



Connecticut Lottery Corporation
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REQUEST FOR PROPOSALS

RFP Number: CLC202306
RFP Description: Sports Betting and Daily Fantasy Sports Solution, Systems and Services
RFP Issue Date: April 10, 2023
Submission Due Date: May 19, 2023 by 3:00 p.m. Eastern Time

**This document is subject to change.
Visit ctlottery.org for the most current information.**

Part I. INTRODUCTION

The Connecticut Lottery Corporation (CLC) is soliciting competitive Proposals from qualified, experienced, and innovative Proposers for a Sports Betting and Daily Fantasy Sports (DFS) Solution and related services and products. Interested Proposers must submit their Proposals in accordance with the requirements and directions of this Request for Proposals (RFP). Proposers from outside of the United States may submit a Proposal, but they must become registered to do business in Connecticut if awarded a contract. Capitalized terms not defined in this RFP have the meanings given them in: (i) Public Act 21-23 (Act), as codified in Chapter 229b of the Connecticut General Statutes¹; (ii) the corresponding regulations issued by the Connecticut Department of Consumer Protection (DCP), Conn. Admin. Reg. §§ 12-865-1 et seq. (Regulations)²; or, (iii) Appendix A, attached hereto.

This RFP includes the following appendices to assist Proposers in preparing their responses:

- APPENDIX A:** Definitions
- APPENDIX B:** Business Requirements & Technical Requirements
- APPENDIX C:** Price Proposal Form & Instructions
- APPENDIX D:** Contracting Provisions
- APPENDIX E:** Retail Equipment Inventory
- APPENDIX F:** Retail Sports Betting Locations Map
- APPENDIX G:** DCP Regulations & Sports Wagering Technical Specifications

A contract award is contingent upon the Successful Proposer satisfying all requirements identified in this RFP, including any licensing required by DCP, the CLC's regulatory agency. If the Successful Proposer engages Subcontractors, then its Subcontractors must also be licensed by DCP in accordance with the Act and Regulations.

¹ https://cga.ct.gov/2022/sup/chap_229b.htm

² See Appendix G

The anticipated initial duration of any resultant contract from this RFP will cover an implementation period, plus approximately eight (8) years of System operations. The CLC will have the option to extend the contract in its sole discretion for up to five (5) additional years, in one or more extensions and in any combination of months or years under terms and conditions agreed upon by the parties, provided that sports betting and DFS remain legal in Connecticut during the term of the contract and option to extend.

This RFP is not a contract or an offer to contract and does not obligate the CLC to make an award to any Proposer, negotiate with any Proposer, or pay any costs or damages incurred by Proposers participating in this RFP. Unless and until a written contract is signed by the CLC and a Successful Proposer, the CLC shall have no obligations to Proposers.

Proposers are prohibited from making unsolicited contact with any CLC employee, member of the CLC Board of Directors, or State of Connecticut official concerning this RFP or the products or services described in it, except as set forth in Part II, Paragraph D of this RFP. A Proposer's failure to observe this restriction may result in its disqualification.

PART II. THE OPPORTUNITY

A. BACKGROUND

The CLC, a quasi-public agency, is one of three master wagering licensees in Connecticut for sports betting. CLC offers online sports betting throughout the state of Connecticut (excepting the two tribal reservations). CLC is also authorized to offer sports betting in 15 retail locations throughout Connecticut (excepting within 25 miles of the two tribal reservations), to sell lottery draw games and Keno online (expected to begin later this year), and to offer DFS (which has not yet launched).

CLC and its current System provider (Operator) have collaborated in offering sports betting in Connecticut in both the online channel and retail channel since October 2021. The Operator fully controls the player account management system (PAM), risk management, customer service, KYC/AML, branding, marketing/advertising, player bonusing/promotions, and regulatory reporting for the online channel. The Operator's retail solution includes teller Terminals (OTCs), self-service Terminals (SSTs or Kiosks), and odds boards, all of which are supported by the Operator's content management system (CMS) and wagering platform. CLC and its partners operate the retail locations under separate contracts, but all locations are fully reliant on the Operator's retail solution.

Currently, CLC has nine (9) operational retail sports betting locations, with another location under construction in Hartford's XL Center arena – expected completion by this fall. All locations have between eight (8) and twenty (20) SSTs, a minimum of two (2) OTCs, a minimum of four (4) odds boards, and are presently co-branded with the Operator's brand. A map of the state showing these locations and other locations where negotiations with retail partners have been initiated is attached hereto as Appendix F. The staffing and operations of existing locations is handled by either an experienced retail operator³ or CLC. (See Scope below for additional staffing options for Proposers to consider).

DCP posts monthly sales and revenue information for online and retail sports betting and DFS for all master wagering licensees on the following website: <https://portal.ct.gov/DCP/Gaming-Division/Gaming/Gaming-Revenue-and-Statistics>. CLC's retail sports wagering sales figures by location are available upon request.

³ For example, Sportech is one of CLC's retail partners managing sports betting operations at its off-track betting locations.

B. THE SCOPE OF THE OPPORTUNITY

CLC is seeking a strategic partner to provide online and retail sports betting for players ages 21+, which requires conversion from CLC's current System, and the incorporation a DFS system (DFS Solution) for players ages 18+. CLC expects DFS to begin either when the Successful Proposer's sports betting system (SB Solution) launches or within twelve months of the SB Solution launch date. CLC expects the Successful Proposer to share CLC's strong commitment to responsible gambling. Proposers should pay close attention to the responsible gambling requirements throughout the Act and Regulations.

The Successful Proposer will be responsible for providing a complete System and accompanying services for the online and retail channels, as well as a comprehensive back office solution to handle every aspect of PAM, account funding, accepting wagers, development and application of bonuses/promotions, payment of wins and withdrawal of funds. This includes but is not limited to creating and maintaining a secure System, managing all Data that enters or is created by the System, and ensuring that the System fully complies with all Applicable Laws.

Sports Betting - Online and Retail Channels

The Successful Proposer is expected to provide the complete wagering platform for both the online and retail channels, as well as the PAM, risk management, customer service, KYC/AML, marketing/advertising, player bonusing/promotions, and regulatory reporting for the online channel. Refer to Appendices B and G for the technical specifications and system operating requirements necessary for launching and operating the System.

In order to effectuate a smooth transition of the online channel, the Successful Proposer must work collaboratively with the current Operator to import all player Data into its System and to create a messaging and marketing plan to address the transition period from current System to the Successful Proposer's System.

Proposers must identify the brand they recommend operating under in their Proposals. Connecticut law prohibits CLC from utilizing a brand that is used by any entity that operates a physical casino in any jurisdiction (see C.G.S. § 12-853(a)(2) for details). CLC has secured the following URLs and social media handles that Proposer may consider using:

ctlotterysports.com	ctsportswagers.com
ctlotterysportsbet.com	sportswagersct.com
ctlotterysportsbetting.com	@betctlottery (Instagram, Facebook, Twitter)

All Proposals must include an outline of Proposer's marketing efforts, by channel, for the first two years. The outline should include a description of Proposer's marketing plan for launching and transitioning to Proposer's recommended brand and any anticipated reliance on CLC to market retail sports betting.

Proposers should also identify functionality and player services that will distinguish Proposer's System from others, such as loyalty clubs for retail and online channels, cash-at-cage services, or any other special functionality or services Proposer offers.

Retail Sports Betting Options

At a minimum, the Successful Proposer must provide the same wagering platform for both the retail and online channels and be fully responsible for establishing and maintaining connectivity of teller Terminals, SSTs, and odds boards to the System. Beyond this, Proposers must indicate their desired involvement in the retail channel by selecting one of the following options:

Option 1. Proposer provides the sports betting System and sports betting equipment for all locations. Proposer handles the full retail operations, including but not limited to, staffing, selecting and handling buildout of new locations, and management of all aspects of retail sports betting operations for no fewer than seven (7) retail locations with the possibility of additional locations based on performance.

Option 2. Proposer provides the sports betting System and sports betting equipment for all locations. Proposer provides staffing for one or more locations, if desired. Proposer may invest in buildout of some or all new locations and may solicit new location opportunities for consideration by CLC.

Option 3. Proposer provides the sports betting System and sports betting equipment for all locations. CLC or its designee provides staffing and all other non-System related operations for all retail locations. Proposer would have no involvement in selection or buildout of new locations, nor management of current or future retail locations.

Proposers must also indicate whether they intend to utilize existing teller Terminals, self-service Terminals, and odds boards (identified in Appendix E) or replace them with their own equipment.

Additionally, CLC desires to offer bonusing/promotion functionality for the retail channel, managed in retail; Proposers should address how they can offer and support these efforts.

Daily Fantasy Sports

CLC has not yet launched DFS. The Successful Proposer’s DFS Solution may be provided either through the Successful Proposer’s in-house solution or by a Subcontractor, ideally utilizing the same PAM as the SB Solution. As of the date of this RFP, the Mashantucket Pequot Tribe, in a coordinated effort with DraftKings, is the only entity offering DFS in Connecticut. Proposer must include in their Proposal the details for offering DFS at the time of SB Solution launch or within twelve (12) months of that date. The DFS Solution, like the SB Solution, will be subject to regulatory approval.

C. SCHEDULE

Optional Question & Answer Meeting with Potential Proposers	Week of April 17 – 21 upon Proposer Request
Proposer Written Questions	April 24, 2023 by 2:00 PM Eastern Time*
CLC Written Responses	By May 1, 2023, but some responses may be provided on a rolling basis prior to this date
Proposal Submission Date	May 19, 2023 by 3:00 PM Eastern Time* Proposals must be submitted by email to Melissa.Durso@ctlottery.org
CLC Follow-Up Questions; Interviews; Demos (if necessary)	TBD
CLC Preliminary Notice of Award	June 14, 2023
Anticipated System Go-Live Date	Fall 2023

Dates bearing an asterisk (*) are firm dates and times. All other dates are subject to change by the CLC. If determined necessary, then the CLC will post the schedule for this according to the process described in the paragraph below.

All changes to this RFP, including date changes, will be posted on the CLC's procurement website (<https://www.ctlottery.org/PublicSolicitations>) as well as the Connecticut Department of Administrative Services' procurement website (https://biznet.ct.gov/SCP_Search/default.aspx?Src=CISplash, Search Solicitations, Organization, drop down to "Connecticut Lottery Corporation"). The CLC's website is the official source of information for all CLC procurements.

D. PROPOSER QUESTIONS

The sole CLC point of contact for this RFP prior to the award of any contract is Melissa Durso, General Counsel of CLC. Please direct all questions and other communications regarding this RFP, by email only, to Melissa.Durso@ctlottery.org. **Contact with any other CLC representative or State of Connecticut official concerning this RFP may result in disqualification.**

The CLC will only answer relevant questions that, in its sole judgment, will assist Proposers in providing responsive Proposals. Proposers must identify the specific sections and page numbers of this RFP to which their questions relate, if applicable. Simple text format is preferred. The CLC will post its responses to Proposer questions on the websites as addenda. Each Proposer is responsible for checking the websites to determine if the CLC has issued any addenda and, if so, must complete its Proposal in accordance with this RFP as may be modified by the addenda.

Only this RFP and addenda, if any, may be relied upon by Proposers. No other communications between the CLC and Proposers, including oral statements made by the CLC, shall waive, change, or otherwise modify any of the provisions of this RFP or bind the CLC.

E. SUBCONTRACTING/COLLABORATIVE PROPOSALS

A Subcontractor, or an Online Gaming Service Provider as defined in the Act, is a third party that will perform a substantial role in providing Proposer's System and services (e.g., know-your-customer, payment processing). If a Proposer intends to utilize Subcontractors, but has yet to identify them, then the Proposal must include a description of the credentials that will be sought of such Subcontractors.

Where two or more businesses desire to submit a single collaborative Proposal in response to this RFP, they must do so on a primary/subcontractor basis. The collaborating businesses must identify the primary contractor that will be the Online Gaming Operator as defined in the Act. In this RFP, a Proposer's partners and subcontractors are referred to as "Subcontractors."

