



# Connecticut Lottery Corporation

**Instant Ticket Games 1070 and 1080 Annuity Contract**

## **ADDENDUM #1**

**June 4, 2010**

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**Instant Ticket Games 1070 and 1080 Annuity Contract  
Vendor Questions and Responses**

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**One Vendor question was submitted:**

**Question:** My understanding is that quotes are due in the next couple weeks and the actual payout, if any, and payment to the insurance company for the annuity wouldn't be for several months in the future. Before looking at this further, I wanted to understand if the quote we provide now must be honored when the eventual payout begins or if we are able to refresh the quote when the actual payment for the annuity is made. In other words, are we required to hold the interest rate from now until the annuity is paid for or are we allowed to refresh the quote/ rate when the annuity is paid for in the future?

**Answer:** The factor that you submit with your bid must be honored throughout the term of the contract. This contract will start on 10/19/10 when the first game launches and stay in effect for the designated months to follow. With Instant Ticket Games there is no guarantee of winner(s) or that the winner(s) will choose an annuity over a lump sum. The cost factor that the Successful Vendor submits is the factor that is used should the winner(s) choose the annuity and needs to be known prior to the launch of the game(s).



## Invitation to Bid

**Bid Number:** #CLC201006

**Bid Description:** Instant Ticket Games 1070 and 1080 Annuity Contract

**Issue Date:** May 21, 2010

**Response Due:** June 17, 2010; 2 pm EST

**NOTE:** Bids cannot be accepted after the specified bid response date and time. Sealed bids may be submitted via U.S. Postal Service, commercial delivery service or hand delivered; electronic or facsimile versions will not be accepted.

**RETURN SEALED BIDS TO:**

**Fiscal Administrative Officer  
Connecticut Lottery Corporation  
777 Brook Street  
Rocky Hill, CT 06067**

**Reference: Bid #CLC201006 Instant Ticket Games 1070 and 1080  
Annuities**

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# Part I

## STANDARD BID TERMS AND CONDITIONS

**All solicitations issued by the Connecticut Lottery Corporation (CLC or the Lottery) will bind Bidders to the terms and conditions listed below, unless specified otherwise in the Special Terms and Conditions of this Invitation to Bid (ITB) or Request for Proposals (RFP).**

### **Solicitation Responses**

1. Forms specified and provided by the CLC in this solicitation must be submitted with the Bid (ITB) or Request for Proposals (RFP) response. Telephone, electronic or facsimile bid responses will not be accepted.
2. The time and date that the ITB or RFP responses are due is clearly stated on each solicitation issued. Bids received after the specified time and date may not be considered. Response envelopes must clearly indicate the bid number and title of the solicitation. The name and address of the Bidder should appear in the upper left hand corner of the envelope.
3. Incomplete forms may result in the rejection of the ITB or RFP response. Amendments to Bids received by the CLC after the time specified shall not be considered. An original and one copy of the proposal shall be returned to the CLC. Bids or RFP responses shall be computer prepared, typewritten or hand written in ink. All bids shall be signed by a person duly authorized to sign bids or RFP responses on behalf of the bidder. Unsigned bids or RFP responses may be rejected. The person signing the bid proposal must initial errors, alterations or corrections on both the original and copies of the proposal.
4. Conditional bids are subject to rejection in whole or in part. A conditional bid is defined as one that limits, modifies, expands or supplements any of the terms and conditions and/or specifications of an ITB.
5. Alternate bids will not be considered. An alternate bid is defined as one that is submitted in addition to the bidders primary response to the ITB.
6. Prices should be extended in decimal, not fraction, and shall include transportation and delivery charges fully prepaid by the Vendor to the destination specified in the Bid or RFP, and subject only to early payment discount.
7. Pursuant to Section 12-816 of the Connecticut General Statutes, the Connecticut Lottery Corporation is exempt from any form of Federal or State taxation. Such taxes must not be included in bid prices.
8. In the event of a discrepancy between the unit price and the extension, the unit price shall govern.
9. Failure to furnish all information requested or to follow the format requested in this ITB/RFP may disqualify the bid. The CLC, in its sole discretion, may waive informalities and nonmaterial deviations in the bid. Any waiver of informalities or nonmaterial deviations shall not modify the original ITB/RFP or relieve the Vendor from full compliance with the contract requirements, if awarded.
10. All Vendors certify to the CLC that their Bids are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other Vendor, supplier, manufacturer or subcontractor in connection with their Bid, and that they have not conferred on any public employee having official responsibility for this procurement transaction, any payment, loan, subscription, advance, deposit of money, service or anything of more than nominal value, present or promised, to or from any such public employee unless consideration of substantially equal or greater value was exchanged and such consideration was not related to and was not intended to influence any decision regarding this ITB/RFP.
11. By submitting their Bids, Vendors certify that they are not currently debarred from submitting Bids on contracts by any agency of the State of Connecticut, or any other state within the United States, nor are they an agent of any person or entity that is currently debarred from submitting bids on contracts by any agency of the State of Connecticut or other state within the United States.
12. It is the policy of the CLC to contribute to the establishment, preservation and strengthening of small businesses and businesses owned by women and minorities in our procurement activities. Toward that end, the CLC encourages firms to provide for the participation of Connecticut small businesses and Connecticut businesses owned by women and minorities through partnerships, joint ventures, subcontracts, and other contractual opportunities. This solicitation, however, is NOT restricted to Connecticut businesses nor those designated as small and/or minority owned businesses. Vendors that are certified through the Connecticut Department of Administrative Services (DAS), Business CONNections as a small, minority, women, or disabled owned business are requested to provide a copy of their current certification of eligibility issued by DAS with their bid.

### **Guaranty or Surety**

13. Bid and or performance bonds may be required. Bonds must meet the following requirement: Corporation – must be signed by an official of the corporation above their official title and the corporate seal must be affixed over the signature; Firm or Partnership – must be signed by all the partners and indicate they are “doing business as”; Individual – must be signed by the owner and indicated as “Owner”. The surety company executing the bond or countersigning must be licensed in Connecticut and an official of the surety company must sign the bond; a corporate seal must be affixed over their signature. Signatures of two witnesses for both the principal and the surety must appear on the bond. Power of attorney for the official signing the bond for the surety company must be submitted with the bond

## **Samples**

14. Accepted bid samples do not supersede specifications for quality unless sample is superior in quality. All deliveries shall have at least the same quality as the accepted bid sample.
15. Samples are furnished free of charge. Bidder must indicate their return is desired, provided they have not been made useless by test. Samples may be held for comparison with deliveries.

## **Award**

16. The Lottery is **not** subject to the provisions of Connecticut Public Procurement General Statutes. However, the Lottery's choice of a firm for this purchase will be based on competitive principles and in accordance with Procedures approved by the Lottery's Board of Directors. Bids or RFP's will be evaluated on quality of the article or services to be supplied, their conformance with specifications, delivery terms, price, administrative costs, past performance, financial responsibility and any other criteria specified in the solicitation. The CLC shall award a Contract to the Vendor whose Bid/Proposal is deemed to be in the best interests of the Lottery. The Contract will not be in effect until the Vendor receives a fully executed and signed purchase order in addition to a copy of the bid or a fully executed Memorandum of Understanding signed by the President and CEO of the CLC. The CLC reserves the right to conduct any test it may deem advisable and to make all evaluations.
17. The CLC may reject any bidder in default of any prior contract or guilty of misrepresentation or any bidder with a member of its firm in default or guilty of misrepresentation.
18. The CLC may correct inaccurate awards resulting from clerical or administrative errors.

