUMULATIVE ALLOTTED TIME</u>
Primary	Name Title	Name Lottery Project Manager (PM)	5 Business Days
First	Name Title	Name Director	10 Business Days
Second	Name Title	Name Agency Commissioner (for Program related issues)	15 Business Days

The allotted time for the first level negotiations shall begin on the date the Invoking Party’s notice is received by the other party. Subsequent allotted time is days from the date that the original Invoking Party’s notice is received by the other party.

3.13 Travel Expenses

Contractor must assume all reasonable travel and related expenses incurred by Contractor in performance of its obligations under this Agreement. All labor rates in this Agreement will be considered “fully loaded”, including, but not limited to: meals, hotel/housing, airfare, car rentals, car mileage, and out of pocket expenses.

3.14 Shipping Fees

The Lottery will not pay for any shipping or delivery fees unless specifically itemized in this Agreement.

3.15 Access and Cooperation

Subject to the terms of this Agreement and applicable laws, regulations, and policies, the Lottery will provide the Contractor with access to all program files, libraries, personal computer-based systems, software packages, network systems, security systems, and hardware as required to complete the contracted Services.

Date: _____

Contractor Initials: _____

3.16 Record Retention

Contractor and its Subcontractors shall maintain all project records including but not limited to books, records, documents, and other evidence of accounting procedures and practices, which properly and sufficiently reflect all direct and indirect costs invoiced in the performance of their respective obligations under the Contract. Contractor and its Subcontractors shall retain all such records for three (3) years following termination of the Contract, including any extensions. Records relating to any litigation matters regarding the Contract shall be kept for one (1) year following the termination of all litigation, including the termination of all appeals or the expiration of the appeal period.

Upon prior notice and subject to reasonable time frames, all such records shall be subject to inspection, examination, audit and copying by personnel so authorized by the State and federal officials so authorized by law, rule, regulation or Contract, as applicable. Access to these items shall be provided within Merrimack County of the State of New Hampshire, unless otherwise agreed by the Lottery. Delivery of and access to such records shall be at no cost to the Lottery during the three (3) year period following termination of the Contract and one (1) year term following litigation relating to the Contract, including all appeals or the expiration of the appeal period. Contractor shall include the record retention and review requirements of this section in any of its subcontracts.

The Lottery agrees that books, records, documents, and other evidence of accounting procedures and practices related to Contractor's cost structure and profit factors shall be excluded from the Lottery's review unless the cost of any other Services or Deliverables provided under the Contract is calculated or derived from the cost structure or profit factors.

3.17 Accounting

Contractor shall maintain an accounting system in accordance with Generally Accepted Accounting Principles. The costs applicable to the Contract shall be ascertainable from the accounting system.

3.18 Workspace Requirements

Contractor agrees to work with the Lottery to determine requirements for providing necessary workspace and office equipment for the Lottery's staff at Contractor's location, as deemed appropriate by the parties.

3.19 Work Hours

Unless otherwise agreed to by the Lottery, the Contractor's project management personnel shall work a minimum of forty (40) hour weeks between the hours of 8:00 a.m. and 5:00 p.m., (Eastern Time), excluding State of New Hampshire holidays. This management requirement does not alleviate the need for Contractor to operate 24/7/365 and to provide coverage for hours when project management staff are not available.

SECTION 4 – CONFIDENTIALITY REQUIREMENTS

4.1 State Confidential Information

In performing its obligations under this Agreement, Contractor may gain access to information of the State, including State Confidential Information. “State Confidential Information” shall include, but not be limited to, information exempted from public disclosure under New Hampshire RSA Chapter 91-A: *Access to Public Records and Meetings* (see e.g. RSA Chapter 91-A: 5 *Exemptions*). *Confidential Information also includes any and all information owned or managed by the State of New Hampshire - created, received from or on behalf of any Agency of the State or accessed in the course of performing contracted services - of which collection, disclosure, protection, and disposition is governed by state or federal law or regulation. This information includes, but is not limited to Protected Health Information (PHI), Personally Identifiable Information (PII), Personal Financial Information (PFI), Federal Tax Information (FTI), Social Security Numbers (SSN), Payment Card Industry (PCI), and or other sensitive and confidential information..* Contractor shall not use the State Confidential Information developed or obtained during the performance of, or acquired, or developed by reason of the Agreement, except as directly connected to and necessary for the performance of the Agreement. Contractor shall maintain the confidentiality of and protect from unauthorized use, disclosure, publication, and reproduction (collectively “release”), all State Confidential Information.