If a collaborative Proposal is accepted, then the primary contractor will be solely responsible for the collaboration's entire performance of the contract, including all project management, legal, and financial responsibility for the completion of all work, as well as for all acts, omissions, failures, and faults of its Subcontractors as if they were the acts, omissions, failures, and faults of the Successful Proposer. In short, the contract will be negotiated with primary contractor, alone.

Following award, but prior to contract execution, the Successful Proposer will be required to provide for each known Subcontractor: (i) the information requested in Part III, Paragraph C, Sections 2, 3 and 4 pertaining to the Subcontractor; (ii) details concerning the Subcontractor's relationship history with the Successful Proposer; (iii) the Subcontractor's experience performing the subcontracted work; (iv) the measures the Successful Proposer will implement to ensure the security and protection of the System and Data from compromise by the Subcontractor; and, (v) who in the Successful Proposer's company will oversee and enforce the Subcontractor's compliance with work requirements and applicable contract provisions.

F. CONTINUING DISCLOSURE OBLIGATIONS

Part III, Paragraph C, Sections 3-5 of this RFP are subject to a continuing disclosure requirement; any change in information or circumstance experienced by a Proposer occurring after submission of a Proposal and before the execution of a contract must be disclosed promptly in writing to the CLC.

G. ADDITIONAL PROPOSER INFORMATION

The CLC may request Proposers to provide information, clarify information contained in their Proposals, or supplement information previously supplied with additional information at any time during the RFP process. However, the CLC is not required to make such requests. A Proposer's failure to respond to CLC's requests promptly may result in rejection of that Proposer's Proposal, or the CLC may elect to accept that proposal as-is.

H. PRESUMPTION OF PROPOSER'S FULL KNOWLEDGE

The CLC will presume that each Proposer submitting a Proposal: (i) has read this RFP (including its attachments and addenda) and understands the CLC's needs and requirements; (ii) is capable of providing legal and regulatory-compliant products and services and performing all associated work that is necessary, incidental, or helpful to achieve the CLC's goals and objectives; and, (iii) is familiar with and will comply with all federal, state, and municipal laws, ordinances, orders, decrees, decisions, regulations, and rules imposing obligations on it, as well as any mandatory professional, industry, and other standards related to the work described in this RFP. A Proposer's failure and/or omission to review or examine any information concerning this RFP shall in no way relieve it from any aspect of its Proposal or the related obligations. Additionally, Proposers agree to comply with Applicable Laws in existence or that are adopted in the future, even if such Applicable Laws conflict with the System as intended in the RFP, the Proposal, or the contract.

I. CLC RESERVATION OF RIGHTS

By submitting a Proposal, each Proposer agrees that the CLC, in addition to any rights set forth elsewhere in this RFP, may take any of the following actions, in its sole discretion, at any time:

1. Accept or reject any or all Proposals, in whole or in part, and to award or not award a contract based on Proposals received;
2. Waive any technicalities, informalities, irregularities, or non-material deficiencies in a Proposal;
3. Waive any mandatory, non-material specification(s) that cannot be complied with by all Proposers;
4. Waive any informality in the RFP process if doing so, as determined solely by the CLC, is in the CLC's best interest;
5. Conduct discussions with any or all Proposers for the purpose of clarification and/or modification of Proposals;
6. Arrange to receive products and services from other providers, or obtain or perform itself the products and services, sought under this RFP;
7. Solicit additional and/or new Proposals from anyone;
8. Clarify, supplement, modify, suspend, or terminate this RFP in whole or in part, or withdraw and reissue a new RFP with terms and conditions materially different from this RFP;
9. Obtain information from any and all sources concerning a Proposer that the CLC considers relevant to this RFP, and to consider such information in evaluating the Proposer's submission;

10. Make a whole award, multiple awards, a partial award, or no award;
11. Disqualify any Proposer whose conduct and/or Proposal fails to conform to the requirements of this RFP;
12. Negotiate contract provisions, including provisions not found in this RFP, with one or more potential Proposers in any manner the CLC deems fit (negotiations may be held with multiple proposers concurrently or on an individual basis at separate times as the CLC determines); and
13. Set aside the original Successful Proposer if the CLC determines that the Successful Proposer is unable to fulfill the CLC's requirements for any reason. The CLC may, but shall not be obligated to, award the contract to a different Proposer.

PART III. SUBMISSION REQUIREMENTS & PROPOSAL CONTENTS

A. General

1. Delivery of Submissions

Proposers must submit their full Proposal by email to Melissa.Durso@ctlottery.org. Submissions must include the RFP number and RFP description in both the subject line and PDF file names. If documents are too large for successful submission by email, then Proposers must provide other secured means for transmitting documents such as Dropbox.

See Part III, Paragraph B for instructions on submitting a second electronic version of Proposals redacted to exclude Proposer Confidential Information.

The CLC must receive Proposals on or before the Submission Date set forth in Part II, Paragraph C. Proposers are solely responsible for ensuring timely delivery. The CLC will reject, and may return, Proposals received after the Submission Deadline or that are submitted by any other means and/or in any other format. The CLC will NOT accept late Proposals.

The following pages of the Proposal must contain an e-signature by an authorized representative of Proposer: (i) the Introduction Letter⁴; (ii) the Price Proposal⁵; (iii) verification of financial statements⁶; and, (iv) Campaign Contribution Certification form⁷. The CLC may reject Proposals that do not bear signatures.

2. Withdrawal of Proposal/Proposals Valid for One Year

A Proposer may modify or withdraw a Proposal in writing provided that the CLC receives the request prior to the Submission Date. Proposals, including, without limitation, Proposer clarifications and pricing provided, are considered valid and may not be withdrawn, cancelled, or modified by Proposers for one (1) year after the Submission Date, or until the commencement date of any resulting contract, whichever comes first. Any supplemental information submitted by a Proposer after the Submission Date in response to the CLC's request (e.g., clarifications, best and final offers) automatically extends the acceptance period for an equal time period.

B. FREEDOM OF INFORMATION ACT

All Proposals and documents submitted to the CLC in connection with this RFP are subject to disclosure to the public under FOIA, unless exempted by law. Proposers must clearly identify any portion(s) of their Proposals that contain financial, proprietary commercial information, trade secrets, or other highly sensitive, competitive information that

⁴ See Part III, Para. C, Section 1.

⁵ See Part III, Para. C, Section 8.

⁶ See Part III, Para. C, Section 5.

⁷ See part III, Para. C, Section 6.

they consider to be exempt from public disclosure by the CLC (Proposer Confidential Information). Proposer Confidential Information must be identified as follows: (i) each page containing Proposer Confidential Information must contain a footer with the word "CONFIDENTIAL," and (ii) the beginning of Proposer Confidential Information must be noted "CONFIDENTIAL INFORMATION BEGINS HERE," and the end of Proposer Confidential Information must be noted "CONFIDENTIAL INFORMATION ENDS HERE." Proposer must also provide a second electronic copy of its complete Proposal (including pricing) with Proposer Confidential Information redacted and clearly labeled as the "Public Copy." **The CLC will interpret a Proposer's failure to comply with this "Public Copy" requirement as Proposer's acknowledgment that its Proposal contains no Proposer Confidential Information and, therefore, may be disclosed in full to the public upon request.**

Pricing, resumes, and marketing information are subject to public disclosure. Proposers may not preface their Proposals with a general proprietary statement, or use page headers or footers that arbitrarily mark all pages confidential.

If the CLC receives a request for a copy of a Proposal, then the CLC will provide the Public Copy to the requester without notice to or review by the Proposer. Accordingly, each Proposer is solely responsible for, and the CLC shall have no liability to a Proposer for, the inclusion of any Proposer Confidential Information contained in the Public Copy or the provision of a Public Copy to a third party.

By submitting a Proposal with portions marked "CONFIDENTIAL," a Proposer represents that it has a good faith belief that such portions are exempt from public disclosure under FOIA. If the CLC receives a request for Proposer Confidential Information, then it will notify the Proposer. The Proposer may provide written consent to the disclosure, or it may object to the disclosure by notifying the CLC in writing of the basis for its objection, including the statutory, judicial, or other legal exemption(s) from disclosure.

Proposers agree that the CLC will not be liable for any disclosure of Proposer Confidential Information under any circumstance. Proposers will indemnify, hold harmless, and, if requested by the CLC but at Proposer's sole cost and expense, defend the CLC (including its directors, officers, and employees whether named in their individual or official capacities) from and against any and all Actions, and, in each case, will on demand, pay and reimburse the CLC for associated Losses arising out of, resulting from, or related to (or which the CLC alleges relate to): (i) the CLC's complete or partial nondisclosure of claimed Proposer Confidential Information and (ii) the CLC's complete or partial public disclosure of any claimed Proposer Confidential Information if the CLC reasonably determines disclosure is required by law, or if disclosure is ordered by any judicial, administrative, or other governmental body. A Proposer's obligations under this paragraph shall be immediate upon the CLC's written notice and tender. Upon the CLC's request, a Proposer will promptly and diligently cooperate and assist the CLC in replying to and defending against any complaint in connection with CLC's nondisclosure of claimed Proposer Confidential Information, including providing appropriate witnesses and documents.

C. CONTENT REQUIREMENTS

Proposals must be clear and thorough, and all pages of the Proposal must be numbered. Proposal must include:

Section 1: Introduction Letter

Proposers must submit an introduction letter providing the following information:

1. Proposer's understanding of the work to be performed, commitment to deliver the proposed solution.
2. Proposer's declaration that it possesses the particular qualifications, experience, capabilities, and resources available that will enable it to meet the CLC's wants, needs, and expectations.

3. Summary of Proposer's work process, product and service warranties and guarantees, and any particular practices it employs to ensure the quality of its products and services and that products and services are delivered on-time and according to customer specifications and requirements in a consistent manner.
4. Explain what differentiates the Proposer from its competitors and why the CLC should select the Proposer to provide the products and services solicited in this RFP.
5. Certification that the Proposer (including its collaborating partners, if any) has reviewed and approved the Proposal, and that the individual signing the Proposal is authorized to sign and submit it on Proposer's behalf and bind the Proposer to deliver on its response to this RFP.

Section 2: References

Provide three (3) references who are the Proposer's market access partners in states with an open sports betting market (specifically, where there are three or more sports betting operators) for which Proposer has performed work similar to that requested in this RFP. For each reference, provide the name of the company, address, contact person, telephone number, email, description of the products and services provided, and the length of the engagement. If utilizing a Subcontractor for a primary or functional aspect of the work, then provide two (2) customer references for it. Reference checks may include, without limitation, inquiry into the Proposer's performance on similar projects, compliance with specifications, and ability to meet project deadlines. The CLC may also independently check information sources other than the Proposer's references for purposes of evaluating the Proposer's responsibility, experience, skill, and business standing. Proposers may also use a reference a regulatory governing body and/or a customer the Proposer is listing as a Subcontractor, but must include a contact person and other required information.

Section 3: Proposer's Business Structure and Operations

Each Proposer shall provide the following information with respect to its legal structure and business operations. For the purposes of this RFP, an "owner" is an individual or legal entity with ten percent (10%) or more equity in the Proposer.

1. Full business name and the street and mailing address of its principal place of business, as well as for all locations from which the work under this RFP will be performed if different from the principal office. If a Proposer is a corporation or other legal entity that is required to file or register with the Connecticut Secretary of the State's Office, then it must have a current certificate of authority or registration to do business in the State of Connecticut that is on file with such office. The CLC may request acceptable evidence of any Proposer's authority to do business in Connecticut following the submission of its Proposal. The Successful Proposer must be authorized to conduct business in Connecticut.
2. The name, title, address, telephone number, and email address of the Proposer's primary point of contact for this RFP.
3. Proposer's founding and history; ownership structure; the names of principals/owners; the number of employees; and the number of years in business providing the products and services requested in this RFP. Provide Proposer's organizational chart.
4. Legal structure and key participants, including:
 - a. If a corporation: the names of all corporate officers and directors, and the names of all stockholders having five percent (5%) or more equity in the corporation.

- b. If a partnership, LLP, LLC, or joint venture: the names of the general partners, the limited partners or members, and the owners having ten percent (10%) or more equity in the organization.
 - c. Any parent company or subsidiaries of Proposer.
5. Account Staffing. For each Key Employee that will be assigned to the CLC's account, provide their name and title, location, experience providing the products and services the CLC is procuring, number of years employed by Proposer, and their responsibilities if the contract is awarded to Proposer.