## **Contract**

19. The Vendor shall not assign or otherwise dispose of their contract or their right, title or interest, of their power to execute such contract to any other person, firm or corporation without the prior written consent of the CLC.
20. Failure of a Vendor to deliver commodities or perform services as specified will constitute authority for the CLC to purchase these commodities or services on the open market. The Vendor agrees to promptly reimburse the CLC for excess cost of these purchases. The purchases will be deducted from the contracted quantities.
21. Vendor agrees to: guarantee their products against defective material or workmanship; repair damages of any kind, for which they are responsible to the premises or equipment, to their own work or to the work of other Vendors; obtain and pay for all licenses, permits, fees etc. and to give all notices and comply with all requirements of city or town in which the service is to be provided and to the CLC.
22. The Vendor shall indemnify and hold harmless the CLC, its directors, officers, agents, employees, other Lottery vendors, Lottery retailers and the State of Connecticut against liability for any suits, actions, claims, losses, injuries, damages, awards, judgments and expenses of any character arising from or relating to the performance of the Vendor under this Contract, or actions by the Vendor during the preparation, submission and evaluation of the Bid/Proposal and during the period of time prior to the execution of the Contract. This indemnification shall survive the term of this Contract.
23. Any Contract resulting from this solicitation shall be governed in all respects by the laws of the State of Connecticut, and any litigation with respect thereto shall be brought in the courts of the State of Connecticut. The Vendor shall comply with applicable federal, state and local laws and regulations.
24. Notwithstanding any provision or language in this contract to the contrary, the CLC may, at its sole discretion, terminate, clarify, modify, amend, alter or withdraw the specifications, terms and conditions of this ITB/RFP and any Contract Award as a result of this ITB/RFP whenever it is determined to be in the best interest of the CLC. Any such action shall be effected by delivery to the Vendor of a written notice of action. Any notice of termination shall be sent by registered mail to the Vendor's address furnished to the CLC for the purposes of correspondence or by hand delivery. Upon receipt of such termination notice, the Vendor shall both immediately discontinue all services affected (unless the notice directs otherwise) and deliver to the CLC all data, drawings, specifications, reports, estimates, summaries and such other information and materials as may have been accumulated by the Vendor in performing his duties under this contract, whether completed or in progress. All such documents, information, and materials shall become the property of the CLC. In the event of such termination, the Vendor shall be entitled to reasonable compensation as determined by the CLC, at its sole discretion, however, no compensation for lost profits shall be allowed.

## **Delivery**

25. All products and equipment delivered must be new unless otherwise stated in the bid specifications.
26. All products offered for purchase and installation at the CLC shall meet all OSHA safety standards as required.
27. Delivery shall be FOB Destination. All fees, freight charges, labor and equipment shall be included. Extra charges will not be allowed.
28. Delivery will be onto the CLC's loading docks by the Vendor unless otherwise stated in the bid specifications.
29. Payment terms are net 30 days after receipt of goods or invoice, whichever is later, unless otherwise specified.

## **Force Majeure**

30. The Vendor shall not be in default by reason of any failure in performance of this contract in accordance with its terms (including any failure by the Vendor to make progress in the prosecution of the work hereunder which endangers such performance) if such failure arises out of causes beyond the control and without the fault or negligence of the Vendor. Such causes may include, but are not restricted to, acts of God or of public enemy, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather, but in every case the failure to perform must be beyond the control and without the fault or

negligence of the Vendor. If the failure in performance of the Contract is caused by the failure of a subcontractor to perform or otherwise results from an act of the subcontractor, or if such failure arises out of causes beyond the control of both the Vendor and subcontractor, and without fault or negligence of either of them, the Vendor shall not be deemed to be in default unless (a) the supplies or services to be furnished by the subcontractor were obtainable from other sources, (b) the Lottery ordered the Vendor in writing to procure such supplies or services from such other sources, and (c) the Vendor failed to comply reasonably with such order. Upon request of the Vendor, the Lottery's Contracting Officer shall ascertain the facts and extent of such failure and, if it is determined that any failure to perform was occasioned by any one or more of the said causes, the delivery schedule shall be revised accordingly, subject to the rights of the Lottery under the clause hereof entitled "Termination for Default". (As used in this clause, the term "subcontractor(s)" means subcontractor(s) of any tier.)

### **Advertising**

31. The Vendor agrees not to use either directly or indirectly, the CLC or its logo, or make any other reference to the Lottery in any advertisement, brochure or other material as a means to induce business or otherwise, without the Lottery's prior written consent.

### **Rights**

32. The CLC has sole and exclusive right and title to all printed materials produced for the CLC and the Vendor shall not copyright the printed matter produced under the contract.
33. The Vendor assigns to the CLC all rights title and interests in and to all causes of action it may have under Section 4 of the Clayton Act, 15 USC 15, or under Chapter 624 of the general statutes. This assignment occurs when the Vendor is awarded the contract.
34. Vendor agrees that it is in compliance with all applicable federal, state and local laws and regulations, including but not limited to Connecticut General Statutes Sections 4a-60 and 4a-60a. The Vendor also agrees that it will hold the CLC harmless and indemnify the CLC from any action that may arise out of any act by the Vendor concerning lack of compliance with these laws and regulations.
35. All Purchases will be in compliance with Section 22a-194 to Section 22a-194g of the Connecticut General Statutes related to product packaging. The contract is subject to the provisions of Executive Order No. Three of Governor Thomas J. Meskill promulgated June 16, 1971, the provisions of Executive Order No. Seventeen of Governor Thomas J. Meskill promulgated February 15, 1973 and section 16 of P.A. 91-58 nondiscrimination regarding sexual orientation, and the provisions of Executive Order No Sixteen of Governor John G. Rowland promulgated August 4, 1999 regarding Violence in the Workplace Prevention Policy.
36. No portion of the work shall be subcontracted to any firm, other than those reflected in the Vendor's Bid, without prior consent of the Lottery. In the event that the Vendor desires to subcontract some part of the work specified herein, the Vendor shall furnish the Lottery the names, qualifications and experience of their proposed subcontractor(s). The Vendor shall, however, remain fully liable and responsible for the work to be done by its subcontractor(s) and shall assure compliance with all requirements of the contract. The Vendor agrees that it is as fully responsible to the Lottery for the acts and omissions of its subcontractors and of persons whether directly or indirectly employed by the subcontractor(s), as he or she is for acts and omissions of persons directly employed by the Vendor.

## Part II

### GENERAL REQUIREMENTS

#### Issuing Office

This Invitation to Bid (ITB) is issued by and is for the exclusive use of the Connecticut Lottery Corporation (CLC). The current mailing address for the Corporate Headquarters is as follows:

Connecticut Lottery Corporation  
777 Brook Street  
Rocky Hill, CT 06067

Corporate Website: [www.ctlottery.org](http://www.ctlottery.org)

#### Procurement Officer

The Fiscal Administrative Officer, acting on the CLC's behalf, is the sole point of contact with regard to all procurement and contractual matters related to this ITB.

All communications concerning this procurement shall be addressed in writing to the Fiscal Administrative Officer:

Susan Starkowski, Fiscal Administrative Officer  
Connecticut Lottery Corporation  
777 Brook Street  
Rocky Hill, CT 06067  
Voice Telephone 860.713.2788  
Facsimile Number 860.713.2660  
Email address: [sue.starkowski@ctlottery.org](mailto:sue.starkowski@ctlottery.org)

Any changes to this ITB made as a result of written inquiries, questions or requests will be communicated by published addenda distributed via the State of Connecticut, Department of Administrative Services Purchasing Portal, Bidder Notification System and the CLC website at [www.ctlottery.org](http://www.ctlottery.org). If minor revisions become necessary after the closing date for submitting Bids, the Lottery will also publish and distribute addenda to all recipients of the original ITB.

#### Date and Time of Bid Submission

All Bids pursuant to this ITB shall be submitted to the CLC at its offices at 777 Brook Street in Rocky Hill, CT 06067 by 2:00 p.m. ET on June 17, 2010. Vendors are solely responsible for ensuring timely delivery. Bids received after that time and date may be rejected by the CLC and could result in the Bid being returned unopened to the Vendor.



## **Bid Format**

The Bid shall be mailed or hand-delivered in a sealed envelope to the CLC Fiscal Administrative Officer named above; the envelope must be clearly identified as **Bid #CLC201006**. The top page shall be Attachment 1, signed *Vendor Information Form*, page two (2) shall be Attachment 2, *Pricing Schedule*, followed by Attachments *Vendor's Affidavit*, *Gift and Campaign Contribution Certification*, *Consulting Agreement Affidavit*, *Affirmation Of Receipt Of State Ethics Laws Summary*, *SEEC Form 10/State of Connecticut State Elections Enforcement Commission*, *Nondiscrimination Certification*, as well as *all additional documents as specified in the "Qualifications of Bidders" section of this document*. The Vendor shall supply one (1) original and one (1) copy to the CLC. All costs and expenses associated with the preparation and submission of the Bid shall be the sole responsibility of the Vendor.

## **Anticipated Project Schedule**

<b>Project Task</b>	<b>Date</b>
Invitation to Bid Issued	May 21, 2010
Questions from Vendors Due	May 28, 2010
Responses to Vendors Due	June 2, 2010
Bids Due to the Lottery	June 17, 2010; 2 pm EST
Successful Vendor Announced	June 28, 2010
Contract Effective Date	October 19, 2010

## **Vendor Questions and Inquiries**

Vendors may submit **written** questions and inquiries that pertain to this ITB in accordance with the provisions of this section. Such questions shall be addressed to the Fiscal Administrative Officer and received at CLC Headquarters by close of business at 4:30 p.m. ET on May 28, 2010. Questions must be sent by the preferred method of electronic mail. Vendors will receive an electronic response from the Fiscal Administrative Officer confirming receipt of the questions. Submission of questions via telephone will not be allowed, however, the Fiscal Administrative Officer will accept inquiries to confirm receipt of Vendor's questions in the event an electronic confirmation is absent. All written questions, inquiries and comments will be answered in writing via contract Addendum on or before June 2, 2010; addenda will be distributed via electronic mail to each Vendor as well as through the State of Connecticut, Department of Administrative Services Purchasing Portal, Bidder Notification System, and will be posted on the Lottery's website at [www.ctlottery.org/bids-open.htm](http://www.ctlottery.org/bids-open.htm). It is the Vendor's responsibility to retrieve question responses and/or Addenda issued from one of these sources. Vendors will be sent a complete list of all questions and answers, but the origin of the questions will not be identified.