Subject to applicable federal or State laws and regulations, Confidential Information shall not include information which:

- (i) shall have otherwise become publicly available other than as a result of disclosure by the receiving party in breach hereof;
- (ii) was disclosed to the receiving party on a non-confidential basis from a source other than the disclosing party, which the receiving party believes is not prohibited from disclosing such information as a result of an obligation in favor of the disclosing party;
- (iii) is developed by the receiving party independently of, or was known by the receiving party prior to, any disclosure of such information made by the disclosing party; or
- (iv) is disclosed with the written consent of the disclosing party.

A receiving party also may disclose Confidential Information to the extent required by an order of a court of competent jurisdiction. Any disclosure of the State Confidential Information shall require the prior written approval of the State. Contractor shall immediately notify the State if any request, subpoena or other legal process is served upon Contractor regarding the State Confidential Information, and Contractor shall cooperate with the Lottery in any effort the Lottery undertakes to contest the request, subpoena or other legal process, at no additional cost to the Lottery.

In the event of the unauthorized release of State Confidential Information, Contractor shall immediately notify the Lottery, and the Lottery may immediately be entitled to pursue any remedy at law and in equity, including, but not limited to, injunctive relief.

Date: _____

Contractor Initials: _____

4.2 Contractor Confidential Information

Contractor shall clearly identify in writing all information it claims to be confidential or proprietary upon providing such information to the Lottery. For the purposes of complying with its legal obligations, the Lottery is under no obligation to accept the Contractor's designation of material as confidential. Contractor acknowledges that the Lottery is subject to State and federal laws governing disclosure of information including, but not limited to, RSA Chapter 91-A. The Lottery shall maintain the confidentiality of the identified Contractor Confidential Information insofar as it is consistent with applicable State and federal laws or regulations. In the event the Lottery receives a request for the information identified by Contractor as confidential, the Lottery shall notify Contractor and specify the date the Lottery will be releasing the requested information. At the request of the Lottery, Contractor shall cooperate and assist the Lottery with the collection and review of Contractor's information, at no additional expense to the Lottery. Any effort to prohibit or enjoin the release of the information shall be Contractor's sole responsibility and at Contractor's sole expense. If Contractor fails to obtain a court order enjoining the disclosure, the Lottery shall release the information on the date specified in the Lottery's notice to Contractor, without any liability to the Lottery.

4.3 Survival

All of the terms in Section 4 of this Agreement shall survive the termination or expiration of the Agreement.

Remainder of this page intentionally left blank

Date: _____

Contractor Initials: _____

SECTION 5 – LIMITATION OF LIABILITY

5.1 No Consequential Damages Against Lottery

Subject to applicable laws and regulations, in no event shall the Lottery be liable for any consequential, special, indirect, incidental, punitive, or exemplary damages.

5.2 Survival

All of the terms in Section 5: *Limitation of Liability* of this Agreement shall survive the termination or expiration of the Agreement.

Remainder of this page intentionally left blank

SECTION 6 – TERMINATION

6.1 Termination for Default

Any one or more of the following acts or omissions of the Contractor may, at the sole discretion of the Lottery, constitute an event of default hereunder (“Event of Default”):

- a. Failure to perform the Services satisfactorily or on schedule;
- b. Failure to perform the Services in a lawful manner;
- c. Failure to submit any report required; and/or
- d. Failure to perform any other covenant, term or condition of the Contract

6.2 Remedies Upon Default

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

- a. The Lottery shall provide Contractor written notice of default and require it to be remedied within a reasonable period of time (“Cure Period”). If Contractor fails to cure the default within the Cure Period, the Lottery may terminate the Contract with a written notice of termination and/or treat the Contract as breached and pursue its remedies at law or in equity or both.
- b. Give Contractor a written notice specifying the Event of Default and suspending all payments to be made under the Agreement and ordering that the portion of the Contract price which would otherwise accrue to Contractor during the period from the date of such notice until such time as the Lottery determines that Contractor has cured the Event of Default shall never be paid to Contractor.
- c. Set off against any other obligations the Lottery may owe to the Contractor any damages the Lottery suffers by reason of any Event of Default.
- d. Procure Services that are the subject of the Contract from another source and Contractor shall be liable for reimbursing the Lottery for the replacement Services, and all administrative costs directly related to the replacement of the Contract and procuring the Services from another source, such as costs of competitive bidding, mailing, advertising, applicable fees, charges or penalties, and staff time costs; all of which shall be subject to the limitations of liability set forth in the Contract.