The Successful Proposer is required to notify the CLC prior to replacing or substituting Key Employees or Subcontractors expected to perform work under the contract (except for vacancies due to termination or resignation, personal circumstances, and incapacity of workers). The Successful Proposer is also required to notify the CLC of any material change in the background status of any Key Employee or Occupational Employee or Subcontractor, including, but not limited to, due to unlawful or dishonest conduct. The Successful Proposer must notify the CLC within ten (10) Business Days of any such material change.

6. Any known related party relationships (professional or personal) between the Proposer (or its owners, officers, directors, primary members, or Subcontractors) and a CLC director, officer, or employee.
7. Connecticut Small Business & Diverse Supplier Participation. Proposer should describe its efforts in identifying, recruiting and encouraging participation by these businesses in its subcontracting opportunities under this RFP and its small and/or diverse business subcontractor participation goals (e.g., participation goals may be expressed in terms of number of subcontractors, quantity of spending, as a percentage of the total contract dollar value, etc.), as well as confirm its commitment to make a good faith effort to achieve these goals during the contract.

Change in Ownership

If a Proposer experiences a material change in ownership prior to the award of a contract or during the contract with the CLC, then the Proposer is required to notify in writing the CLC at the time the change occurs or is identified. "Material change in ownership" means any merger, acquisition, assignment, or change in parties who, in the aggregate, own greater than forty-nine percent (49%) of the Proposer or the parent company of the Proposer. Failure to notify the CLC of such a change may result in the rejection of a Proposer's Proposal, or, if during the contract, termination of the contract. The CLC reserves the right, based on its assessment of a material change in ownership, to reject a Proposer's Proposal or terminate a contract.

Conflicts of Interest

Proposers must disclose any actual or potential conflicts of interest that exist at the time of submitting their Proposals, or which may arise during the contract, between any work they perform for any of their current clients and the CLC. Proposers must disclose any current gaming industry clients doing business in Connecticut. The Successful Proposer will have an ongoing obligation to inform the CLC of any actual or potential conflicts of interest. The CLC shall be the final authority as to whether a conflict of interest might exist, and if one does exist, the CLC reserves the right to waive the conflict or take all necessary and appropriate action to protect its interests.

Integrity of Successful Proposer

CLC's enterprise and its success depends on maintaining the public trust and confidence. The CLC operates with the highest standards of security and integrity, and its vendors are held to the same standards. Therefore, it is essential that operation of the CLC, and the operation of vendors doing business with it, avoid

any impropriety or appearance of impropriety. Because of this, the Successful Proposer and its respective employees must:

- Provide consistent, high quality product and service solutions;
- Act with uncompromising integrity and honesty and with high regard for the public good;
- Avoid activities reasonably judged by the CLC to adversely affect or reflect on the CLC, the State of Connecticut, or the sports betting industry;
- Be accountable for their actions and results and deliver on their commitments;
- Comply with Applicable Law, including Connecticut statutes and regulations applicable to contractors doing business with the State of Connecticut; and
- Report all actual or potential issues, problems, defects, changes, performance degradations, incidents, breaches, and other matters concerning the System, the contract, or any work immediately to the CLC upon detection, and provide the CLC full and prompt access to any and all records and reports related thereto upon its request.

Section 4: Proposer's Prior Performance Issues

Each Proposer shall state whether it has experienced any of the following events:

1. During the last five (5) years, it, its parent, or subsidiary has had any contracts terminated for its default or cause. If so, then the Proposer must submit full details of the contract termination.
2. It, its parent, or subsidiary has ever been debarred or otherwise prohibited from contracting or submitting proposals or bids for contracts with: the State of Connecticut or any other state, Native American body, or other governmental or quasi-governmental entity within the United States. If so, then the Proposer must fully identify the authority issuing the debarment prohibition, describe the reason(s) for the debarment/prohibition, and state the inclusive dates thereof.
3. During the last three (3) years, it, its parent, or subsidiary has been assessed penalties or Liquidated Damages, including regulatory fines, under any of its existing or past sports betting or DFS system contracts in any amount over ten thousand dollars (\$10,000). If so, then the Proposer must explain the reason(s) and the amount of such penalty or Liquidated Damages.
4. During the last five (5) years, it, its parent, or subsidiary has been the subject of any order, judgment, or decree of any federal, state, municipal, or provincial authority barring, suspending, or otherwise limiting the right of the Proposer to engage in any business practice or activity, or if trading in the stock of the Proposer has been suspended. Information, including a complete copy of such order, judgment, or decree, must be provided to the CLC, with appropriate and accompanying date(s) and explanation(s).
5. Any judgment or settlement within the past two (2) calendar years related to the Proposer's products and services and any pending, threatened, or reasonably anticipated action, suit, proceeding, investigation, or litigation, whether judicial, administrative, or otherwise (including without limitation any bankruptcy, reorganization, insolvency, or similar proceeding) involving the Proposer.
6. Non-privileged information as it relates to all pleas, indictments, convictions, findings of fault and liability (e.g., fines, penalties, damages), or consent agreements, against the Proposer and/or its owners, members, directors, and officers (regardless of place of employment) involving fraud, misrepresentation, criminal offense, or violation of any federal, state, or local ethics law, regulation, ordinance, code, policy or similar standard.

Section 5: Proposer's Financial Statements

The Successful Proposer must be financially sound and stable and able to perform under the terms and conditions of the contract. Proposers must provide the following information:

1. Audited financial statements for the last three (3) completed fiscal years; and
2. If the Proposer is a subsidiary of another company, then financial statements for the parent company for the same periods must be provided with the Proposer's statements. The Proposer must also submit a letter, signed by an authorized representative of the parent company, stating that the parent company will guarantee the Proposer's full, prompt, and complete performance if it is awarded the contract, including any and all of Proposer's financial commitments, obligations, and liabilities.

The Proposer's Chief Financial Officer must provide a signed and dated statement that the financial statements submitted are prepared in accordance with Generally Accepted Accounting Principles (GAAP) accepted in the United States of America and fairly represent the financial condition of the Proposer as of the Proposal Submission Date.

Change in Financial Condition

If a Proposer experiences a change in financial condition prior to the award of a contract or during the term of the contract with the CLC, then the Proposer is required to notify the CLC in writing at the time the change occurs or is identified. A "change in financial condition" is any event that, following GAAP (or the international equivalents to the extent available), would require a 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. Failure to notify the CLC of such a change may result in rejection of Proposer's Proposal or termination of the contract, in the sole discretion of the CLC.

Section 6: Campaign Contribution Certification

The following procurement form, available via the link below, must be executed and submitted with the Proposal: Campaign Contribution Certification, [OPM Form 1 \(ct.gov\)](#)

In the event the above link is unavailable or inactive, Proposers can find the form on the CLC's Procurement website at [CT Lottery Official Web Site - Procurement Forms](#). Proposers are subject to a continuing disclosure requirement; any such matter or change in circumstance occurring after submission of a Proposal and, with respect to the Successful Proposer after the execution of a contract, must be disclosed promptly in writing to the CLC. The CLC will not enter into or continue a contract with a Successful Proposer that fails or refuses to comply with documentation and disclosure requirements.

Section 7: Technical Proposal

This Section 7 should establish the Proposer's understanding of the CLC's requirements and specifications in Appendices B and G of this RFP. The Proposal must clearly establish the Proposer's intentions and ability to meet these requirements and specifications, explaining specific methodologies, techniques, management oversight, and other critical deliverables that will be present at the start and throughout the duration of the System contract. This includes the transfer of Data from CLC's current System provider.

Proposer must project when they can have their System fully tested and ready to accept accounts and wagers, including the testing and inspection required to obtain regulatory approval. In short, this is your projected Go-Live Date, and can be expressed as "X number of weeks or months after a contract is signed," or a specific date incorporating your assumptions.

Proposer must share their process and plan for developing, implementing, testing, and training on a new System, and how to get that System and all of its components working properly in each channel on the Go-Live Date. The work that the Proposer will do and the work that the CLC will do must align together as one plan, with active and engaged communication.

Section 8: Price Proposal

Appendix C describes the manner and format in which Proposers must submit pricing for the CLC's consideration. Proposers must submit a Price Proposal – completed and signed – using the uniform format provided. Please read the pricing instructions carefully in order to provide a responsive Proposal.

Pricing must be entered into the excel file provided and submitted as excel file format. A signed version of this file must also be submitted as a separate PDF. The pricing proposal format is designed so that Proposers can provide basic revenue share from calculations and to accommodate variables that you may recommend related to marketing and promotions or other services. Prices or percentages will be applicable to all eight (8) years of the term. Proposers are encouraged to provide sufficient notes to explain any modified pricing they may provide in addition to the CLC's pricing model.

All pricing must be in U.S. Dollars, and all percentages must be limited to two decimal places (i.e., xx.yy%). All pricing is considered valid for one (1) year from the date of submission, or until an agreement is signed with the Successful Proposer.

PART IV. EVALUATION AND NOTICE OF AWARD

A. METHOD OF AWARD AND PROCESS

The CLC will select the Proposal that, all things considered, the CLC determines to be in its best interest. The CLC may consider any objective and subjective factors it deems relevant such as, but not limited to: a Proposer's experience; Proposer's ability to demonstrate strategic partnership thinking; Proposer's ability to describe the fullness of its System development; Proposer's management and operations; Proposer's security efforts at the start and ongoing; Proposer's ability to demonstrate its responsiveness, timeliness, and creative problem solving; and, Proposer's ability to demonstrate its thoroughness and commitment to first-time quality in launching and maintaining the System or making software changes and improvements.

Prior to making its selection, the CLC may request additional information and may require presentations from Proposers. The CLC may also conduct discussions with "short-listed" Proposers determined by the CLC, in its sole judgement, to be the most qualified to provide the requested products and services and with Proposals within an acceptable competitive range. The CLC may ask a Proposer to submit best and final terms after it reviews all Proposals, including any offered System options.

However, the CLC is under no obligation to request additional information or engage in pre-selection discussions, and may make its final selection without doing so. Therefore, Proposers are advised to submit their best Proposals in response to this RFP as the CLC may make a contract award based solely on the content of initial submissions.

The CLC may also independently obtain information from sources other than a Proposer, including, without limitation, information concerning the Proposer's reliability, its experience and capabilities, and its performance under other contracts, that the CLC deems pertinent to the RFP, and may consider such information in the Proposal evaluation process.

B. PRELIMINARY NOTICE OF AWARD; THE CONTRACT

A Preliminary Notice of Award will be sent to the Successful Proposer. **The making of a Preliminary Notice of Award does not provide a Proposer with any rights and does not impose upon the CLC any obligations. The CLC is free to withdraw a Preliminary Notice of Award at any time and for any reason. A Proposer has rights, and the CLC has obligations, only if and when a contract is executed by the CLC and the Successful Proposer.**

Award Publicity Prohibition: The Successful Proposer(s) will not issue any public statement (e.g., press releases, tradeshow conversations) promoting itself in connection with this RFP or any arrangement entered into under this RFP without prior written approval from the CLC in each instance.

Final approval of award is subject to the Successful Proposer's execution of a definitive written contract with the CLC, its submission of all procurement documents and information requested by the CLC, and its fulfillment of all background checks and DCP licensing.

The Successful Proposer, its Subcontractors, if any, and all Key Employees and Occupational Employees must be separately licensed by DCP in accordance with the Act and the Regulations. The CLC will withdraw a Preliminary Notice of Award or terminate a contract if the Successful Proposer fails to promptly and cooperatively comply with licensing requirements. DCP may require individuals to become fully licensed before performing any work on the contract.

Any contract the CLC may award as a result of this RFP will be based upon this RFP, including all attachments, any addenda, and some or all portions of the Proposal submitted by the Successful Proposer, and will include provisions required by the CLC and other mutually agreeable terms and conditions. The CLC reserves the right to award the contract without further negotiations, or negotiate some or all terms and conditions of the contract. A Proposer must not submit a Proposal assuming that there will be an opportunity to negotiate any aspect of the contract, and any Proposal that is contingent on the CLC negotiating with a Proposer may be rejected.

