



Connecticut Lottery Corporation
Request for Proposals #CLC202104
Internet Lottery Gaming System and Related Services

September 21, 2021

ADDENDUM #4

RFP Amendments

The Connecticut Lottery Corporation is amending Request for Proposals for Internet Lottery Gaming System and Related Services, RFP #CLC202104, to reflect the following changes:

A. Part V, Paragraph K.2 of the RFP is revised to combine subsection K.2.c. with subsection K.2.b. Part V, Paragraph K.2 of the RFP is replaced in its entirety with revised Paragraph K.2 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 iLottery Program or third-party Intellectual Property.

b. If the CLC's permitted access to or use of the iLottery Program (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, in addition to

any rights or remedies the CLC may have, the CLC will have the right to terminate the contract with respect to the entire iLottery Program or an infringing or allegedly infringing aspect of it, at the CLC's election, and the Successful Proposer will refund to the CLC: the full System license fees paid by the CLC over the contract, plus the unused portion of annual maintenance and support fees paid by the CLC for the then-current maintenance period as determined from the effective date of termination of the contract or in each case with respect to the infringing or allegedly infringing aspect of it, and the full services fees paid by CLC over the contract, including for the creation and implementation of the iLottery Program or the infringing or allegedly infringing portion it. In any case, the Successful Proposer, at its sole cost and expense, will secure the right for the CLC to continue using the infringing or allegedly infringing deliverable for a transition period of no less than six (6) months to allow the CLC to replace the affected deliverable without disruption.

B. Appendix E, Paragraph 9.d of the RFP is revised to correct an erroneous reference to Paragraphs 8.a and 8.b. Appendix E, Paragraph 9.d of the RFP is replaced in its entirety with revised Paragraph 9.d below.

- d. Display certain information on log in and log off screens such as date, time, and duration of player's last session, notification that individuals on the self-exclusion list are barred from claiming prizes, information described in Paragraphs 9.a and 9.b above, etc.

C. Part V, Paragraph G.1 of the RFP is revised to strike the parenthetical in the first sentence and to include a reference to "Incurable Default" in the second to last paragraph. Part V, Paragraph G.1 of the RFP is replaced in its entirety with revised Paragraph G.1 below.

1. Termination for Cause. The CLC may terminate the contract or any portion(s) of the contract ~~(as well as any subcontract or other agreement or portions thereof)~~ 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, incorrect, or incomplete.

- 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), or if the Successful Proposer's performance is non-conforming, deficient, careless, or otherwise does not meet lottery industry standards (e.g., MUSL, NASPL, etc.) 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 public scrutiny.

e. If the Successful Proposer fails to comply with DCP licensing obligations, including, without limitation, if it or any of its Key Persons allow their licenses to expire or have their licenses revoked by the 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 all or any part of the work under the contract. The termination 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 continued specific performance until an alternative solution is sound, the right to assume contracts).

C. Part V, Paragraph L.a of the RFP is revised to exempt cyber/privacy liability coverage and professional/technical errors and omissions liability coverage from the requirement that all insurance policies be written by companies licensed to issue insurance policies in the State of Connecticut. Part V, Paragraph L.a of the RFP is replaced in its entirety with revised Paragraph L.a below.

a. Be written by companies licensed to issue insurance policies in the State of Connecticut, **with the exception of cyber/privacy liability insurance and professional/technical errors and omissions liability insurance. All insurance providers must have** an A.M. Best rating of "A-" or better and a financial size of VII or better. The CLC reserves the right to approve all insurance companies;

D. Part V, Paragraph P.4 of the RFP is revised to indicate that the Successful Proposer will be expected to provide a list of third-parties from which it licenses or intends to license Intellectual Property for use with the offered Program, in lieu of listing all third-party licensed property. Part V, Paragraph P.4 of the RFP is replaced in its entirety with revised Paragraph P.4 below.

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. **The Successful Proposer should expect to provide a list of all third-parties from which it licenses or intends to license Intellectual Property for use with the offered Program.**