6.3 Lottery Default

The Contractor shall provide the Lottery with written notice of default, and the Lottery shall cure the default within thirty (30) days.

6.4 Termination for Convenience

The Lottery may, at its sole discretion, terminate the Contract for convenience, in whole or in part, by thirty (30) days’ written notice to Contractor. In the event of a termination for convenience, the Lottery shall pay Contractor the agreed upon price, if separately stated in this Contract, for Deliverables for which Acceptance has been given by the Lottery. Amounts for Services or Deliverables provided prior to the date of termination for which no separate price is stated under

**STATE OF NEW HAMPSHIRE
NEW HAMPSHIRE LOTTERY COMMISSION
CONTRACT 201X-XXX**

the Contract shall be paid, in whole or in part, generally in accordance with Contract Exhibit B, *Price and Payment Schedule*, of the Contract. During the thirty (30) day period, Contractor shall wind down and cease Services as quickly and efficiently as reasonably possible, without performing unnecessary Services or activities and by minimizing negative effects on the Lottery from such winding down and cessation of Services. The Lottery will be responsible only for reasonable costs to the Contractor in winding down Services under this provision.

6.5 Termination for Conflict of Interest

The Lottery may terminate the Contract with 15 days written notice if it determines that a conflict of interest exists, including but not limited to, a violation by any of the parties hereto of applicable laws regarding ethics in public acquisitions and procurement and performance of Contracts. In such case, the Lottery shall be liable for cost of all services provided through the date of termination but will not be liable for any costs for incomplete Services or winding down the contract activities.

6.6 Termination Procedure

Upon termination of the Contract, the Lottery, in addition to any other rights provided in the Contract, may require Contractor to deliver to the Lottery any property, including without limitation, Software and Written Deliverables, for such part of the Contract as has been terminated. After receipt of a notice of termination, and except as otherwise directed by the Lottery, Contractor shall:

- a. Stop work under the Contract on the date, and to the extent specified, in the notice;
- b. Promptly, but in no event longer than ten (10) days after termination, terminate its orders and subcontracts related to the work which has been terminated and settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the Lottery to the extent required, which approval or ratification shall be final for the purpose of this Section;
- c. Take such action as the Lottery directs, or as necessary to preserve and protect the property related to the Contract which is in the possession of Contractor and in which the Lottery has an interest;
- d. Transfer title to the Lottery and deliver in the manner, at the times, and to the extent directed by the Lottery, any property which is required to be furnished to the Lottery and which has been accepted or requested by the Lottery; and
- e. Provide written Certification to the Lottery that Contractor has surrendered to the Lottery all said property.

6.7 Transition Services upon termination

If an awarded contract is not renewed, or is terminated prior to the completion of a project, or if the work on a project is terminated, for any reason, the Contractor shall provide, for a period up to ninety (90) days after the expiration or termination of this project or contract, all reasonable transition assistance requested by the State at no additional cost, to allow for the expired or terminated portion of the services to continue without interruption or adverse effect, and to facilitate the orderly transfer of such services to the State or its designees (“transition services”).

Date: _____

Contractor Initials: _____

6.8 Survival

All of the terms in Section 6 of this Agreement shall survive the termination or expiration of the Agreement.

Remainder of this page intentionally left blank

Date: _____

Contractor Initials: _____

SECTION 7 – CONTRACT WARRANTIES AND REPRESENTATIONS

7.1 System

The Contractor warrants that any Systems provided under this Agreement will operate to conform to the Specifications, terms, and requirements of this Agreement.

7.2 Software

The Contractor warrants that any Software provided as part of this Agreement, including but not limited to the individual modules or functions furnished under the Contract, is properly functioning within the System, compliant with the requirements of the Contract, and will operate in accordance with the Specifications and Terms of the Contract.

For any breach of the above Software warranty, in addition to all its other remedies at law and in equity, at the Lottery's option the Contractor shall (a) perform the correction of program errors that cause breach of the warranty, or if Contractor cannot substantially correct such breach in a commercially reasonable manner, the Lottery may end its program license if any and recover the fees paid to Contractor for the program license and any unused, prepaid technical support fees the Lottery has paid for the program license; or (b) the re-performance of the deficient Services, or (c) if Contractor cannot substantially correct a breach in a commercially reasonable manner, the Lottery may end the relevant Services and recover the fees paid to Contractor for the deficient Services.