Negotiations may result in minor or material changes to the Proposal and/or the RFP, including, without limitation, changes to the original scope of work, schedule of work, and financial, technical, and operational terms, conditions, and requirements. Negotiations may be terminated by the CLC, in its sole discretion, at any time for any reason. If the CLC and the Successful Proposer are unable to reach agreement, then the CLC will cease negotiations and has the option of engaging another party for the products and/or services being procured under this RFP.

APPENDIX A
Definitions

The following terms used in this RFP have the meanings below. Other capitalized terms used in this RFP are defined in the context in which they are used.

“Action” – any demand, cause of action, claim, lawsuit (through any appeals), mediation or arbitration, subpoena, inquiry, audit, proceeding, investigation, or enforcement action of any nature, whether civil, criminal, administrative, regulatory, or other, whether at law, in equity, or otherwise.

“AML” – anti-money laundering.

“Applicable Law” – at any date of determination, any federal, state, and local laws, statutes, codes, ordinances, orders, decrees, decisions, regulations, specifications, rules, standards, regulatory or administrative guidance, or other restrictions of any government authority, that may in any way be applicable to the System or the lawful performance of the contract, or that may commonly be followed or accepted by highly experienced System suppliers, in effect on such date.

“Backup Data Center” or “BDC” – the data center located in the United States that shall be ready at any moment to take over the operation of the System from the Primary Data Center.

“Breach of Security” – whether caused by an internal or external source, (i) any actual or reasonably suspected unauthorized use of, loss of, acquisition of, access to (including ransomware attacks), corruption of, or disclosure of Data in the control, custody, or possession of the Successful Proposer (or a Subcontractor); (ii) any actual or reasonably suspected compromise to the security, integrity, or availability of the System; or (iii) any security breach or security incident (or substantially similar term) as defined by or used under Applicable Law.

“Cure Period” – has the meaning set forth in Paragraph I(G)(1) of Appendix D, unless a different Cure Period is identified.

“Data” – any data or other content or information provided to the Successful Proposer by or on behalf of the CLC, or collected, used, Processed, stored, generated, or created in connection with the System, including, without limitation, CLC Sensitive Information; state and federal protected business and personal information by which an individual can be identified, whether or not publicly available, and includes any retailer, employee, or player information; and other information protected by applicable state and federal data security and privacy laws. CLC owns the Data.

“Documentation” – all written materials in any form or medium pertaining to the System including, without limitation, any and all operator and user manuals, training materials, guides, commentary, on-line help files that the Successful Proposer customarily furnishes to customers for use in conjunction with and for the operation of the System, and any other materials prepared in connection with any System update, upgrade, or new release, and shall include any updated versions of Documentation.

“FOIA” - the Connecticut Freedom of Information Act, Connecticut General Statutes §§ 1-200 et seq.

“GLI”- Gaming Labs International or similar entity providing testing, certification and professional services to the global gaming industry.

“Go-Live Date” – As defined in Part III, Paragraph C, Section 7 of the RFP or that first date of operation of the Successful Proposer’s System designated by the CLC when the CLC uses the System for normal sports betting transactions.

“Intellectual Property” – all intellectual and similar property rights such as: inventions, discoveries, or improvements, including patents, patent applications and certificates; trade secrets, know-how; compilation, arrangement, or selection of Data and other works of authorship or expression, including copyrights and future copyrights; trademarks, service marks, logos, taglines, designs and trade dress; and similar property under any laws or international conventions throughout the world.

“Intellectual Property Rights” – any rights regarding Intellectual Property, including the protection of Intellectual Property under any laws or international conventions throughout the world, including the right to apply for registrations, certificates, or renewals with respect thereto, and the rights to prosecute, enforce, and obtain damages.

“Liquidated Damages” – has the meaning set forth in Paragraph I(O) of Appendix D.

“Loss” – in connection with an Action that is subject to defense and indemnification under this RFP and the contract, all damages, awards, settlements, judgments, fines, penalties, costs, and expenses of whatever kind, including, without limitation, attorney and professional fees and court costs; costs of investigation, discovery, and litigation (through any appeals); as well as costs of enforcing a Proposer’s/Successful Proposer’s indemnification obligations and pursuing any insurance providers.

“Preliminary Notice of Award” – has the meaning set forth in Part IV, Paragraph B of the RFP.

“Price Proposal” – means that part of a Proposal described in Part III, Paragraph C, Section 8 and Appendix C.

“Primary Data Center” or “PDC” – the location within the United States where the Successful Proposer will house the servers, networking components, and other infrastructure related to the System.

“Process” – to perform any operation or set of operations on any Data, information, material, work, expression, or other content, including to (i) collect, use, receive, input, upload, download, record, reproduce, generate, store, organize, combine, log, catalog, cross-reference, manage, maintain, copy, adapt, alter, translate, or make other improvements or derivative works, (ii) process, retrieve, output, consult, use, disseminate, transmit, submit, post, transfer, disclose, or otherwise provide or make available, or (iii) block, erase or destroy. “Processing” and “Processed” have correlative meanings.

“Proposal” – all materials, information, and documents submitted by a Proposer in response to this RFP, as well as to any information request made by the CLC at any time during the RFP process (e.g., addenda, clarifications, modifications, demonstrations/presentations, best and final offers).

“Proposer” – any individual or business entity submitting a Proposal in response to this RFP, including that business entity’s parent corporation, if any.

“Records” – has the meaning set forth in Paragraph I(O) of Appendix D.

“System” – the comprehensive technology solution and infrastructure that will be provided by the Successful Proposer to operate, manage, support, and perform other services for both sports betting and DFS in Connecticut. The System includes, but is not limited to, the combination of:

- (i) Computers, software, hardware, databases, networks, servers, operating systems, facilities, equipment, components (e.g., kiosks, teller and self-service Terminals and odds boards), elements, and Processing capabilities and configurations, and any required and additional System options selected by the CLC;

- (ii) Updates (e.g., fixes or incremental enhancements), upgrades (i.e., major changes to capability and functionality of the System), and new releases;
- (iii) All licenses, including licenses to Intellectual Property;
- (iv) Documentation; and
- (v) All services, labor, project management, expertise, testing, training, maintenance and support, and other work (including pursuant to any warranty obligations)

as further described in the RFP, which would be helpful to the CLC in meeting its RFP goals and objectives, or which is customarily included with a system of the scope and scale as the System that the CLC seeks to procure, to perform all sports betting and DFS functions (e.g., account creation, wagering transactions, validations, claims) and control, monitor, and report all sports betting and DFS activity. The "System" includes all of the foregoing items (i) through (v) whether provided directly by the Successful Proposer or through the use of Subcontractors and third-party services.

"Security Program" – has the meaning set forth in Paragraph I(F)(1) of Appendix D.

"Service Levels" – has the meaning set forth in in Paragraph I(O) of Appendix D.

"Subcontractor" – has the meaning set forth in Part II, Paragraph E of the RFP.

"Successful Proposer" – the business that the CLC selects to provide the System pursuant to this RFP, subject to the execution of a contract approved by the CLC Board of Directors.

"Technical Proposal" – means that part of a Proposal described in Part III, Paragraph C, Section 7.

"Terminals" – includes SSTs, Kiosks, teller Terminals, and OTCs that are connected to the System and used in retail sports betting locations for customers or staff to enter funds and place wagers. Each must be Americans with Disability Act (ADA) compliant and fully tested and certified prior to being deployed.

APPENDIX B
Business Requirements & Technical Requirements

The business and technical requirements are a listing of requirements for development and deployment of the System, for receiving regulatory approval for launching, and for operating the System. Appendix G contains additional detailed requirements for the System, which are regulatory requirements applicable to all online gaming systems used on Connecticut. CLC reserves the right to negotiate additional business and technical requirements during the contracting phase. Proposers are encouraged to review Appendix G and ask questions to ensure understanding.

Proposals should address meeting all of the business and technical requirements and commit to meeting all statutory and regulatory requirements. The Successful Proposer is expected to engage with CLC staff to fully understand these requirements and to set expectations for how the System functions. Proposals should contain clear descriptions and explanations and meaningful diagrams in order to represent Proposer's product, services, and intent to engage with CLC during the deployment and operation of the System.

1. Sports Betting Hardware and Software Solution (Online and Retail Channels)

Proposer is asked to provide a description of the hardware and software solution it is proposing to utilize if chosen as Successful Proposer. Please describe the solution including a description and specification of the following:

- a. The core betting software including middleware applications and services;
- b. The core betting hardware including servers, middleware servers, firewalls, routers and switches;
- c. Retail hardware and software for SSTs and OTCs, cash validators and identity validators on self-service machines;
- 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 source;
- g. Business Intelligence solution;
- h. CRM software system;
- i. Bet settlement tools if outside of the core system;
- j. Websites and mobile applications;
- k. Geolocation Services;
- l. Player account manager;
- 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, placing a wager and payment processing. Proposers should also describe the back-end or back office system, the access that would be available to CLC, and the reporting and monitoring capabilities built into the systems and available to the Proposer and the CLC if they differ.

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, including jurisdiction and period of service.

Proposer shall provide GLI or similar certifications, as applicable, for each piece of hardware and software that it will rely on in production. All servers that receive or accept sports wagers must be located within Connecticut. Proposer will be responsible to validate that bettors are eligible, have properly created accounts to place bets, and are within the borders of the State of Connecticut at the time of each wager.

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

2. Sports Betting Associated Services (Online and Retail 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, broken down and detailed separately for online and retail channels:

- 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 CLC's approval while highlighting the ability to change risk management strategies if required;
- d. AML and compliance (online and retail)
- e. Bet Settlement (online and retail), and process for handling tax reportable winnings and withholding requirements for both federal and CT taxes;
- f. Customer Relationship Management;
- g. Marketing, Advertising, Content Creation, and Player Bonusing in retail and online;
- h. Proposed branding (note that C.G.S. § 12-853(a)(2) prohibits the use of a brand used for a physical casino located in any jurisdiction);
- i. Customer Service/Retailer Service and Training;
- j. Technical/IT Assistance;
- k. Project Management of implementation and ongoing development and testing of platform and products;
- l. Loyalty/VIP Program involving online and retail players; and
- m. Withdraw/Deposit into online account at retail (e.g., cash-at-cage).

Proposers should highlight their capabilities and resources in these defined areas and how they would propose to deploy those capabilities and resources to support Connecticut sports betting. Proposers should also feel free to highlight additional value-added services that are not specifically identified in this document. Proposers should describe their plans for operating, and/or outfitting retail locations, understanding that under the Act and Regulations, it is CLC that must enter into agreements with business (i.e., a sports bar) while either CLC or Proposer may staff the operation.

Proposers should include diagrams to aid understanding of processes and integration. Include a listing of all available sports for the Connecticut market through your System. Proposers should describe whether the online offering will be specific to Connecticut, or whether the mobile application uses a "single wallet" across jurisdictions. Also include your experience with importing player account Data into your System for the purpose of receiving the existing Data from current player accounts. Any known requirements of your System will be important to specify here, as well as your recommendation regarding handling of existing wagers in the transition from the current System to the Proposer's System.

Proposers must describe their plans and processes for handling unusual transactions, including but not limited to: (i) high dollar value wagers in the retail channel; (ii) wagers submitted close to cut off times in both online and retail channels; and, (iii) customers with frequent occurrences of (i) and/or (ii).

3. DFS

Proposer shall identify and describe how they will provide CLC with a DFS Solution. Proposer shall provide a detailed explanation of such plan, including but not only:

- a. Indicate whether the solution is in-house or will be provided by a Subcontractor;
- b. Indicate whether the solution will utilize the same PAM as the online sports betting solution;
- c. Indicate whether DFS would launch simultaneously with online sports betting, or project a date "X weeks or months" from online sports betting launch; and
- d. Address all relevant items in Sections 1 and 2 of this Appendix B, specific to DFS.