## **Qualifications of the Vendor**

The Lottery may make any investigations as deemed proper and necessary to determine the ability of the Vendor in providing the goods or services specified herein. Such investigations may include but not be limited to, financial and criminal background investigations on those individuals who, in the Lottery's sole determination, are key employees directly involved in the fulfillment of this contract.

## Part III

### Special Provisions – Instant Ticket Games 1070 and 1080 Annuity Contract

#### General

This bid covers the requirements of the Connecticut Lottery Corporation (the CLC or the Lottery) for services of a Money Dispersal Organization, hereinafter referred to as the Contractor or Vendor. The Contractor must be licensed and authorized to conduct business as a life insurance company in the State of Connecticut.

The chart below lists details of two (2) Instant Ticket Games included in this single annuity contract solicitation. Each game is designed to offer Top Prize Winners a guaranteed prize paid out over twenty (20) equal annual payments. Each game offers multiple top prizes and therefore separate annuities may be required. Each Top Prize Winner may select an annuity payment option or a lump sum payment option. Should the lump sum payment option be selected by a Top Prize Winner, the CLC shall pay said Winner(s) the present value of the Top Prize in full.

Ticket sales for each game are scheduled to commence on the dates listed in the chart below and will continue for the approximate number of months indicated. Due to the nature of instant lottery games, a Top Prize ticket may be sold at anytime throughout the sales period. Prizes must be claimed within 180 days of the published game end date. The game is ended (withdrawn from sale) upon claim of the last Top Prize, sale of the entire inventory, or termination due to poor sales performance. The Lottery reserves the right to discontinue sales of either of the two (2) games included in this Annuity Contract at any time.

If a Top Prize Winner selects the annuity payment option, the Lottery will make the first payment to the Top Prize Winner(s) starting with the date the player submits the official claim to the Lottery. To fund prize payments to the Top Prize Winners, upon initial notification from the Lottery, the Contractor will make annual annuity payments for that Top Prize directly to the Lottery ten days before the anniversary date of the initial claim for an additional nineteen (19) years. If a Top Prize Winner should die before all the installment payments are made, installment payments will continue to the Lottery unless the Winner(s)' estate requests acceleration of payment as provided in the section entitled *Contractual Content* on page 12. At no time will the Contractor pay monies directly to a Top Prize winner.

#### The Connecticut Lottery Corporation Instant Ticket Games 1070 and 1080 Annuity Contract, #CLC201006

Game #	Estimated Start of Sales	Approximate # Months on Sale	Top Prize Amount	Payment Terms
#1070	October 19, 2010	30-40 Months	\$500,000	20 Years
#1080	February 1, 2011	30-40 Months	\$1,000,000	20 Years

## **Qualifications of Bidders**

Bids shall be accepted from life insurance companies licensed to conduct business in the State of Connecticut (or agents thereof) and meeting the below-listed qualifications:

- a) The Contractor must have at least \$50,000,000 (fifty million dollars) in policyholder surplus.
- b) The Contractor must have credit ratings **at the date of proposal submission** equal to or better than those listed below from at least two of the three below-listed credit ratings.

<b>CREDIT RATING SERVICE</b>	<b>MINIMUM ACCEPTABLE RATING</b>
Moody's Service Credit Opinion	"Aa2"
Standard and Poors Insurance Rating Service Digest	"AA"
A. M. Best	"A and Contingent A"

- c) The Contractor must not have more than one ratio falling outside the usual range, according to the most recent ratios published by the NAIC Insurance Regulatory Information System, unless such deviation can be satisfactorily explained. The Contractor must submit detailed written explanation of such deviations with the Bid response.
- d) The Contractor must not have an outstanding liability to the CLC in excess of 10% of the Contractor's surplus. Attached hereto as Exhibit B is the listing of each company's outstanding liability to the Connecticut Lottery Corporation as of May 1, 2010. This listing will be utilized for comparison purposes.

Bids may be awarded to licensed subsidiaries of life insurance companies based on the Parent Company's qualifications and on written guarantee of the obligations of its Subsidiary. **All bids must be valid for a minimum of fourteen (14) days subsequent to the bid opening date.** The sole purpose of this fourteen-day period is to allow sufficient time for the Connecticut Lottery Corporation and the Division of Special Revenue to ascertain that the prospective bid winner meets the requirements as stated herein.

As part of the bid requirements, each Contractor shall supply the Connecticut Lottery Corporation with copies of the following:

1. Written confirmation from the Parent Company (if applicable) that it will guarantee the obligations of the Subsidiary.
2. The most recent Annual Report highlighting the Company's policyholder surplus (if such information is not available in the reports from Moody's, Standard and Poors, or A. M. Best).

Additionally, as part of the bid requirements, each Contractor shall supply the Connecticut Lottery Corporation with copies of two of the following:

1. The most recent Moody's Service Credit Opinion.
2. The most recent Standard and Poors Insurance Rating Service Report.
3. The most recent A. M. Best Rating Report.

## **Bid/Payment**

The Connecticut Lottery Corporation solicits bids for the following annuity purchase schedule, with the amount of payment to the insurance company being determined by the Connecticut Lottery Corporation using the following formula. Prospective Bidders should adjust the formula based on the actual top prize amount for each game. For example for a \$1,000,000 top prize, the first payment by the CLC will be \$1,000,000 divided by 20 to equal \$50,000.

<b><u>Top Prize (A) x Cost Factor (B) = Present Value of Top Prize (C)</u></b>
<b>First Payment by the Connecticut Lottery Corporation = Top Prize divided by 20 payments (D)</b>
<b>Present Value of Top Prize (C) – First Payment by the Connecticut Lottery Corporation to Winner (D) = The Amount Remaining for the Annuity Purchase to be Paid to the Insurance Company or Contractor (E)</b>

Using the above formula, the Contractor shall provide the Connecticut Lottery Corporation with the Cost Factor, (**see Attachment B; Pricing Schedule**), for twenty equal annual payments for which the Connecticut Lottery Corporation is obligated to pay the specific Ticket Game Top Prize Winner(s) according to its game procedures.

The Contractor shall determine the Cost Factor assuming the Connecticut Lottery Corporation makes the first payment directly to the Top Prize Winner(s) and the Contractor is mailed or delivered the remaining balance of the present value of Top Prize (E) within twenty (20) days after the annuity payment option has been selected by the Winner(s). For purposes of this document, the postmark date shall be considered to be the mail date.

The Contractor's obligation to the Connecticut Lottery Corporation is to provide the Lottery with the remaining nineteen equal annual payments that the Lottery is obligated to pay its Top Prize Winner(s). These payments are to commence ten (10) days prior to one year from the date of the original claim and ten days prior to each anniversary thereafter, until such time as the total number of required payments have been made. All said payments to the Connecticut Lottery Corporation shall be made by Electronic Transfer of Funds.

The Connecticut Lottery Corporation shall timely notify the Contractor of each Top Prize Winner, identifying all of the particulars cited below:

- Claim Date
- Initial payment to be made by the Lottery to the Winner
- Nineteen annual payments to be made to the Lottery by the Contractor
- Total Amount to be Paid to the Contractor
- Lottery Bank Account Number Information into which all the future annual payments to the Lottery are to be deposited via Electronic Transfers of Funds. Such annual payments will be due to the Lottery ten (10) days prior to each anniversary date of the claim.

No modifications or alterations to this schedule will be permitted. Responses to this ITB that modify or alter the above payment schedule(s) in any way shall render such bid proposals as non-responsive. It is understood that any losses incurred by the Contractor in the management of the purchased annuity(ies) will be for their account. Any supplemental payment required to maintain the scheduled level of payments must be made by the Contractor.

### **Contract Period**

The contract period for the two (2) games included in this bid will begin on October 19, 2010 as indicated on the Anticipated Project Schedule shown on page 8 of this ITB and remain in effect for the two (2) designated games for two hundred forty one (241) days after the official game end date of the latest ending game.