7.3 Compatibility

Contractor warrants that all System components, including but not limited to the components provided, including any replacement or upgraded System Software components provided by Contractor to correct Deficiencies or as an Enhancement, shall operate with the rest of the System without loss of any functionality.

7.4 Services

Contractor warrants that all Services to be provided under this Agreement will be provided expediently, in a professional manner, in accordance with industry standards and that Services will comply with performance standards, Specifications, and terms of the Contract.

7.5 Service Level Agreements and Liquidated Damages

Contractor agrees that it will meet service levels as set forth in Appendix _____. The Lottery may assess liquidated damages in the amount specified for each material failure to meet an agreed upon service level. The Parties agree that it will be extremely impractical and difficult to determine actual damages as a result of any material deviation from the service level agreements. Liquidated damages are not intended as a penalty. It is expressly agreed that the waiver of any liquidated damages due the Lottery shall constitute a waiver only as to such liquidated damages and not a waiver of any future liquidated damages. Failure to demand payment of liquidated damages within any period of time shall not constitute a waiver of such claim by the Lottery.

SECTION 8 – DATA SECURITY REQUIREMENTS

8.1 Data Use Ownership And Restrictions

A. Ownership of Data

The Parties agree that data collected as a result of Contractor’s work under this Agreement, including but not limited to, the identification and personal information of players, bet transaction data and financial information is the property of the Lottery and is in the possession of the Contractor solely to provide the services requested under this Agreement. Contractor will be responsible for protecting such information and transmitting requested data to the Lottery at the conclusion of the Agreement in any reasonable format requested by the Lottery.

B. Business Use and Disclosure of Confidential Information.

1. The Contractor, including but not limited to all its directors, officers, employees and agents, must not use, disclose, maintain or transmit Confidential Information except as reasonably necessary as outlined under this Contract.
2. The Contractor must not disclose any Confidential Information in response to a request for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying the Lottery so that the Lottery has an opportunity to consent or object to the disclosure.
3. The Contractor agrees that Lottery Data or derivative there from disclosed to an End User must only be used pursuant to the terms of this Contract.
4. The Contractor agrees Lottery Data obtained under this Contract may not be used for any other purposes that are not indicated in this Contract.
5. The Contractor agrees to grant access to the data to the authorized representatives of the Lottery for the purpose of inspecting to confirm compliance with the terms of this Contract.

8.2 Methods of Secure Transmission of Data

1. Application Encryption. If End User is transmitting Lottery data containing Confidential Data between applications, the Contractor attests the applications have been evaluated by an expert knowledgeable in cyber security and that said application’s encryption capabilities ensure secure transmission via the internet.
2. Computer Disks and Portable Storage Devices. End User may not use computer disks or portable storage devices, such as a thumb drive, as a method of transmitting Lottery data.
3. Encrypted Email. End User may only employ email to transmit Confidential Data if email is encrypted and being sent to and being received by email addresses of persons authorized to receive such information.
4. Encrypted Web Site. If End User is employing the Web to transmit Confidential Data, the

**STATE OF NEW HAMPSHIRE
NEW HAMPSHIRE LOTTERY COMMISSION
CONTRACT 201X-XXX**

secure socket layers (SSL) must be used and the web site must be secure. SSL encrypts data transmitted via a Web site.

5. File Hosting Services, also known as File Sharing Sites. End User may not use file hosting services, such as Dropbox or Google Cloud Storage, to transmit Confidential Data.
6. Ground Mail Service. End User may only transmit Confidential Data via *certified* ground mail within the continental U.S. and when sent to a named individual.
7. Laptops and PDA. If End User is employing portable devices to transmit Confidential Data, said devices must be encrypted and password-protected.
8. Open Wireless Networks. End User may not transmit Confidential Data via an open wireless network. End User must employ a virtual private network (VPN) when remotely transmitting via an open wireless network.
9. Remote User Communication. If End User is employing remote communication to access or transmit Confidential Data, a virtual private network (VPN) must be installed on the End User's mobile device(s) or laptop from which information will be transmitted or accessed.
10. SSH File Transfer Protocol (SFTP), also known as Secure File Transfer Protocol. If End User is employing an SFTP to transmit Confidential Data, End User will structure the Folder and access privileges to prevent inappropriate disclosure of information. SFTP folders and sub-folders used for transmitting Confidential Data will be coded for 24-hour auto-deletion cycle (i.e. Confidential Data will be deleted every 24 hours).
11. Wireless Devices. If End User is transmitting Confidential Data via wireless devices, all data must be encrypted to prevent inappropriate disclosure of information.