APPENDIX C
Price Proposal Form & Instructions

This section describes the manner in which Proposers will submit pricing for the CLC's consideration. The accompanying Pricing Proposal excel file shall be completed and submitted by each Proposer to represent binding commercial terms for each Proposal. Instructions for each aspect of pricing are provided on that file. The completed excel file, as well as a signed PDF copy, must be submitted with your Proposal.

Proposer shall provide clear terms and descriptions for any alternative pricing or additional options that are proposed. Additionally, clarifications and carve outs should be properly noted on the pricing proposal, if applicable.

APPENDIX D
Contracting Provisions

The CLC contemplates that, in addition to the terms, conditions, and requirements in this RFP, the contract between the CLC and the Successful Proposer will include, without limitation, the following draft provisions. The CLC's final contract offer may contain additional provisions or provisions worded differently from those set forth below.

I. GENERAL CONTRACTING PROVISIONS

A. INTEGRITY OF THE SUCCESSFUL PROPOSER

CLC's enterprise and its success depends on maintaining the public trust and confidence. The CLC operates with the highest standards of security and integrity, and its vendors are held to the same standards. Therefore, it is essential that operation of the CLC, and the operation of vendors doing business with it, avoid any impropriety or appearance of impropriety. Because of this, the Successful Proposer and its respective employees must:

- Provide consistent, high quality product and service solutions;
- Act with uncompromising integrity and honesty and with high regard for the public good;
- Avoid activities reasonably judged by the CLC to adversely affect or reflect on the CLC, the State of Connecticut, or the sports betting industry;
- Be accountable for their actions and results and deliver on their commitments;
- Comply with Applicable Law, including Connecticut statutes and regulations applicable to contractors doing business with the State of Connecticut; and
- Report all actual or potential issues, problems, defects, changes, performance degradations, incidents, breaches, and other matters concerning the System, the contract, or any work immediately to the CLC upon detection, and provide the CLC full and prompt access to any and all records and reports related thereto upon its request.

B. SUBCONTRACTING

The CLC's prior written consent is not necessary for the purchase of commercially available products and services that are ancillary for the completion of the contract (as determined by the CLC). For avoidance of doubt, in the event a Subcontractor is engaged by the Successful Proposer to provide products or services for critical System functions or components (e.g., risk management) or to host or assist with the implementation of the System, or whose work requires it to handle CLC Sensitive Information, then the CLC's prior written consent is required. If CLC approval is given, then the Successful Proposer will ensure that its Subcontractors are responsible and experienced to perform the subcontracted work. The Successful Proposer will be fully and solely responsible for and be strictly liable to the CLC for the proper supervision, coordination, and performance of its Subcontractors and all others it hires to perform or assist in performing any work, and will not be relieved by their non-performance.

Approved Subcontractors will be subject to all provisions of the contract applicable to their engagement, including, without limitation, skilled and sufficient staffing, information security and privacy, DCP licensing, insurance, and other requirements determined by the CLC at the time of contracting, and the Successful Proposer will ensure the full compliance of their Subcontractors with these provisions.

C. DCP LICENSING REQUIREMENTS; BACKGROUND CHECKS

In accordance with the Act and Regulations, the CLC has been licensed as a Master Wagering Licensee. Successful Proposer and its Key Employees and Occupational Employees must be separately licensed by the DCP in accordance with the Act and Regulations and maintain such licenses for the duration of this Contract once

approved by the DCP. Successful Proposer's Subcontractors (i.e., Online Gaming Service Providers as defined by the Act) and each of their respective Key Employees and Occupational Employees, as defined by the Act, must be separately licensed by the DCP in accordance with the Act and Regulations, and must maintain their licenses for the duration of the contract, once approved by the DCP.

Successful Proposer shall terminate an Online Gaming Service Provider's ability to perform services under or in connection with the contract if that Online Gaming Service Provider fails to comply with DCP licensing requirements. CLC may not pursue a contract with Successful Proposer for failure of the Contractor to comply with DCP licensing requirements or its failure to terminate any Online Gaming Service Provider that fails to comply with DCP licensing requirements. Successful Proposer acknowledges that no Online Gaming Service Provider can perform work without required regulatory licensing and will require no work be performed by an unlicensed staff.

D. PROHIBITION AGAINST GAMING PARTICIPATION

Successful Proposer will notify its Key Employees and Occupational Employees, and its Subcontractors and their respective Key Employees and Occupational Employees, that they and certain members of their households are prohibited from participating in sports betting or DFS operated by the Successful Proposer in Connecticut. Each such person will remain ineligible to participate, regardless of their receipt of such notice.

E. CLC SENSITIVE INFORMATION

The CLC may share non-public information and documentation with the Successful Proposer that is confidential information (CLC Sensitive Information). Additionally, the Successful Proposer may procure, develop, generate, collect, use, store, and otherwise process information and documentation for the CLC during the contract that the Successful Proposer also acknowledges is CLC Sensitive Information. "CLC Sensitive Information" also includes any information and content placed on, Processed or created by, or that is derived from the System (e.g., analytics, reports) that is exempt from public disclosure under FOIA. Sensitive information need not be novel, unique, copyrightable, or constitute a trade secret to constitute CLC Sensitive Information under the contract. The Successful Proposer agrees that all CLC Sensitive Information, whether or not marked "Confidential," and whether documentary, electronic, oral, observational, or otherwise, is and will remain the CLC's exclusive property.

The Successful Proposer will protect all Data, especially CLC Sensitive Information, and will not (i) disclose or cause to be disclosed to any third party, or (ii) use or cause to be used, any CLC Sensitive Information, for any purpose, except: (a) to the extent necessary to perform the contract or (b) with the CLC's prior written consent in each instance (collectively, the Permitted Uses). The Successful Proposer will limit access to CLC Sensitive Information to its Key Employees, Occupational Employees and Subcontractors that have a need-to-know to such information for the Permitted Uses and are advised of the privacy, confidentiality, and information security requirements of the CLC prior to access. The Successful Proposer will retain only Subcontractors that are capable of complying with CLC's confidentiality requirements, and the Successful Proposer will be responsible for, and remain liable to the CLC for, its Subcontractors' compliance.

The Successful Proposer will exercise a level of care to prevent the disclosure and misuse of CLC Sensitive Information equal to or exceeding the level of care that it exercises to secure and protect its own non-public, sensitive, confidential, and proprietary information, but not less than reasonable care and diligence.

If the Successful Proposer receives a request for disclosure of any CLC Sensitive Information (for example only, under FOIA or by subpoena), then it must immediately notify and consult with the CLC as to how to respond to the request.

F. SECURITY PROGRAM

1. The Successful Proposer must maintain a comprehensive written security program for the System (Security Program), which shall encompass, but is not limited to, the System environment (the combination of hardware, software (including firmware), programs, equipment, peripherals, facilities, etc.), Data and transactions Processed by the System, software contained in or used with the System or executed or installed on any device connected to a CLC information system or network, and any of the Successful Proposer's services that support or maintain the System.

The Security Program must include reasonable and appropriate technical, organizational, administrative, and physical security controls and countermeasures to protect the confidentiality, integrity, and availability of: (i) the System environment and (ii) Data, including CLC Sensitive Information, over which the Successful Proposer has direct or indirect access, possession, or control, and whether at rest in hosting and Primary Data Center and Backup Data Center of the Successful Proposer, or in-transit, from and against internal and external threats or hazards. The Security Program must fully comply with Sec. 12-865-33 of the Regulations. The content and implementation of the Successful Proposer's Security Program shall be fully documented in writing and available to certain CLC personnel upon request.

2. Transparency of System Controls; Security and Operations Audits.

a. No less than twice annually, the Successful Proposer and Subcontractors that handle Data and/or host or perform other critical functions related to the System will provide a report to the CLC President & CEO (either in writing or verbally, at the President's election) concerning the System and their operations, including changes, strengths/weaknesses, processes and controls, audits, Security Program activities, and any other business area requested by the CLC.

b. No less than annually, the Successful Proposer, at its sole expense, must engage or cause to be engaged an independent audit firm to assess the Security Program, which audit shall include physical inspection of facilities and equipment, external scan, process reviews, and reviews of system configurations, including firewall rule sets, and any information or materials in the possession, custody, or control of the Successful Proposer or its Subcontractors, relating in any way to their Security Program obligations. The Successful Proposer must provide the CLC with copies of all audit reports as soon as they are available. The Successful Proposer will promptly correct any audit issues, deficiencies, and weaknesses, at no cost to the CLC, and provide the CLC sufficient documentation demonstrating correction of such matters to the satisfaction of the CLC.

The failure of the Successful Proposer or any Subcontractor to conduct an annual Security Program audit will constitute a material breach of the contract. In such event and without waiving any other right or remedies the CLC may have, the CLC may retain an independent audit firm to perform the audit. The Successful Proposer and its Subcontractors will provide all necessary support and cooperation, including giving the audit firm access to their facilities, personnel, and any information or materials needed to conduct the audit. The CLC may deduct all audit costs and expenses from future payments to the Successful Proposer.

G. TERMINATION

1. Termination for Cause. The CLC may terminate the contract or any portion(s) of the contract for cause, including, but not limited to, in the following circumstances:

a. If the Successful Proposer furnished any statement, representation, warranty, or certification in connection with its Proposal or in the contract that is found by the CLC, in its sole judgement, to be materially false, deceptive, or incorrect.

b. If, in the sole judgment of the CLC, the Successful Proposer abandons or fails to timely perform the work (unless otherwise agreed to by CLC in writing), or if the Successful Proposer's performance is non-conforming, deficient, careless, its performance does not meet required minimum levels, or it otherwise does not meet industry standards and/or does not meet the CLC's specifications.

c. If the Successful Proposer fails to perform or satisfy any other provision or requirement under or referred to in the contract, in the sole judgment of the CLC.

d. If the Successful Proposer's actions or omissions, whether or not related to the contract, harm or could adversely affect the CLC, in the sole judgment of the CLC, or subject the CLC to negative or adverse public scrutiny.

e. If the Successful Proposer fails to comply with DCP licensing obligations, including, without limitation, if it or any of its Key Employees have their licenses revoked by DCP.

If a default or breach reasonably susceptible to cure as determined by the CLC is not cured within a mutually agreed-upon cure period after the Successful Proposer has received written notice (Cure Period), but in no event later than thirty (30) Calendar Days from the Successful Proposer's receipt of notice, then the CLC will have the right to terminate the contract or any work under it (as well as any subcontract or other agreement or portions thereof). A termination under this Paragraph I(G)(1) will become effective (i) upon the expiration of the Cure Period if such default or breach is curable but is not cured by the Successful Proposer on or before such expiration, or (ii) immediately upon the Successful Proposer's receipt of written notice if such default or breach is not curable (Incurable Default).

The CLC's right to terminate for cause is in addition to any other rights and remedies available to the CLC by law or equity or under the contract (e.g., the right to procure products and/or services required by the contract from other sources on the open market and seek reimbursement from the Successful Proposer, the right to require continued specific performance until an alternative solution is found, the right to assume contracts).

2. Termination Due to Public Interest or Legislative or Regulatory Action. The CLC's obligations under the contract are expressly conditioned upon the CLC's receipt of all necessary or desirable written consents, approvals, and waivers from all appropriate Connecticut government authorities with respect to the contract and the transactions contemplated by the contract, and the continued authorization of such government authorities. If at any time public interest issues arise regarding the propriety or continued performance of the contract (e.g., an improperly awarded contract), or the CLC, in its sole judgment, determines that the contract, or an activity or operation supported or contemplated by the contract, is unlawful or not permitted for reasons including court decision, legislative action, administrative decision, or advice of counsel, then the CLC may terminate the contract or any portion(s) of it (as well as any subcontract or other agreement or portions thereof) effective immediately upon giving the Successful Proposer written notice.

3. In the event of a termination or due to public interest or legislative or regulatory action, each party shall be relieved of any obligation or liability to the other, except with respect to the CLC's payment of certain expenses identified in this Paragraph 3, and except for any provisions specifically stated in the contract to survive termination. The CLC will pay the Successful Proposer for expenses under the following circumstances: (i) if prior to the Go-Live Date - the cost of contractually authorized System setup and installation work performed, an agreed upon cost for equipment purchased that cannot be repurposed, third-party software license fees actually incurred and irrevocably committed to, and fees associated with any lease or property agreements that must be terminated, all measured from the date the CLC provides its termination notice to the Successful Proposer; (ii) if after the Go-Live Date - a reasonable agreed upon residual value calculation for contractually authorized System and equipment expenses, and leasehold and property agreements that must be terminated due to this decision.