### **Basis of Contract Award**

Top Prize Winner(s) of the Connecticut Lottery's Instant Ticket Game(s), specified herein, will be paid in twenty (20) equal installments. Winners will receive one payment issued by the Lottery and additional payments on the anniversary of the claim date for the next nineteen (19) years. The Contractor will make annual payments to the Lottery; the Lottery will in turn issue payments to the Winner(s).

**A Contract shall be awarded to a single insurance company (hereinafter referred to as the Insurance Company) as one agreement to provide annuity(ies) to Top Prize Winner(s) of the two (2) Instant Ticket Game(s) specified in this bid who may select the annuity payment option. Separate annuities may be required for each top prize winner who chooses an annuity as their payout option. A contract will be awarded to the Insurance Company that;**

- Provides the lowest arithmetical Cost Factor for a total of twenty (20) payments to the Top Prize Winner(s) (first payment issued immediately by the Lottery and subsequent payments funded through the Insurance Company Annuity as herein provided),
- Meets all other requirements, terms and conditions of this ITB.

### **Contractual Content**

The Connecticut Lottery Corporation shall issue a Purchase Order to the Contractor contingent upon a Contract Award and in accordance with all the Special Bid Terms and Conditions herein stated. Exhibit C attached hereto represents a facsimile of the Purchase Order to be issued.

The Special Terms and Conditions attached hereto as Exhibit D and made a part hereof more explicitly contain the requirements of the CLC and will become part of the Contract of Record between the Contractor and the Connecticut Lottery Corporation. In the event any Winner dies during the Annuity payment period and that Winner's estate requests the CLC to deliver the remaining current value of that particular Winner's prize to the estate, then the CLC shall request of the Insurance Company and the Insurance Company shall deliver to the CLC a check in the amount of the present value of the remaining payment(s) due said Winner utilizing the formula indicated in Exhibit A attached hereto.

**Modification/Alterations to the Document**

No modifications or alterations to this document will be considered. Responses to this solicitation that modify or alter it in any way may render such bid proposal non-responsive.

**EXHIBIT A - PRESENT VALUE CALCULATION/ESTATE REQUESTS**

Top Prize = **C** (in Article IV of the Special Terms and Conditions)

Number of Payments to Winner = **D** (in Article IV of the Special Terms and Conditions)

**(i)** = The rate of interest used for the purpose of this calculation.

The rate of interest shall equal the Treasury Rate utilized for the Bid **(X)** plus a basis point spread **(Y)**:

Whereas **(X)** and **(Y)** must be determined by each Insurance Company at the time of bid.

**(F)** = The number of days since the last payment

**(G)** = The number of remaining payments

$$\text{PRESENT VALUE} = \frac{\text{Top Prize (C)}}{\text{Total Number of Payments To Winner (D)}} \times (1+i)^{(F/365)} \times \frac{1-(1+i)^{-G}}{i}$$

**Example #1**

**Assumptions**

- C = \$902,450
- D = 20
- i = 7.9000% (assumes a 20-year Treasury (x) yielding 6.9% plus 100 basis points (Y))
- F = 90
- G = 10

Present Value Calculation = \$45,122.50 x 1.01892513 x 6.74045  
 Total Present Value = \$309,901.96  
 Value of Remaining Payments = \$451,225.00  
 (Assuming The Present Value Not Taken)

**Example #2**

**Assumptions**

- C = \$1,000,000
- D = 20
- i = 7.6500% (assumes a 10-year Treasury (x) yielding 6.9% plus 75 basis points (Y))
- F = 200
- G = 5

Present Value Calculation = \$50,000 x 1.04121865 x 4.02961  
 Total Present Value = \$209,785.25  
 Value of Remaining Payments = \$250,000.00  
 (Assuming The Present Value Not Taken)

**NOTE: Insurance Companies must input values **(X)** and **(Y)** below which shall remain effective for the entire period during which the Connecticut Lottery Corporation shall collect payments from the Insurance Company as indicated herein.**

**(X)** = \_\_\_\_\_ **Treasury Rate Utilized for the Bid**

**(Y)** = \_\_\_\_\_ **Basis Points**

## Exhibit B – INSURANCE COMPANIES' LIABILITIES

**CLC - CONNECTICUT LOTTERY CORPORATION**  
**Insurance Companies' Liabilities \***  
**As of May 1, 2010**

John Hancock Mutual Life Insurance	\$ 48,260,000
New York Life Insurance	40,340,000
Ohio National Life Insurance	44,499,000
Canada Life Assurance Company	17,952,000
Protective Life Insurance	14,079,000
Metropolitan Life	14,595,000
Prudential Investment Company	14,208,000
Mutual of America Life Insurance	10,096,000
Sun Life Assurance Co. of Canada	6,054,000
Pacific Mutual Life Insurance	1,114,000
<b>Total</b>	<b><u><u>\$211,197,000</u></u></b>

\* Amounts shown represent future payments to annuitants and are not shown at present value. Liabilities for "life" contracts are included at the remaining minimum guaranteed amount.

**Exhibit C – SAMPLE PURCHASE ORDER**



**CONNECTICUT LOTTERY CORPORATION**  
 777 Brook Street  
 Rocky Hill, CT 06067  
 Phone #: (860) 713-2795  
 Fax #: (860) 713-2660

Purchase Order Number must appear on all invoices, packing slips, packages and correspondence.

Subject to CT Lottery purchase order Terms and Conditions.

**PURCHASE ORDER**

12350

PAGE	0001
DATE	09/04/09

PAYMENT INFORMATION	
TERMS	
DUE DAYS	
SHIP INFORMATION	
SHIPPING TERMS	
FREIGHT TERMS	FOB Destination

VENDOR: 10112

SHIP TO:

Vendor XXX  
 Main Street USA  
 City; State Zip

Connecticut Lottery Corp.  
 Purchasing Department  
 777 Brook Street  
 Rocky Hill CT 06067

CONTACT: XXXXXXXX  
 PHONE: XXXXXXXX  
 FAX: XXXXXXXX

CONTACT: Buyer  
 PHONE: 860-713-2795

```

+-----+
| Purchase Order Currency: US Dollars |
| Invoice by mail                       |
+-----+
    
```

LINE	ITEM NUMBER	DESCRIPTION	QUANTITY	PRICE	EXTENDED AMOUNT
------	-------------	-------------	----------	-------	-----------------

1	CLASSIC LOTTO GAME ANNUITY		1.000	LOT	0.00
	Bid #CLCXXXXXXXXXX		0.000		

Deliver on September 4, 2009  
 No charge item

Item Detail: CLASSIC LOTTO GAME ANNUITY  
 The XXXXXXXXXXXXXXXXXXXXXXXX Corporation agrees to provide annuities to the Connecticut Lottery Corporation (CLC) in accordance with the terms and conditions indicated in Contract Award #CLCXXXXX. This identifies the designated Vendor in the event the CLC needs to purchase an annuity or annuities for Classic Lotto Top Prize Winners.

Contract Term: xx/xx/xx through xx/xx/xx  
 Annuity Factor: x.xxxx  
 # Payments by CLC: 21  
 # Payments by Contractor: 20  
 Estate Requests: Treasury Rate XX  
 Basis Points: XXX

Purchase Order Summary

Goods Total:

AUTHORIZED BY \_\_\_\_\_



## **CT LOTTERY PURCHASE ORDER TERMS/CONDITIONS EXECUTIVE ORDERS**

This contract/purchase order is subject to the provisions of Executive Order No. Three of Governor Thomas J. Meskill promulgated June 16, 1971, and, as such, this contract/purchase order may be canceled, terminated or suspended by the State Labor Commissioner for violation of or noncompliance with said Executive Order No. Three, or any state or federal law concerning nondiscrimination, notwithstanding that the Labor Commissioner is not a party to this contract/purchase order. The parties to this contract/purchase order, as part of the consideration hereof, agree that said Executive Order No. Three is incorporated herein by reference and made a party hereof. The parties agree to abide by said Executive Order and agree that the State Labor Commissioner shall have continuing jurisdiction in respect to contract/purchase order performance in regard to nondiscrimination, until the contract/purchase order is completed or terminated prior to completion. The contractor agrees, as part consideration hereof, that this contract/purchase order is subject to the Guidelines and Rules issued by the State Labor Commissioner to implement Executive Order No. Three, and that he will not discriminate in his employment practices or policies, will file all reports as required, and will fully cooperate with the State of Connecticut and the State Labor Commissioner. This contract/purchase order is also subject to provisions of Executive Order No. Seventeen of Governor Thomas J. Meskill promulgated February 15, 1973, and, as such, this contract/purchase order may be canceled, terminated or suspended by the contracting agency or the State Labor Commissioner for violation of or noncompliance with said Executive Order No. Seventeen, notwithstanding that the Labor Commissioner may not be a party to this contract/purchase order. The parties to this contract/purchase order, as part of the consideration hereof, agree that Executive Order No. Seventeen is incorporated herein by reference and made a part hereof. The parties agree to abide by said Executive Order and agree that the contracting agency and the State Labor Commissioner shall have joint and several continuing jurisdiction in respect to contract/purchase order performance in regard to listing all employment openings with the Connecticut State Employment Service. The parties to this contract/purchase order, as part of the consideration hereof, agree that section 16 of Public Act 91-58 non discrimination regarding sexual orientation, and provisions of Executive Order No. Sixteen of Governor John G. Rowland promulgated August 14, 1999 regarding Violence in the Workplace Prevention Policy is incorporated herein by reference and made a part hereof.