8.3 Retention And Disposition of Identifiable Records

The Contractor will only retain the data and any derivative of the data for the duration of this Contract. After such time, the Contractor will have 30 days to destroy the data and any derivative in whatever form it may exist, unless, otherwise required by law or permitted under this Contract. To this end, the parties must:

A. Retention

1. The Contractor agrees it will not store, transfer or process data collected in connection with the services rendered under this Contract outside of the United States. This physical location requirement shall also apply in the implementation of cloud computing, cloud service or cloud storage capabilities, and includes backup data and Disaster Recovery locations.
2. The Contractor agrees to ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of New Hampshire systems and/or Department confidential information for contractor provided systems.
3. The Contractor agrees to provide security awareness and education for its End Users in support of protecting Department confidential information.

Date: _____

Contractor Initials: _____

**STATE OF NEW HAMPSHIRE
NEW HAMPSHIRE LOTTERY COMMISSION
CONTRACT 201X-XXX**

4. The Contractor agrees to retain all electronic and hard copies of Confidential Data in a secure location and identified in section 8.4
5. The Contractor agrees Confidential Data stored in a Cloud must be in a FedRAMP/HITECH compliant solution and comply with all applicable statutes and regulations regarding the privacy and security. All servers and devices must have currently-supported and hardened operating systems, the latest anti-viral, anti-hacker, anti-spam, anti-spyware, and anti-malware utilities. The environment, as a whole, must have aggressive intrusion-detection and firewall protection.
6. The Contractor agrees to and ensures its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the hosting infrastructure.

B. Disposition

1. If the Contractor will maintain any Confidential Information on its systems (or its sub-contractor systems), the Contractor will maintain a documented process for securely disposing of such data upon request; and will obtain written certification for any State of New Hampshire data destroyed by the Contractor or any subcontractors as a part of ongoing, emergency, and or disaster recovery operations. If requested, electronic media containing Lottery data shall be rendered unrecoverable via a secure wipe program in accordance with industry-accepted standards for secure deletion and media sanitization, or otherwise physically destroying the media (for example, degaussing) as described in NIST Special Publication 800-88, Rev 1, Guidelines for Media Sanitization, National Institute of Standards and Technology, U. S. Department of Commerce. The Contractor will document and certify in writing at time of the data destruction, and will provide written certification to the Department upon request. The written certification will include all details necessary to demonstrate data has been properly destroyed and validated. Where applicable, regulatory and professional standards for retention requirements will be jointly evaluated by the Lottery and Contractor prior to destruction.
2. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to destroy all hard copies of Confidential Data using a secure method such as shredding.
3. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to completely destroy all electronic Confidential Data by means of data erasure, also known as secure data wiping.

8.4 Procedures For Security

Contractor agrees to safeguard the Lottery Confidential Data received under this Contract, and any derivative data or files, as follows:

1. The Contractor will maintain proper security controls to protect Lottery confidential information collected, processed, managed, and/or stored in the delivery of contracted

Date: _____

Contractor Initials: _____

**STATE OF NEW HAMPSHIRE
NEW HAMPSHIRE LOTTERY COMMISSION
CONTRACT 201X-XXX**

services.

2. The Contractor will maintain policies and procedures to protect Lottery confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).
3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Lottery confidential information where applicable.
4. The Contractor will ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of New Hampshire systems and/or Lottery confidential information for contractor provided systems.
5. The Contractor will provide regular security awareness and education for its End Users in support of protecting Lottery confidential information.
6. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will maintain a program of an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.
7. The Contractor will work with the Lottery to sign and comply with all applicable State of New Hampshire system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.
8. The Contractor will not store, knowingly or unknowingly, any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.
9. Data Security Breach Liability. In the event of any security breach Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach. The Lottery shall recover from the Contractor all costs of response and recovery from the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.
10. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information.
11. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security

Date: _____

Contractor Initials: _____

**STATE OF NEW HAMPSHIRE
NEW HAMPSHIRE LOTTERY COMMISSION
CONTRACT 201X-XXX**

that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doit/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.

12. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Chief Information Security Officer (CISO) of any security breach within two (2) hours of the time that the Contractor learns of its occurrence. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
13. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such State Data to perform their official duties in connection with purposes identified in this Contract.
14. The Contractor must ensure that all End Users:
 - a. comply with such safeguards as referenced above, implemented to protect Confidential Information that is furnished by State under this Contract from loss, theft or inadvertent disclosure.
 - b. safeguard this information at all times.
 - c. ensure that laptops and other electronic devices/media containing Confidential Information are encrypted and password-protected.
 - d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.
 - e. limit disclosure of the Confidential Information to the extent permitted by law.
 - f. Confidential Information received under this Contract and individually identifiable data derived from Lottery Data, must be stored in an area that is physically and technologically secure from access by unauthorized persons during duty hours as well as non-duty hours (e.g., door locks, card keys, biometric identifiers, etc.).
 - g. only authorized End Users may transmit the Confidential Data, including any derivative files containing personally identifiable information, and in all cases, such data must be encrypted at all times when in transit, at rest, or when stored on portable media as defined above.
 - h. in all other instances Confidential Data must be maintained, used and disclosed using appropriate safeguards, as determined by a risk-based assessment of the circumstances involved.
 - i. understand that their user credentials (user name and password) must not be shared with anyone. End Users will keep their credential information secure. This applies to credentials used to access the site directly or indirectly through a third party

Date: _____

Contractor Initials: _____

application.

Contractor is responsible for oversight and compliance of their End Users. Lottery reserves the right to conduct onsite inspections to monitor compliance with this Contract, including the privacy and security requirements provided herein, applicable laws and Federal regulations until such time the Confidential Data is disposed of in accordance with this Contract.

8.5 Data Breach Notification

RSA 359-C:20 requires public breach notification to individuals whose information has been or may be misused. All legal notifications required as a result of a breach of information collected pursuant to this Contract shall be coordinated with the Lottery.

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Date: _____

Contractor Initials: _____

SECTION 9 – MISCELANEOUS TERMS AND CONDITIONS

9.1 Extension in Case of Emergency

Notwithstanding the contract term set forth in this Agreement, the Lottery reserves the right to reactivate or further extend the initial contract, or any extension thereof, at the rates and upon the terms and conditions then in effect on thirty (30) days' notice for up to one (1) additional year.

9.2 Cooperation with Successor Contractors

Contractor agrees that it will fully cooperate with all reasonable requests to assist a successor contractor in transition of the contracted services at the conclusion of the term of this Agreement. Contractor shall, at a minimum, fully cooperate with migration of the Lottery's data in a reasonable timeframe and in any reasonably requested format. Contractor acknowledges that the Lottery will pay no additional charges for these transition services and that all such services are to be compensated by the Contractor's payment during the course of this Agreement.

9.3 Insurance

In addition to the policies required under Part I Section 14 and 15, the Contractor shall purchase and maintain the following policies of insurance for claims which may arise out of or result from the Contractor's operations under the contract, whether such operations be by the Contractor or by any subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

- a. Errors and Omissions Insurance with limits of not less than two million dollars (\$2,000,000) per claim, to be in force and effect at all times, which will indemnify the Contractor and the State for direct loss which may be incurred due to any error caused by the Contractor, its officers, employees, agents, subcontractors or assigns regardless of negligence. The State shall be named as an additional insured on this policy;
- b. Cyber Liability Insurance with limits of not less than two million dollars (\$2,000,000) per claim, to be in force and effect at all times, which will indemnify the Contractor and the State for financial losses that occur as a result of data breaches or other cyber related events. The State shall be named as an additional insured on this policy;
- c. A Fidelity Bond in the amount of one million dollars (\$1,000,000) covering any loss to the State due to any fraudulent or dishonest act on the part of the Contractor's officers, employees, agents or subcontractors. If the Contractor utilizes agents and subcontractors who are not covered by the Fidelity Bond, it is the responsibility of the Contractor to ensure those agents and subcontractors maintain coverage of the same. If the agents or subcontractors are found guilty of fraudulent or dishonest acts regarding the terms of this contract and they do not have Fidelity Bond coverage, the Contractor will be held liable to cover any loss associated with incident to the State of New Hampshire.

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

Date: _____

Contractor Initials: _____

9.4 Business Continuity and Disaster Recovery Plan

Contractor must provide the State with their proposed Business Continuity and Disaster Recovery Plan to be used in the event that the Contractor's primary place of business is rendered inoperable due to acts of terrorism, forces of nature or other unforeseen events.

9.5 Taxes, Fees and Assessments

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

9.6 News Releases

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

9.7 Advertising

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

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Date: _____

Contractor Initials: _____