All agreed upon expenses will be properly supported by documentation that clearly proves the amount and incurrence of the expense. Other than an agreed upon residual value calculation (including equipment depreciation, payment of amounts due in Subcontractor severance clauses), in no event will the CLC be liable to the Successful Proposer for any other costs or expenses including, but not limited to, anticipatory compensation for work in progress, work not yet performed, or work which the CLC has yet to accept; materials acquired unnecessarily in advance, in excess of the CLC's delivery requirements, or initiated after the Successful Proposer's receipt of a termination notice; lost or prospective profits; loss of business opportunity; or any indirect, consequential, punitive, or special damages. Upon receipt of a termination notice, the Successful Proposer will cooperate with the CLC, including, without limitation, taking reasonable steps to mitigate its costs and expenses.

The CLC's termination of the contract for cause or due to public interest will not relieve the Successful Proposer from any accrued or accruing obligation it may have on or before the termination effective date. Furthermore, any responsibilities that the Successful Proposer has that by their nature extend beyond contract termination will remain in effect until fulfilled.

H. EFFECT OF TERMINATION

Upon the expiration or termination of the contract:

1. The Successful Proposer will either stop all work (or certain work) immediately or continue to perform for a specified period of time, as per the negotiated contract;
2. The Successful Proposer will perform all end of contract transition responsibilities, including transferring all Data, including CLC Sensitive Information, to the CLC or, to a replacement/successor vendor; and
3. The CLC will have the option to continue utilizing the Successful Proposer's System, in whole or in part, pursuant to an emergency extension of the contract (see, Paragraph I(J) below).

I. END OF CONTRACT AND TRANSITION TO NEW VENDOR

For a variety of reasons, the contract between the CLC and the Successful Proposer will terminate or eventually end naturally, and the CLC may engage with a new vendor to provide a replacement System. The CLC may utilize part of the last year of the contract or of any extension thereof for conversion to the replacement System. The Successful Proposer, at no cost or expense to the CLC, agrees to cooperate and collaborate fully with the CLC and the CLC's designated new vendor for the entire duration of the end of contract conversion in a courteous and expeditious manner, which shall include the sharing of all System-related Data stored in the Successful Proposer's System and providing all necessary or helpful assistance. Successful Proposer will be required to submit a conversion plan to CLC for review and approval no later than eighteen (18) months prior to end of the contract, or within thirty (30) Calendar Days of request if contract is terminated early for any reason.

Without limitation, the Successful Proposer will (i) meet from time to time with the CLC's designated new vendor in connection with end of contract conversion work as may be requested by, or on behalf of, the CLC, (ii) provide reasonable and customary technical assistance and personnel and share such information, subject to reasonable confidentiality restrictions, as may be necessary or prudent for the successful and timely completion of end of contract conversion work and the proper implementation of the new sports betting and DFS system, and (iii) avoid unnecessary delays with or interference in end of contract conversion work.

J. EMERGENCY EXTENSION

The CLC reserves the right to extend the contract, or any renewal thereof, for one (1) or more thirty (30) Calendar Day periods at the price and upon the terms and conditions then in effect if a successor vendor is chosen for a subsequent contract and the successor vendor's system is not yet prepared to go-live. The CLC will have this right

until the subsequent system is operational. The CLC will endeavor to provide at least thirty (30) Calendar Days prior notice for any emergency extension.

To meet this requirement, the Successful Proposer must maintain its System in a state of readiness throughout the end of contract conversion period and for thirty (30) Calendar Days thereafter.

Exercising these rights shall not be construed as obligating the CLC to repeat the procurement process for any subsequent contract or conferring any right or expectation for the Successful Proposer to continue operating the System after the expiration of any such emergency extension period.

K. INDEMNIFICATION

1. General Indemnification. The Successful Proposer will indemnify, hold harmless, and, upon the CLC's request but at the Successful Proposer's sole cost and expense, defend the CLC and the State of Connecticut, and each of their respective directors, officers, employees, and representatives whether named in their individual or official capacities (collectively, Indemnified Parties) from and against any and all Actions, and, in each case, will on demand, pay and reimburse the CLC for all associated Losses, whether or not covered by insurance, arising out of, resulting from, or related to (or which the CLC alleges relate to): (i) the Successful Proposer's (or any Subcontractor's) malfeasance, misconduct, negligence (or more culpable act or omission), tortious act, or violation of Applicable Law, in performing or failing to perform any obligation under the contract, (ii) the Successful Proposer's (or any Subcontractor's) breach of any promise, representation, or warranty provided under the contract, and (iii) any compromise to the security, confidentiality, or integrity of Data, including any Breach of Security. To the extent that any Action or Loss arises out of, results from, or alleges that the System (or any aspect of it), service deliverable created by the Successful Proposer (e.g., report, interface, database), the permitted use of any Intellectual Property by the CLC licensed to it under the contract, or the use of Intellectual Property by the Successful Proposer or its Subcontractors does or threatens to infringe, misappropriate, or otherwise violate any Intellectual Property Rights of any third party (Infringement Claim), the Successful Proposer's (and any Subcontractor's) obligations with respect to such Infringement Claim, if any, will be subject to the Infringement Indemnification paragraph below.

2. Infringement Indemnification.

a. The Successful Proposer will indemnify, hold harmless, and, upon the CLC's request but at Successful Proposer's sole cost and expense, defend the Indemnified Parties from and against all Infringement Claims and, in each case, will on demand, pay and reimburse the CLC for all associated Losses. The Successful Proposer shall have no liability or obligation with respect to any Infringement Claim or Loss to the extent it arises out of or results from the CLC's unauthorized use of the System or third-party Intellectual Property.

b. If the CLC's permitted access to or use of the System (or any aspect of it) is endangered or disrupted by reason of an Infringement Claim, or, in the CLC's reasonable opinion, likely to become subject to an Infringement Claim, then in addition to the Successful Proposer's Infringement Claim indemnification obligations and any rights and remedies the CLC may have, the Successful Proposer will, at the CLC's sole option but at the Successful Proposer's sole cost and expense (i) procure the right for the CLC to continue to access and use the deliverable under the terms of the contract or under substantially similar terms or (ii) modify or replace the aspects of the deliverable that infringe or allegedly infringe to make them non-infringing; provided that the replacement or modified deliverable is substantially equivalent in functionality and security as the originally provided deliverable. If the CLC determines that neither (i) nor (ii) is reasonably possible, then the Successful Proposer agrees that any existing Liquidated Damages control.

3. The Successful Proposer's indemnification obligations under this RFP (whether found under this Indemnification paragraph or in any section of this RFP) are in no way limited by its involvement or non-involvement

in the defense of any Action; any minimum amount of insurance the Successful Proposer or any of its Subcontractors is required to have under the contract, the types of insurance they maintain, or the scope of policy coverage; the market availability or unavailability of insurance; the ability or inability of them to procure insurance; or, in the case of a claim brought against any Indemnified Party by an employee of the Successful Proposer or a Subcontractor, by any limitation on the amount, type, or availability of damages, compensation, or benefits paid to the employee under applicable worker's compensation, disability benefits, or other employee benefits law.

4. The indemnification provisions under this RFP (whether found under this Indemnification paragraph or in any other section of this RFP) are intended to be as broad and inclusive as possible to give the Indemnified Parties the maximum rights and protections allowed by law. The Successful Proposer's indemnification obligations, including its obligation to compensate and reimburse the CLC, shall be immediate upon the CLC's written notice and tender of any Action or Loss to the Successful Proposer.

5. If the CLC requests the Successful Proposer to defend any Action, then the CLC reserves the right to approve counsel chosen by the Successful Proposer and, subject to the approval of the relevant insurance carrier, to participate in the defense. In addition, the CLC retains the right to approve the terms of any settlement or compromise that affects the CLC's rights under the contract or imposes any obligations on the CLC. Alternatively, the CLC has the right to defend any Action itself and select counsel of its own choice, subject to the approval of the insurance carrier. No insurance carrier approval will be required if (i) the Successful Proposer has not engaged counsel to defend an Action within a reasonable time after receiving notice of the claim or (ii) the CLC reasonably concludes that there may be defenses available to it, which are different from or additional to those available to the Successful Proposer. If the CLC assumes its own defense, then the Successful Proposer will reimburse the CLC for all costs and expenses of whatever nature as they are incurred within twenty (20) Business Days after the Successful Proposer's receipt of a statement of such costs and expenses, including, without limitation, legal costs.

L. INSURANCE

The Successful Proposer, at its sole cost and expense, will maintain the insurance policies and limits of insurance coverage specified below for the entire duration of the contract (limits may be provided through any combination of primary and umbrella/excess policies). If the Successful Proposer engages Subcontractors, then Subcontractors must maintain the insurance policies in Paragraphs I(L)(1) – (8) below and provide the same documentation evidencing proof of coverage as is required of the Successful Proposer. The Successful Proposer must request and obtain the CLC's prior written approval of any variations to the insurance requirements for the Successful Proposer's Subcontractors. However, neither the CLC's approval nor its failure to disapprove insurance furnished by a Subcontractor shall relieve the Subcontractor from responsibility to provide insurance as required.

1. Property insurance insuring all buildings, fixtures, and equipment provided or used in providing the System must be maintained in the amount of actual replacement cost thereof. Property insurance must include electronic data processing coverage for any CLC-owned Data in the care, custody, or control of the Successful Proposer in the amount necessary to reproduce, replace, or restore lost or damaged Data, including the cost of consultation services. This policy must insure personal property including contents, equipment, and mobile items, as well as CLC-owned Data, against fire, flood, power surge, building collapse, computer virus, theft, and other perils.

2. Commercial General Liability (CGL) insurance with a minimum combined single limit of \$1,000,000 occurrence/\$2,000,000 aggregate covering bodily injury (including death), personal injury, and property damage resulting from or arising out of the action or inaction in the performance of the contract by the Successful Proposer, its employees, representatives, and Subcontractors. Coverage shall include Premises and Operations, Independent Contractors, Products and Completed Operations, Contractual Liability and Broad Form Property Damage coverage. The Successful Proposer's CGL insurance must include contractual liability coverage for its indemnification obligations under the contract.

3. Commercial Automobile Liability insurance with limits of not less than \$1,000,000 each accident, combined single limit shall be maintained against claims for damages resulting from bodily injury, including wrongful death, and property damage that may arise from the operation of any owned, non-owned, hired, or scheduled automobiles used by or for the Successful Proposer in any capacity in connection with carrying out the contract.

4. Workers' Compensation insurance in accordance with the statutory requirement and limits of the State of Connecticut and Employer's Liability coverage with minimum limits of \$500,000 each accident, \$500,000 per employee, and \$500,000 disease. If the Successful Proposer has no statutory obligation to maintain workers' compensation insurance, then it must provide the CLC a letter affirming that it is exempt and agreeing to indemnify, hold harmless, and, if requested by the CLC, defend the CLC and the State of Connecticut from any loss or liability in accordance with Paragraph I(K)(1). If during the course of the contract the Successful Proposer becomes subject to statutory workers' compensation insurance requirements, then it must comply with such requirements and provide the CLC a Certificate of Insurance evidencing such coverage.

5. Commercial Umbrella/Excess Liability insurance in the minimum amount of \$5,000,000. The policy must provide insurance in excess over and no less broad than the Successful Proposer's primary liability policies (including endorsement naming the CLC and the State of Connecticut as additional insureds) and with coverage that drops down when the underlying aggregate limits of liability insurance are exhausted.

6. Professional/Technical Errors and Omissions Liability insurance in the minimum amount of \$2,000,000 for each claim. The policy shall, at a minimum, cover liability due to the Successful Proposer's failure to render professional services, negligence, professional misconduct, and lack of the requisite skill required for the performance of the contract. Coverage must, at a minimum, insure and protect the CLC against cases involving vendor error liability (see, Paragraph I(M) below).