### **I. NON-DISCRIMINATION**

- a. For the purposes of this section, "minority business enterprise" means any small contractor or supplier of materials fifty-one percent or more of the capital stock, if any, or assets of which is owned by a person or persons: (1) who are active in the daily affairs of the enterprise; (2) who have the power to direct the management and policies of the enterprise; and (3) who are members of a minority, as such term is defined in subsection (a) of Conn. Gen. Stat. subsection 32-9n; and "good faith" means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations. "Good faith efforts" shall include, but not be limited to, those reasonable initial efforts necessary to comply with statutory or regulatory requirements and additional or substituted efforts when it is determined that such initial efforts will not be sufficient to comply with such requirements. For purposes of this Section, "Commission" means the Commission on Human Rights and Opportunities. For purposes of this Section, "Public works contract/purchase order" means any agreement between any individual, firm or corporation and the state or any political subdivision of the state other than a municipality for construction, rehabilitation,

conversion, extension, demolition or repair of a public building, highway or other changes or improvements in real property, or which is financed in whole or in part by the state, including but not limited to, matching expenditures, grants, loans, insurance or guarantees.

- b. (1) The Contractor agrees and warrants that in the performance of the contract/purchase order such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation or physical disability, including, but not limited to blindness, unless it is shown by such Contractor that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the State of Connecticut. The Contractor further agrees to take affirmative action to insure that applicants with job related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, or physical disability, including, but not limited to, blindness unless it is shown by the Contractor that such disability prevents performance of the work involved; (2) the Contractor agrees, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, to state that it is an "affirmative action - equal opportunity employer" in accordance with regulations adopted by the Commission; (3) the Contractor agrees to provide each labor union or representative of workers with which the Contractor has a collective bargaining agreement or other contract or understanding and each vendor with which the Contractor has a contract or understanding, a notice to be provided by the Commission, advising the labor union or workers' representative of the Contractor's commitments under this section and to post copies of the notice in conspicuous places available to employees and applicants for employment; (4) the Contractor agrees to comply with each provision of this section and Conn. Gen. Stat. subsections 46a-68e and 46a-68f and with each regulation or relevant order issued by said Commission pursuant to Conn. Gen. Stat. subsections 46a-56, 46a-68e and 46a-68f; (b) the Contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor as relate to the provisions of this section and section 46a-56. If the Contract/purchase order is a public works contract/purchase order, the contractor agrees and warrants that he will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works projects.
- c. Determination of the Contractor's good faith efforts shall include, but shall not be limited to, the following factors: The Contractor's employment and subcontracting policies, patterns and practices; affirmative advertising, recruitment and training; technical assistance activities and such other reasonable activities or efforts as the Commission may prescribe that are designed to ensure the participation of minority business enterprises in public works projects.
- d. The Contractor shall develop and maintain adequate documentation, in a manner prescribed by the Commission, of its good faith efforts.
- e. The Contractor shall include the provisions of subsection (b) of this Section in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the State and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. The Contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Conn. Gen. Stat. subsection 46a-56; provided, if such contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a

result of such direction by the Commission, the Contractor may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the State and the State may so enter.

- f. The Contractor agrees to comply with the regulations referred to in this Section as they exist on the date of this contract/purchase order and as they may be adopted or amended from time to time during the term of this contract/purchase order and any amendments thereto.
- g. The Contractor agrees to follow the provisions: The contractor agrees and warrants that in the performance of the agreement such contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or of the State of Connecticut, and that employees are treated when employed without regard to their sexual orientation.
- h. The Contractor shall include the provisions of the foregoing paragraph in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the state and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the commission.

### **INSURANCE**

The contractor agrees that while performing services specified in this agreement he shall carry sufficient insurance (liability and/or other) as applicable according to the nature of the service to be performed so as to "save harmless" the State of Connecticut from any insurable cause whatsoever. If requested, certificates of such insurance shall be filed with the contracting State agency prior to the performance of services.

### **STATE LIABILITY**

The State of Connecticut shall assume no liability for payment for services under the terms of this agreement until the contractor is notified that this agreement has been accepted by the contracting agency and, if applicable, approved by the Office of Policy and Management (OPM) or the Department of Administrative Services (DAS) and by the Attorney General of the State of Connecticut.

### **INVOICING**

The contractor shall invoice the Connecticut Lottery Corporation when goods and services are provided, the invoice must contain the Lottery's Purchase Order Number. Invoicing received without reference to the Connecticut Lottery's purchase order number could result in a delay of payment.

## Exhibit D – SPECIAL TERMS & CONDITIONS

### Article I - Purpose

The purpose of this Agreement is to provide for the establishment of annuities to pay Top Prize Winners of the Connecticut Lottery's specified Instant Ticket Games.

### Article II - Definitions

**Contract Period**

The Contract Period as used herein is the period during which the Lottery may establish annuities as defined herein at the bid price (Cost Factor). The Contractor shall assume full responsibility for providing annuities, as required herein, for those individual(s) who claim their Top Prize within the Contract period.

**Cost Factor:**

The Cost Factor is the figure bid by an Insurance Company used to calculate the Present Value of the Top Prize as indicated in Article III.

**Winners:**

All references to "Winner" or "Winners" as used herein shall refer to winners as determined by the computer files held by the CLC for the specified Instant Ticket Games.

**Top Prize:**

Top Prize Winner payable in twenty (20) annual payments unless a lump sum payment option is selected.

### Article III – Cost Factor

<b>Top Prize (A) x Cost Factor (B) = Present Value of Top Prize (C)</b>
<b>First Payment by the Connecticut Lottery Corporation = Top Prize divided by 20 Annual Payments (D)</b>
<b>Present Value of Top Prize (C) – First Payment by the Connecticut Lottery Corporation to Winner (D) = The Amount Remaining for the Annuity Purchase to be Paid to the Contractor (E)</b>

Top Prize Winners of the Connecticut Lottery's specified Instant Ticket Games will be paid in twenty (20) equal installments. Winners will receive one payment issued by the Lottery and additional payments on the anniversary of the claim date for the next nineteen (19) years. The Contractor will make annual payments to the Lottery; the Lottery will in turn issue payments to the Winner(s).

In the event any said payment due to the Lottery is more than ten (10) days late, the Lottery may assess the Insurance Company a late payment charge equal to one and one-half percent (1.5%) of the amount due for each month of lateness thereof.

As each winning claim is validated by the Connecticut Lottery Corporation, the Lottery shall submit a claim notice to the Contractor within twenty (20) working days subsequent to the date the Winner selects the annuity payment option, identifying all of the particulars related to the claim (date of claim, initial payment amount to be made by the Lottery to the Winner, nineteen equal annual payments to be made by the Insurance Company to the Lottery, the total amount to be paid to the Insurance Company by the Lottery, the Lottery's account number information to which Electronic Transfer of Funds shall be made). Additionally, within twenty (20) working days subsequent to the date the Winner selects the annuity payment option, the Lottery shall submit to the Contractor the amount of the Present Value of the Top Prize less the initial payment paid by the Lottery. (For purposes of this section, the postmark date shall be considered the date of submission.) The Contractor shall then invest said amount and pay to the Lottery the resulting annual amount for nineteen years in such manner as indicated herein.

#### **Article IV – Estate Requests**

In the event any Winner of the Top Prize dies during the Annuity payment period and that Winner's estate requests the CLC to deliver the remaining current value of that particular Winner's prize to the estate, then the CLC shall request of the Insurance Company and the Insurance Company shall deliver to the CLC a check in the amount of the present value of the remaining payment(s) due said Winner utilizing the formula indicated in Exhibit A Present Value Calculation – Estate Requests.

#### **Article V – Investment Risk**

The Contractor will make prudent investments of the Top Prize monies to assure that adequate monies will be available for payment to the Connecticut Lottery Corporation on their due dates. Any losses incurred by the Contractor in the management of the investments will be for its account and any supplemental payments required to maintain a scheduled level of monies adequate enough for the Contractor to fulfill its obligation to the Lottery will be made by the Contractor.