7. Cyber/Privacy Liability insurance in the minimum amount of \$15,000,000 and sufficiently broad to respond to the duties and obligations as is undertaken by the Successful Proposer in the contract, including, without limitation, claims involving intellectual property infringement, invasion of privacy violations, data privacy and network security liability, PCI/DSS (Payment Card Industry/Data Security Standards), Internet and electronic media liability, cyber extortion, and breach response costs, which may include, but are not limited to, regulatory fines and penalties and credit monitoring expenses. For avoidance of doubt, Cyber/Privacy Liability insurance should cover information or identity theft, liability for misuse or disclosure of Data, and liability for loss of Data due to outages, spread of viruses, attacks, and destruction. Minimum may increase as player volume and market share reach certain thresholds.

8. Crime (Fidelity) insurance with a minimum single loss limit of \$5,000,000 per loss, and a single loss retention not to exceed \$10,000, endorsed to include "Third-Party or Client Fidelity Coverage." This insurance shall cover any loss to the CLC due to dishonest acts of the Successful Proposer's officers, employees, agents, or Subcontractors including, but not limited to, larceny, theft, forgery, misappropriation, wrongful abstraction, willful misapplication, or any other fraudulent or dishonest acts resulting in financial loss or damage, whether Successful Proposer's officers, employees, agents, or employees of any of Successful Proposer's Subcontractors acted alone or in collusion with others. Such insurance at a minimum must cover property of the CLC. Coverage shall not require arrest or conviction. Crime (Fidelity) Insurance must also provide coverage for social engineering losses including, but not limited to, losses involving phishing, spear-phishing, business email compromise, and vendor/supplier impersonation perpetrated by any means (e.g., email, text, telephone, fax). The policy must be endorsed to name the Connecticut Lottery Corporation, its directors, officers, employees, agents, and the State of Connecticut as "Loss Payees."

All required insurance policies (and any umbrella/excess policies) must:

(i) Be written by companies licensed to issue insurance policies in the State of Connecticut with an A.M. Best rating of "A-" or better and a financial size of VII or better;

(ii) Except for workers' compensation, errors and omission, and crime (fidelity) coverage, identify the "Connecticut Lottery Corporation, the State of Connecticut, and each of their respective directors, officers, employees, and representatives" as additional insured parties with respect to liabilities and losses related to the contract. This means the additional insureds must be named on the face of each Certificate of Insurance. Crime (Fidelity) Insurance must be endorsed to include "Third-Party or Client Fidelity Coverage" and name the Connecticut Lottery Corporation, its directors, officers, employees, agents, and the State of Connecticut as "Loss Payees."

(iii) Contain a waiver of any right to subrogation that any insurer of the Successful Proposer or a Subcontractor may acquire against the additional insured parties by virtue of the payment of any loss under such insurance. The Successful Proposer and Subcontractors will obtain from their insurers any policy endorsement that may be necessary to affect this waiver of subrogation; the Successful Proposer and Subcontractors will honor this waiver obligation regardless of whether or not the CLC receives a waiver of subrogation endorsement from an insurer; and,

(iv) Be primary and non-contributory with any insurance or self-insurance carried or administered by the CLC or that of any other additional insured party.

Immediately after the date the contract is signed, the Successful Proposer (and, if applicable, its Subcontractors) must deliver to the CLC current Certificate(s) of Insurance evidencing all insurance policies required by the contract. Certificate(s) of Insurance must include all policy endorsements (either by reference to endorsement number and name or by providing a copy of the endorsement page of the policy). Upon each annual insurance policy renewal in multi-year contracts with the CLC, new, updated Certificate(s) of Insurance must be provided to the CLC at least thirty (30) Calendar Days prior to the end of the then-expiring certificate.

The Successful Proposer must provide the CLC with immediate written notice of any termination, default, or cancellation of coverage of, or carrier's failure to renew any insurance policy, unless the policy contains a provision that coverage afforded under the policy will not be cancelled without at least thirty (30) Calendar Days advance written notice to the CLC by the insurer.

The CLC reserves the right, at any time, to require the Successful Proposer to obtain additional types of insurance or to increase the limits of its existing insurance as the CLC, in its sole discretion, deems necessary. The Successful Proposer will promptly comply with such requirements.

If any of the required policies provide claims-made coverage, then the Successful Proposer must: (i) provide coverage with a retroactive date before the effective date of the contract or the beginning of contract activities; (ii) maintain coverage and provide evidence of coverage for at least three (3) years after completion of the contract activities; and, (iii) if coverage is canceled or not renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, then the Successful Proposer must purchase extended reporting coverage for a minimum of three (3) years after completion of work. The discovery period must be active during the extended reporting period.

No insurance required or furnished shall in any way relieve or diminish the Successful Proposer's responsibilities, obligations, and liabilities to the CLC under the contract.

M. VENDOR ERROR LIABILITY

The Successful Proposer will be liable for any legal, financial, and other obligations of any other kind arising as a result of (or which the CLC alleges are the result of) errors and faults by the Successful Proposer's staff, Subcontractors, and the System (e.g., issuance of defective or non-conforming bet slips, online wagers or printed wager tickets due to any staff error, printer malfunction, communication error, or hardware or software issue or failure). These cases include, but are not limited to, errors in entry or posting of results from any offering where wagers were placed; printer malfunctions, communication errors, or software and hardware failures that create incorrect payout liabilities; errors or failures by the Successful Proposer to validate and pay a valid wagering ticket, errors or failures by the Successful Proposer that result in payment of a prize for an invalid or non-winning wagering tickets, including apparently winning wagering tickets and payouts; and any other instances resulting in prize awards due to (or which the CLC alleges are due to) the Successful Proposer's errors and faults. The Successful Proposer will pay all prize costs for any errors and faults by the Successful Proposer's staff, Subcontractors, and the System, and will indemnify, hold harmless, and defend the CLC against all Actions and Losses related to or arising from such situations in accordance with the indemnification provisions in Paragraph I(K) above.

N. PERFORMANCE SECURITY

No later than ten (10) Business Days following the effective date of the contract, the Successful Proposer will, at its sole cost and expense, provide the CLC either a surety performance bond or a clean, irrevocable standby letter of credit (at the Successful Proposer's option) payable to the CLC in the amount of \$5,000,000 (Performance Security). The Performance Security shall be renewed in full on an annual basis during the contract, including extension(s) if exercised by the CLC, and be maintained for at least one (1) year following the expiration or a termination of the contract. If the balance of the Performance Security falls below fifty percent (50%) of the full value during any year of the contract, then the Successful Proposer shall re-establish the full original balance within thirty (30) Calendar Days. If the Successful Proposer fails to restore the full original balance as and when required, then, without limiting any obligations of the Successful Proposer, including its continued performance of work, the CLC shall not be obligated to make any further payments to the Successful Proposer until it does so, and the CLC may hold the Successful Proposer in breach of the contract.

In addition to any other remedies the CLC may have under the contract, the CLC will have the right to call the Performance Security, in whole or in part, in the event the CLC suffers any liability, loss, damage, or expense as a result of the Successful Proposer's actions or failures, or that of any Subcontractor, to promptly, properly, completely, and faithfully perform its obligations under the contract, including, without limitation, the obligation to indemnify, hold harmless, and defend the CLC (or, if the CLC assumes its own defense, to reimburse it for all costs and expenses of any kind) and pay and existing Liquidated Damages to the CLC. The Performance Security must be in a form and contain language requested by and/or satisfactory to the CLC (which language the CLC may request changes to at any time to protect its interests), and be issued by an insurance/surety company acceptable to the CLC. The Performance Security will expressly require the insurance/surety company to provide the CLC Chief Financial Officer at least thirty (30) Calendar Days advance written notice, by certified mail, return receipt requested, of any change in, termination of, failure to renew, default, or cancellation of coverage.

O. SERVICE LEVELS & LIQUIDATED DAMAGES

The Successful Proposer acknowledges the importance of the System to the CLC's business operations. Delivery of the System (including all its elements) and performance of all obligations in a complete, proper, and timely manner is essential. It would be extremely costly, time-consuming, and difficult to calculate the actual damages that the CLC would sustain, including those that negatively affect the CLC's image and reputation, due to a breach or the non-performance by the Successful Proposer that causes delay or disrupts the CLC's operations. Upon contracting, the CLC and the Successful Proposer may agree on appropriate and reasonable performance standards (Service Levels) and related damages (Liquidated Damages). For avoidance of doubt, the CLC's assessment of Liquidated Damages

for a particular Service Level non-compliance incident would not preclude the CLC from recovering damages or other relief not addressed by Service Levels.

Nothing in this Paragraph I(O) shall relieve, or be deemed or construed as relieving, the Successful Proposer of any of its performance obligations under the contract, whether or not the Successful Proposer's performance may be impacted by reasons or delays caused by the CLC. Indeed, the CLC expressly reserves and does not waive any and all of its rights and remedies, legal or equitable, related to the Successful Proposer's failure to perform as required by the contract.

Additionally, if during the contract term the amount of Liquidated Damages the CLC imposes on the Successful Proposer is consistent and repetitive year after year, then the CLC reserves the right to claim breach of contract/Incurable Default.

P. OWNERSHIP OF INTELLECTUAL PROPERTY AND PLAYER DATA⁸

1. CLC Intellectual Property. All current Intellectual Property of the CLC, any future Intellectual Property developed solely by the CLC in association with the System, all Data contained in, Processed by, or produced by the System, and all Data collected, used, processed, stored, or generated by the Successful Proposer in connection with the System or its contracted activities (e.g., statistical/analytical data, player data and reports derived by the Successful Proposer from the System) is and will remain the sole and exclusive property of the CLC including upon the expiration or a termination of the contract. Future use by the Successful Proposer of CLC Intellectual Property may only be permitted upon prior, written permission from the CLC.

2. Successful Proposer and Subcontractor Intellectual Property. All current Intellectual Property of the Successful Proposer and any Subcontractor and any future Intellectual Property developed solely by them for the benefit of their customers, generally, and not developed solely for the benefit of the CLC under the contract or which does not incorporate any CLC Intellectual Property, is and will remain their sole and exclusive property. If the Successful Proposer or a Subcontractor uses or relies on any of its own Intellectual Property during the contract other than the property that the CLC already has a license to use, then they hereby grant the CLC the nonexclusive, non-transferrable, fee- and royalty-free right and license to use such Intellectual Property in connection with the System or for other purposes as may be mutually agreed in writing. Any and all rights in Data derived in part or in whole by use of the Successful Proposer's or Subcontractor's pre-existing Intellectual Property is hereby assigned and shall be owned by the CLC immediately upon its creation, however, the CLC hereby grants the Successful Proposer or Subcontractor, as appropriate, a nonexclusive, non-transferrable, fee- and royalty-free right and license to use such Data in connection with the Successful Proposer's or Subcontractor's business development initiatives (for example only, using System sales data to respond to an RFP or to apply for an industry award), or for other purposes as may be mutually agreed in writing.

3. Joint Intellectual Property. While jointly developed Intellectual Property is not contemplated with respect to the contract, in the event the CLC and the Successful Proposer jointly develop Intellectual Property under the contract, they will enter into a separate written cross-license agreement in advance that, at a minimum, allocates their respective rights to use the jointly developed Intellectual Property.

4. Third-Party Intellectual Property. To the extent the Successful Proposer or any of its Subcontractors utilizes or relies upon the Intellectual Property of a third party in performing the contract, they will provide the CLC with whatever written assurances, consents, or licenses the CLC, in its reasonable discretion, deems necessary to confirm that the use of such third-party Intellectual Property is permissible. The Successful Proposer must, at its sole cost and expense, ensure the CLC's continued right of use of such third-party Intellectual Property in the event of a termination of the contract or removal of any Subcontractor. **Proposers shall provide a list in their Proposal of all**

⁸ This provision addresses CLC's traditional Intellectual Property rights. CLC anticipates that some aspects may need further discussion and more specific descriptions in a final contract with the Successful Proposer.

known third-party Intellectual Property they are licensed to use and intend to use in connection with the System, as well as any anticipated third-party Intellectual Property they intend to obtain a license to use in connection with the System.