#### **Article VI – End of Contract**

The Contractor's obligation shall terminate when all annuity payments by the Contractor shall have been paid to the Connecticut Lottery Corporation in accordance with the terms and conditions of this Agreement.

#### **Article VII - Assignment**

This Agreement may not be assigned, hypothecated, pledged as collateral or as security for the performance of an obligation or be subject to claims of creditors. However, the Connecticut Lottery Corporation as the annuitant may appoint a successor for the purposes of receiving said payments.

#### **Article VIII - Currency**

All monies, whether payable to or by the Contractor, shall be lawful money of the United States of America. Dollars and cents, as specified in this Agreement, shall mean lawful dollars and cents of the United States currency.

#### **Article IX – Correction of Errors**

Information furnished to the Contractor may be corrected for demonstrated errors therein unless the Contractor has already acted to its prejudice by relying on such information. Except for such corrections, information furnished to the Contractor shall be regarded as conclusive.

### **Article X - Other**

1. The Contractor shall permit and facilitate observations of its work by the Connecticut Lottery Corporation and its agents.
2. This Contract shall be construed according to the laws of the State of Connecticut.
3. The Agreement for the services to be provided to the CLC by Vendor shall be comprised of the ITB, Proposal, Addendum, and the Purchase Order.

## **PART IV - Required Documents**

In order to submit a responsive Bid, submit all copies of the following documents to the attention of the Fiscal Administrative Officer **no later than 2:00 PM EDT, June 17, 2010** in a sealed envelope clearly identified with the Bid title and Bid number (see page one of this solicitation).

**ATTACHMENT A**, *Vendor Information Form*, signed by an official authorized to bind the Vendor included as the top page of Bid.

**ATTACHMENT B**, *Pricing Schedule*, completed and included as page two of the Vendor's Bid.

**ATTACHMENT C**, *Vendor's Affidavit*, completed, signed, and included as page three of the Vendor's Bid.

**ATTACHMENT D**, *Gift and Campaign Contribution Certification*, completed, signed, and included as page four of the Vendor's Bid.

**ATTACHMENT E**, *Consulting Agreement Affidavit*, completed, signed, and included as page five of the Vendor's Bid.

**ATTACHMENT F**, *Affirmation Of Receipt Of State Ethics Laws Summary*, completed, signed, and included as page six of the Vendor's Bid.

**ATTACHMENT G**, *SEEC FORM 10, State of Connecticut State Elections Enforcement Commission*, completed, signed, and included as page seven of the Vendor's Bid.

**ATTACHMENT H**, *Nondiscrimination Certification*, completed, signed, and included as page eight of the Vendor's Bid.

### **COPIES OF THE FOLLOWING:**

- Written confirmation from the Parent Company (if applicable) that it will guarantee the obligations of the Subsidiary.
- The most recent Annual Report highlighting the Company's policyholder surplus (if such information is not available in the reports from Moody's, Standard and Poors, or A. M. Best).

Additionally, as part of the bid requirements, each Contractor shall supply the Connecticut Lottery Corporation with copies of two of the following:

- The most recent Moody's Service Credit Opinion.
- The most recent Standard and Poors Insurance Rating Service Report.
- The most recent A. M. Best Rating Report.

**IF TWO OR MORE NAIC IRIS ratios fall outside the range, provide detailed explanation as to why.**

Provide one original and one (1) copy of the above documents.

## Attachment A – Vendor Information Form Bid # CLC201006

**IMPORTANT: ALL parts of this form must be completed, signed and returned by the Vendor.**

Vendor Legal Business Name	Taxpayer ID/FEIN #
Business Name, Trade Name, Doing Business As Name (if different from above)	
Business Entity: Corporation ____ LLC Corporation ____ LLC Partnership ____ LLC Single Member Entity ____ Non-Profit ____ Partnership ____ Individual/Sole Proprietor ____	
NOTES: If your business is a Corporation, in which State are you Incorporated? _____ If individual/sole proprietor, individual's name (as owner) must appear in the legal business name block above. If your business is a Partnership, you must attach the names and titles of all partners to your bid submission.	
Vendor Address	
City	State
Zip Code	
Business Telephone	Business Fax
Contact Person	Telephone
Fax	
E-Mail Address:	
Remittance Address if different from above	
Remittance City	State
Zip Code	

  

SIGNATURE OF PERSON AUTHORIZED TO SIGN BIDS ON BEHALF OF THE ABOVE NAMED VENDOR	Date Executed
<b>SIGN</b>	
Type or Print Name of Authorized Person	Title of Authorized Person

  

Is Your Business CURRENTLY a DAS Certified Small or Minority Business Enterprise? Yes ____ Attach Copy of Certificate                      No ____
---



**Attachment B - Pricing Schedule**

**Connecticut Lottery Corporation  
Instant Ticket Games 1070 and 1080 Annuity Contract**

**Note: Prices must be valid for fourteen (14) days from the submission of this Bid.**

**Bidder Name** \_\_\_\_\_ **FEIN #** \_\_\_\_\_

**Bid # CLC201006  
Pricing Schedule Page 1 of 1**

Item #	Description of Commodity and/or Services	Pricing Information
Item # 1	<p>Pursuant to, and in accordance with the Invitation to Bid and Special Bid and Contract Terms and Conditions and Articles I to X of Exhibit D attached, we enter the following bid sum:</p> <p><b>Cost Factor</b> for twenty (20) equal annual payments with the pricing underlying the factor assuming the CLC immediately pays the winner the first payment and the balance of the present value of the Top Prize being deposited with the Insurance Company to fund nineteen (19) equal annual payments to be made to the Lottery in accordance with the section entitled "Bid/Payment".</p> <p>The Connecticut Lottery Corporation shall mail or deliver to the Contractor the amount remaining for the Top Prize annuity(ies) purchase(s) as calculated herein within twenty (20) days from the date the annuity payment option is selected by the Top Prize Winner(s).</p>	<p><b>Cost Factor:</b></p> <p>_____</p>
Item # 2	<p><b>Present Value Calculation/Estate Requests</b> (See Exhibit A on Page # 13)</p> <p><b>(X) = _____ Treasury Rate Utilized for this Bid</b></p> <p><b>(Y) = _____ Basis Points</b></p>	

**Attachment C - Vendor's Affidavit**

**Bid # CLC201006**

I hereby certify that I am the \_\_\_\_\_ and the duly authorized representative of the firm of \_\_\_\_\_  
Please Print

whose address is \_\_\_\_\_ and that neither  
Address City, State, Zip

I nor, to the best of my knowledge, information and belief, the above firm or any of its other representatives I herein represent have:

- a) Agreed, conspired, connived or colluded to produce a deceptive show of competition in the compilation of this Bid being submitted herewith; or,
- b) In any manner, directly or indirectly, entered into any agreement, participated in any collusion to fix the Bid price of the Vendor herein or any competitor, or otherwise taken any action in restraint of free competitive bidding in connection with the Contract for which this Bid is submitted.

In signing this Affidavit, the Vendor agrees to all terms and conditions of this Invitation to Bid and affirms that all information contained in the Bid is true and accurately portrays all aspects of the proposed services. The Vendor is aware that any substantive misinformation or misrepresentation may disqualify the Bid from further consideration by the Connecticut Lottery Corporation.

Authorized Signature: \_\_\_\_\_

Signatory's Name: \_\_\_\_\_  
Print Name

Date: \_\_\_\_\_

Sworn to and subscribed before me this \_\_\_\_\_ day of \_\_\_\_\_, 201\_.

\_\_\_\_\_  
Notary Public

Commission Expiration Date (Seal)



**Attachment D – Gift and Campaign Contribution Certification  
STATE OF CONNECTICUT**

**GIFT AND CAMPAIGN CONTRIBUTION CERTIFICATION**

**Certification to accompany a State contract with a value of \$50,000 or more in a calendar or fiscal year, pursuant to C.G.S. §§ 4-250 and 4-252(c); Governor M. Jodi Rell’s Executive Orders No. 1, Para. 8, and No. 7C, Para. 10; and C.G.S. §9-612(g)(2), as amended by Public Act 07-1**

**INSTRUCTIONS:**

Complete all sections of the form. Attach additional pages, if necessary, to provide full disclosure about any lawful campaign contributions made to campaigns of candidates for statewide public office or the General Assembly, as described herein. Sign and date the form, under oath, in the presence of a Commissioner of the Superior Court or Notary Public. Submit the completed form to the awarding State agency at the time of initial contract execution (and on each anniversary date of a multi-year contract, if applicable).

**CHECK ONE:**     Initial Certification                                     Annual Update (Multi-year contracts only.)

**GIFT CERTIFICATION:**

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

- 1) **“Contract” means that contract between the State of Connecticut (and/or one or more of it agencies or instrumentalities) and the Contractor, attached hereto, or as otherwise described by the awarding State agency below;**
- 2) **If this is an Initial Certification, “Execution Date” means the date the Contract is fully executed by, and becomes effective between, the parties; if this is an Annual Update, “Execution Date” means the date this certification is signed by the Contractor;**
- 3) **“Contractor” means the person, firm or corporation named as the contractor below;**
- 4) **“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);**
- 5) **“Gift” has the same meaning given that term in C.G.S. § 4-250(1);**
- 6) **“Planning Start Date” is the date the State agency began planning the project, services, procurement, lease or licensing arrangement covered by this Contract, as indicated by the awarding State agency below; and**
- 7) **“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).**

I, the undersigned, am the official authorized to execute the Contract on behalf of the Contractor. I hereby certify that, between the Planning Start Date and Execution Date, neither the Contractor nor any Principals or Key Personnel has made, will make (or has promised, or offered, to, or otherwise indicated that he, she or it will, make) any **Gifts** to any Applicable Public Official or State Employee.

I further certify that no Principals or Key Personnel know of any action by the Contractor to circumvent (or which would result in the circumvention of) the above certification regarding **Gifts** by providing for any other principals, key personnel, officials, or employees of the Contractor, or its or their agents, to make a **Gift** to any Applicable Public Official or State Employee. I further certify that the Contractor made the bid or proposal for the Contract without fraud or collusion with any person.

**CAMPAIGN CONTRIBUTION CERTIFICATION:**

I further certify that, on or after December 31, 2006, neither the Contractor nor any of its principals, as defined in C.G.S. § 9-612(g)(1), has made any **campaign contributions** to, or solicited any contributions on behalf of, any exploratory committee, candidate committee, political committee, or party committee established by, or supporting or authorized to support, any candidate for statewide public office, in violation of C.G.S. § 9-612(g)(2)(A). I further certify that **all lawful campaign contributions** that have been made on or after December 31, 2006 by the Contractor or any of its principals, as defined in C.G.S. § 9-612(g)(1), to, or solicited on behalf of, any exploratory committee, candidate committee, political committee, or party committee established by, or supporting or authorized to support any candidates for statewide public office or the General Assembly, are listed below:



**Attachment D- Page 2 (Continued)**  
**STATE OF CONNECTICUT**  
**GIFT AND CAMPAIGN CONTRIBUTION CERTIFICATION**

**Lawful Campaign Contributions to Candidates for Statewide Public Office:**

<u>Contribution Date</u> <u>Description</u>	<u>Name of Contributor</u>	<u>Recipient</u>	<u>Value</u>

**Lawful Campaign Contributions to Candidates for the General Assembly:**

<u>Contribution Date</u> <u>Description</u>	<u>Name of Contributor</u>	<u>Recipient</u>	<u>Value</u>

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

\_\_\_\_\_

Printed Contractor Name  
**Official**

**Signature of Authorized**

**Subscribed and acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_.**

\_\_\_\_\_  
**Commissioner of the Superior Court (or Notary Public)**

**For State Agency Use Only**

\_\_\_\_\_ May 2010 \_\_\_\_\_  
 Awarding State Agency Planning Start Date

\_\_CLC201006 Instant Ticket Games 1070 and 1080 Annuity Contract  
 \_\_\_\_\_  
 Contract Number or Description



**Attachment E – Consulting Agreement Affidavit**  
**STATE OF CONNECTICUT**  
**CONSULTING AGREEMENT AFFIDAVIT**

**Affidavit to accompany a State contract for the purchase of goods and services with a value of \$50,000 or more in a calendar or fiscal year, pursuant to Connecticut General Statutes §§ 4a-81(a) and 4a-81(b)**

**INSTRUCTIONS:**

**If the bidder or vendor has entered into a consulting agreement, as defined by Connecticut General Statutes § 4a-81(b)(1):** Complete all sections of the form. If the bidder or vendor has entered into more than one such consulting agreement, use a separate form for each agreement. Sign and date the form in the presence of a Commissioner of the Superior Court or Notary Public. **If the bidder or vendor has not entered into a consulting agreement, as defined by Connecticut General Statutes § 4a-81(b)(1):** Complete only the shaded section of the form. Sign and date the form in the presence of a Commissioner of the Superior Court or Notary Public.

Submit completed form to the awarding State agency with bid or proposal. For a sole source award, submit completed form to the awarding State agency at the time of contract execution.

This affidavit must be amended if the contractor enters into any new consulting agreement(s) during the term of the State contract.

**AFFIDAVIT:** [ Number of Affidavits Sworn and Subscribed On This Day: \_\_\_\_\_ ]

I, the undersigned, hereby swear that I am the chief official of the bidder or vendor awarded a contract, as described in Connecticut General Statutes § 4a-81(a), or that I am the individual awarded such a contract who is authorized to execute such contract. I further swear that I have not entered into any consulting agreement in connection with such contract, **except for the agreement listed below:**

_____	_____
Consultant's Name and Title	Name of Firm (if applicable)
_____	_____
Start Date	End Date
_____	_____
	Cost
	_____

Description of Services Provided: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Is the consultant a former State employee or former public official?       YES       NO

If YES: \_\_\_\_\_

Name of Former State Agency

Termination Date of Employment

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

_____	_____	_____
Printed Name of Bidder or Vendor	Signature of Chief Official or Individual	Date

\_\_\_\_\_

**Printed Name (of above)      Awarding State Agency**

Sworn and subscribed before me on this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_\_.

\_\_\_\_\_  
**Commissioner of the Superior Court or Notary Public**



**Attachment F – Affirmation of Receipt of State Ethics Laws Summary**  
**STATE OF CONNECTICUT**

**AFFIRMATION OF RECEIPT OF STATE ETHICS LAWS SUMMARY**

Affirmation to accompany a large State construction or procurement contract, having a cost of more than \$500,000, pursuant to Connecticut General Statutes §§ 1-101mm and 1-101qq

**INSTRUCTIONS:**

Complete all sections of the form. Submit completed form to the awarding State agency or contractor, as directed below.

**CHECK ONE:**

- I am a person seeking a large State construction or procurement contract. I am submitting this affirmation to the awarding State agency with my bid or proposal. [Check this box if the contract will be awarded through a competitive process.]
- I am a contractor who has been awarded a large State construction or procurement contract. I am submitting this affirmation to the awarding State agency at the time of contract execution. [Check this box if the contract was a sole source award.]
- I am a subcontractor or consultant of a contractor who has been awarded a large State construction or procurement contract. I am submitting this affirmation to the contractor.

**IMPORTANT NOTE:**

Contractors shall submit the affirmations of their subcontractors and consultants to the awarding State agency. Failure to submit such affirmations in a timely manner shall be cause for termination of the large State construction or procurement contract.

**AFFIRMATION:**

I, the undersigned person, contractor, subcontractor, consultant, or the duly authorized representative thereof, affirm (1) receipt of the summary of State ethics laws\* developed by the Office of State Ethics pursuant to Connecticut General Statutes § 1-81b and (2) that key employees of such person, contractor, subcontractor, or consultant have read and understand the summary and agree to comply with its provisions.

\* The summary of State ethics laws is available on the State of Connecticut's Office of State Ethics website at [http://www.ct.gov/ethics/lib/ethics/contractors\\_guide\\_final2.pdf](http://www.ct.gov/ethics/lib/ethics/contractors_guide_final2.pdf)

Signature	Date
Printed Name	Title
Firm or Corporation (if applicable)	
Street Address	City
	State
	Zip
Awarding State Agency	

# The Connecticut Lottery Corporation

## Attachment G – State of Connecticut State Elections Enforcement Commission

### SEEC FORM 10

#### NOTICE TO EXECUTIVE BRANCH STATE CONTRACTORS AND PROSPECTIVE STATE CONTRACTORS OF CAMPAIGN CONTRIBUTION AND SOLICITATION BAN

This notice is provided under the authority of Connecticut General Statutes 9-612(g)(2), as amended by P.A. 07-1, and is for the purpose of informing state contractors and prospective state contractors of the following law (italicized words are defined on page 2):

#### **Campaign Contribution and Solicitation Ban**

No *state contractor, prospective state contractor, principal of a state contractor or principal of a prospective state contractor*, with regard to a *state contract or state contract solicitation* with or from a state agency in the executive branch or a quasi-public agency or a holder, or principal of a holder of a valid prequalification certificate, shall make a contribution to, or *solicit* contributions on behalf of (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of Governor, Lieutenant Governor, Attorney General, State Comptroller, Secretary of the State or State Treasurer, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee;

In addition, no holder or principal of a holder of a valid prequalification certificate, shall make a contribution to, or solicit contributions on behalf of (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of State senator or State representative, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee.