Q. MAINTENANCE OF CERTAIN RECORDS; AUDIT RIGHTS

The Successful Proposer and its Subcontractors will preserve and maintain all books and records including, but not limited to financial and accounting records relating to their performance under the contract (Records). Financial and other statements based on such books and records must be prepared in accordance with GAAP. Records must be maintained in a manner and form that makes them readily accessible to and easy to understand by the CLC for audit and assessment.

The Successful Proposer and its Subcontractors will, upon request, make their Records available to the CLC, CLC's auditors, and other personnel duly authorized by the State of Connecticut, such as the DCP, for inspection, review, or audit during the term of the contract and for no fewer than five (5) full years from the date of final payment by the CLC. The Successful Proposer and its Subcontractors will furnish the CLC and its independent and state auditors requested copies of any Records, at no cost. Furthermore, the Successful Proposer will comply fully with Section 12-865-28 of the Regulations.

The CLC, with advance notice, may also perform or have performed on its behalf at any time assessments or audits of the security and integrity of the facilities and information security and privacy practices and controls of the Successful Proposer and its Subcontractors, which could, at the CLC's option, include on-site audits, questionnaires, and/or penetration and security tests of connected systems and their hosting facilities and operating environments.

The Successful Proposer and its Subcontractors will cooperate with the CLC and its independent and state auditors with respect to any inspection, review, or audit performed under this or any other paragraph of the contract, including giving the CLC access to the personnel and facilities, and will promptly and fully respond to the CLC's requests for information but in no event more than thirty (30) Business Days after receiving a request. In the case of an audit indicating non-compliance with the terms of the contract, the CLC may pursue any and all available remedies, including terminating this contract due to the Successful Proposer's default.

R. RETURN OF DATA AND CLC INTELLECTUAL PROPERTY

It is critical that the CLC has access to System Data, including CLC Sensitive Information, and tangible CLC Intellectual Property at all times and that the Successful Proposer cooperates in providing it to the CLC in a timely manner. Upon a termination or the expiration of the contract or upon the CLC's written request at any other time (each, a Return Event), the Successful Proposer will promptly provide to the CLC, or to any other entity as may be identified by the CLC in writing to Successful Proposer, or securely dispose of (as instructed by CLC), System Data, CLC Sensitive Information, and CLC Intellectual Property, including any copies and drafts thereof, in the Successful Proposer's possession or control regardless of the form in which such information exists or is stored, at no cost to the CLC. The Successful Proposer will have thirty (30) Calendar Days from the occurrence of a Return Event to provide the CLC with written certification that all requested information has been returned or disposed of securely. In the event the Successful Proposer notifies the CLC of circumstances that make return or disposal of information infeasible and the CLC agrees such circumstances exist, the Successful Proposer will keep such information confidential and secure in accordance with Paragraphs I(E) and (F) for so long as the Successful Proposer maintains possession or control of it.

II. MANDATORY STATE CONTRACTING PROVISIONS

The contract between the CLC and the Successful Proposer must include the following provisions, as required by state law:

A. NONDISCRIMINATION AFFIRMATION

Pursuant to the requirements of C.G.S. §§ 4a-60 and 4a-60a, the Successful Proposer agrees not to discriminate against any person on the basis of race, color, religious creed, age, marital status, national origin, ancestry, sex, gender identity or expression, sexual orientation, intellectual disability, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by such party that such disability prevents performance of the work involved. The Successful Proposer agrees to comply with all applicable federal and state of Connecticut nondiscrimination and affirmative action laws, including, but not limited to, C.G.S. §§ 4a-60 and 4a-60a. The Successful Proposer understands the obligations of C.G.S. §§ 4a-60 and 4a-60a and will maintain a policy for the duration of the contract to assure that the contract will be performed in compliance with the nondiscrimination requirements of C.G.S. §§ 4a-60(a) and 4a-60a(a).

B. GIFTS

As used in this paragraph, the following terms have the meaning set forth below:

- (1) "Applicable Public Official or State Employee" means any public official or state employee described in C.G.S. §4-252(c)(1)(i) or (ii);
- (2) "Gift" has the same meaning given that term in C.G.S. § 4-250(1);
- (3) "Principals or Key Personnel" means and refers to those principals and key personnel of the Contractor, and its or their agents, as described in C.G.S. §§ 4-250(5) and 4-252(c)(1)(B) and (C).

Pursuant to the requirements of C.G.S. § 4-252, the CLC represents that its selection of the Successful Proposer was not the result of collusion, the giving of a Gift or the promise of a Gift, compensation, fraud or inappropriate influence from any person.

Pursuant to the requirements of C.G.S. § 4-252, the Successful Proposer, for itself and on behalf of all of its Principals and Key Personnel, represents that: (1) no Gifts were made by (A) the Successful Proposer, (B) any Principals and Key Personnel of the Successful Proposer who participate substantially in preparing bids, proposals or negotiating state contracts, or (C) any agent of the Successful Proposer or any of the Successful Proposer's Principals or Key Personnel who participate substantially in preparing bids, proposals or negotiating state contracts, to (i) any public official or employee of CLC who participates substantially in the preparation of bid solicitations or requests for proposals for state contracts or the negotiation or award of state contracts, or (ii) any public official or state 33 employee of any other state agency, who has supervisory or appointing authority over CLC; (2) no Principals or Key Personnel of the Successful Proposer, or its or their agents, know of any action by the Successful Proposer to circumvent such prohibition on Gifts by providing for any other Principals, Key Personnel, officials, or employees of the Successful Proposer to make a Gift to any Applicable Public Official or State Employee; and, (4) the Successful Proposer made the bid or proposal for the contract without fraud or collusion with any person.

C. CAMPAIGN CONTRIBUTIONS

Pursuant to the requirements of C.G.S. § 9-612, the Successful Proposer represents that its chief executive officer or authorized signatory of the contract has received the State Elections Enforcement Commission's notice⁹ advising state contractors of state campaign contribution and solicitation prohibitions.

D. IRAN INVESTMENT AFFIRMATION

Pursuant to the requirements of C.G.S. § 4-252a, the Successful Proposer certifies that it has not made a direct investment of twenty million dollars or more in the energy sector of Iran on or after October 1, 2013, as described

⁹ Available at <http://www.ct.gov/dpw/lib/dpw/form11seec.pdf>

in Section 202 of the Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010, and has not increased or renewed such investment on or after said date

E. ETHICS IN PUBLIC CONTRACTING

Pursuant to the requirements of C.G.S. § 1-101qq, the summary of state ethics laws developed by the Office of State Ethics¹⁰ pursuant to C.G.S. § 1-81b and provided to the Successful Proposer is incorporated by reference into and made a part of the contract as if the summary had been fully set forth in the contract. The Successful Proposer represents that its chief executive officer or authorized signatory of the contract and all key employees have read and understood the summary and agree to comply with the provisions of state ethics laws.

Prior to entering into a contract with any subcontractors or consultants, the Successful Proposer shall provide the summary to all subcontractors and consultants and each such contract entered into with a subcontractor or consultant shall include a representation that each subcontractor or consultant and the key employees of such subcontractor or consultant have read and understood the summary and agree to comply with the provisions of state ethics laws and such summary shall be incorporated by reference into each subcontract or consulting agreement. The Successful Proposer's failure to include such representations in such contracts with subcontractors or consultants shall be cause for termination of this contract.

¹⁰ Available at <https://portal.ct.gov/-/media/Ethics/Guides/2021/Contractors-Guide-to-the-Code-of-Ethics-Rev-11-2021.pdf>

APPENDIX E
Retail Equipment Inventory

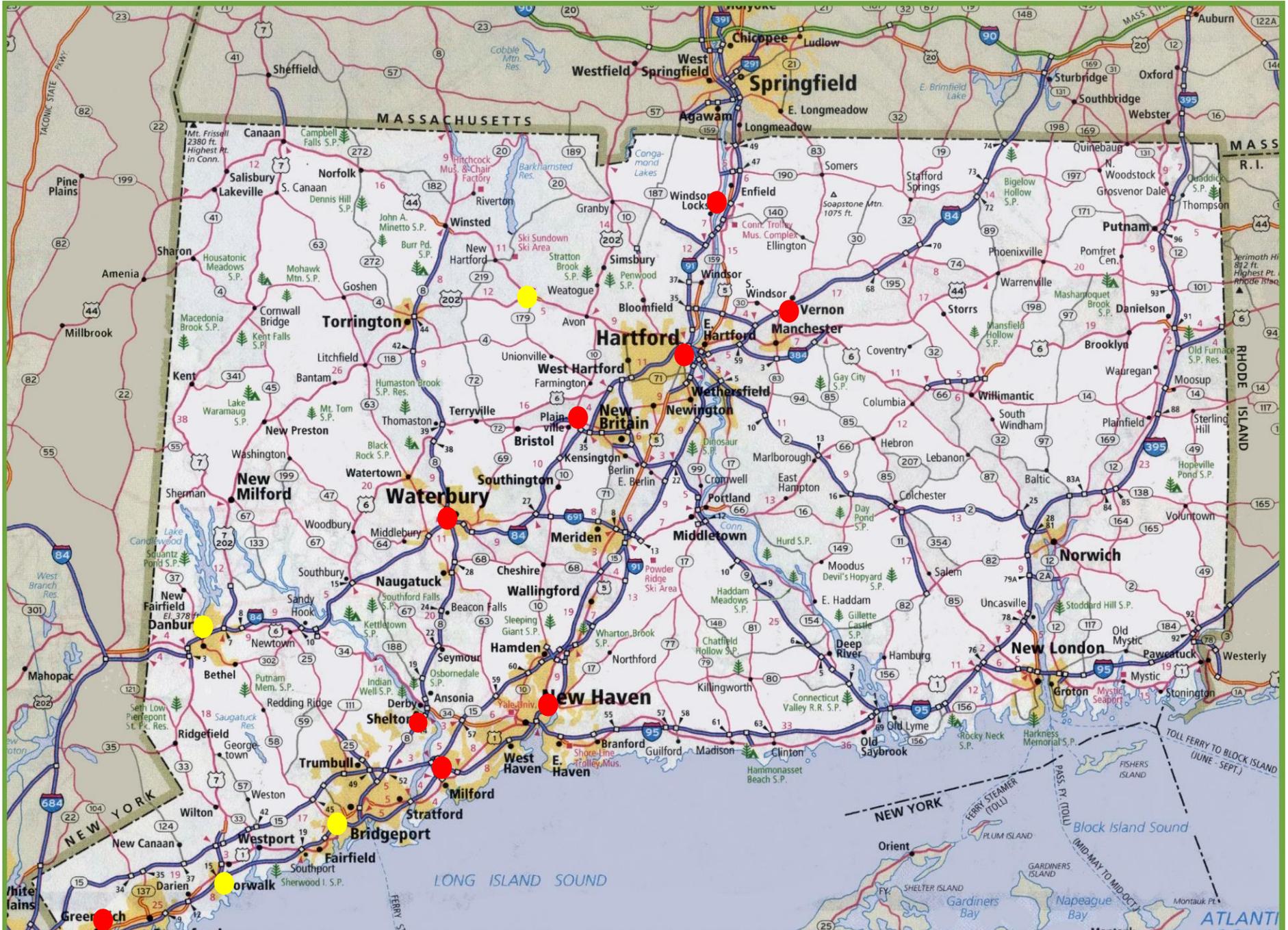
The CLC has approximately 160 SSTs (Novomatic Actionbooks and UnitedTote Whizz) and approximately 30 OTCs (Suzohapp and Postronic), either currently deployed at retail locations, or in its possession for future retail deployments.

APPENDIX F

Retail Sports Betting Locations Map

Red: Current locations

Yellow: Potential future locations



APPENDIX G
DCP Regulations & Sports Wagering Technical Standards

DCP Regulations: <https://eregulations.ct.gov/eRegsPortal/Search/getDocument?guid={D0C8B67E-0000-CD11-9A92-ED3A4245349E}>

Sports Wagering Technical Standards: https://portal.ct.gov/-/media/DCP/GAMING/CT-Sports-Wagering_Technical-Standards_9202021.pdf

Please contact Melissa.durso@ctlottery.org if you are unable to follow these links.