#### **Duty to Inform**

State contractors and prospective state contractors are required to inform their principals of the above prohibitions, as applicable, and the possible penalties and other consequences of any violation thereof.

#### **Penalties for Violations**

Contributions or solicitations of contributions made in violation of the above prohibitions may result in the following civil and criminal penalties:

Civil penalties--\$2000 or twice the amount of the prohibited contribution, whichever is greater, against a principal or a contractor. Any state contractor or prospective state contractor which fails to make reasonable efforts to comply with the provisions requiring notice to its principals of these prohibitions and the possible consequences of their violations may also be subject to civil penalties of \$2000 or twice the amount of the prohibited contributions made by their principals.

Criminal penalties—Any knowing and willful violation of the prohibition is a Class D felony, which may subject the violator to imprisonment of not more than 5 years, or \$5000 in fines, or both.

#### **Contract Consequences**

Contributions made or solicited in violation of the above prohibitions may result, in the case of a state contractor, in the contract being voided.

Contributions made or solicited in violation of the above prohibitions, in the case of a prospective state contractor, shall result in the contract described in the state contract solicitation not being awarded to the prospective state contractor, unless the State Elections Enforcement Commission determines that mitigating circumstances exist concerning such violation.

The state will not award any other state contract to anyone found in violation of the above prohibitions for a period of one year after the election for which such contribution is made or solicited, unless the State Elections Enforcement Commission determines that mitigating circumstances exist concerning such violation.

Receipt acknowledged: \_\_\_\_\_  
(signature) (date)

Print name: \_\_\_\_\_ Title: \_\_\_\_\_

Company Name: \_\_\_\_\_

Additional information and the entire text of P.A 07-1 may be found on the website of the State Elections Enforcement Commission, [www.ct.gov/seec](http://www.ct.gov/seec). Click on the link to "State Contractor Contribution Ban"

Definitions:

"State contractor" means a person, business entity or nonprofit organization that enters into a state contract. Such person, business entity or nonprofit organization shall be deemed to be a state contractor until December thirty-first of the year in which such contract terminates. "State contractor" does not include a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

"Prospective state contractor" means a person, business entity or nonprofit organization that (i) submits a response to a state contract solicitation by the state, a state agency or a quasi-public agency, or a proposal in response to a request for proposals by the state, a state agency or a quasi-public agency, until the contract has been entered into, or (ii) holds a valid prequalification certificate issued by the Commissioner of Administrative Services under section 4a-100.

"Prospective state contractor" does not include a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

"Principal of a state contractor or prospective state contractor" means (i) any individual who is a member of the board of directors of, or has an ownership interest of five per cent or more in, a state contractor or prospective state contractor, which is a business entity, except for an individual who is a member of the board of directors of a nonprofit organization, (ii) an individual who is employed by a state contractor or prospective state contractor, which is a business entity, as president, treasurer or executive vice president, (iii) an individual who is the chief executive officer of a state contractor or prospective state contractor, which is not a business entity, or if a state contractor or prospective state contractor has no such officer, then the officer who duly possesses comparable powers and duties, (iv) an officer or an employee of any state contractor or prospective state contractor who has managerial or discretionary responsibilities with respect to a state contract, (v) the spouse or a dependent child who is eighteen years of age or older of an individual described in this subparagraph, or (vi) a political committee established or controlled by an individual described in this subparagraph or the business entity or nonprofit organization that is the state contractor or prospective state contractor.

"State contract" means an agreement or contract with the state or any state agency or any quasi-public agency, let through a procurement process or otherwise, having a value of fifty thousand dollars or more, or a combination or series of such agreements or contracts having a value of one hundred thousand dollars or more in a calendar year, for (i) the rendition of services, (ii) the furnishing of any goods, material, supplies, equipment or any items of any kind, (iii) the construction, alteration or repair of any public building or public work, (iv) the acquisition, sale or lease of any land or building, (v) a licensing arrangement, or (vi) a grant, loan or loan guarantee. "State contract" does not include any agreement or contract with the state, any state agency or any quasi-public agency that is exclusively federally funded, an education loan or a loan to an individual for other than commercial purposes.

"State contract solicitation" means a request by a state agency or quasi-public agency, in whatever form issued, including, but not limited to, an invitation to bid, request for proposals, request for information or request for quotes, inviting bids, quotes or other types of submittals, through a competitive procurement process or another process authorized by law waiving competitive procurement.

"Managerial or discretionary responsibilities with respect to a state contract" means having direct, extensive and substantive responsibilities with respect to the negotiation of the state contract and not peripheral, clerical or ministerial responsibilities.

"Dependent child" means a child residing in an individual's household who may legally be claimed as a dependent on the federal income tax of such individual.

"Solicit" means (A) requesting that a contribution be made, (B) participating in any fund-raising activities for a candidate committee, exploratory committee, political committee or party committee, including, but not limited to, forwarding tickets to potential contributors, receiving contributions for transmission to any such committee or bundling contributions, (C) serving as chairperson, treasurer or deputy treasurer of any such committee, or (D) establishing a political committee for the sole purpose of soliciting or receiving contributions for any committee. Solicit does not include: (i) making a contribution that is otherwise permitted by Chapter 155 of the Connecticut General Statutes; (ii) informing any person of a position taken by a candidate for public office or a public official, (iii) notifying the person of any activities of, or contact information for, any candidate for public office; or (IV) serving as a member in any party committee or as an officer of such committee that is not otherwise prohibited in this section.



**Attachment H – Nondiscrimination Certification**



**STATE OF CONNECTICUT**

**NONDISCRIMINATION CERTIFICATION – Affidavit**

**By Entity**

**For Contracts Valued at \$50,000 or More**

*Documentation in the form of an affidavit signed under penalty of false statement by a chief executive officer, president, chairperson, member, or other corporate officer duly authorized to adopt corporate, company, or partnership policy that certifies the contractor complies with the nondiscrimination agreements and warranties under Connecticut General Statutes §§ 4a-60(a)(1) and 4a-60a(a)(1), as amended*

**INSTRUCTIONS:**

**For use by an entity (corporation, limited liability company, or partnership) when entering into any contract type with the State of Connecticut valued at \$50,000 or more for any year of the contract. Complete all sections of the form. Sign form in the presence of a Commissioner of Superior Court or Notary Public. Submit to the awarding State agency prior to contract execution.**

**AFFIDAVIT:**

I, the undersigned, am over the age of eighteen (18) and understand and appreciate the obligations of an oath. I am \_\_\_\_\_ of \_\_\_\_\_, an entity  
Name of Entity Signatory's Title

duly formed and existing under the laws of \_\_\_\_\_ Name of  
State or Commonwealth

I certify that I am authorized to execute and deliver this affidavit on behalf of  
\_\_\_\_\_ and that \_\_\_\_\_  
Name of Entity Name of Entity

has a policy in place that complies with the nondiscrimination agreements and warranties of Connecticut General Statutes §§ 4a-60(a)(1) and 4a-60a(a)(1), as amended.

**Authorized Signatory**

**Printed Name**

Sworn and subscribed to before me on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Commissioner of the Superior Court/  
Notary Public

\_\_\_\_\_  
Commission Expiration Date



**STATE OF CONNECTICUT**  
**STATE ELECTIONS ENFORCEMENT COMMISSION**  
20 Trinity Street Hartford, Connecticut 06106–1628

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**SEEC FORM 11**

**NOTICE TO EXECUTIVE BRANCH STATE CONTRACTORS AND PROSPECTIVE STATE CONTRACTORS OF  
CAMPAIGN CONTRIBUTION AND SOLICITATION BAN**

This notice is provided under the authority of Connecticut General Statutes 9-612(g)(2), as amended by P.A. 07-1, and is for the purpose of informing state contractors and prospective state contractors of the following law (italicized words are defined below):

**Campaign Contribution and Solicitation Ban**

No *state contractor, prospective state contractor, principal of a state contractor or principal of a prospective state contractor*, with regard to a *state contract* or *state contract solicitation* with or from a state agency in the executive branch or a quasi-public agency or a holder, or principal of a holder of a valid prequalification certificate, shall make a contribution to, or *solicit* contributions on behalf of (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of Governor, Lieutenant Governor, Attorney General, State Comptroller, Secretary of the State or State Treasurer, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee;

In addition, no holder or principal of a holder of a valid prequalification certificate, shall make a contribution to, or solicit contributions on behalf of (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of State senator or State representative, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee.

**Duty to Inform**

State contractors and prospective state contractors are required to inform their principals of the above prohibitions, as applicable, and the possible penalties and other consequences of any violation thereof.

**Penalties for Violations**

Contributions or solicitations of contributions made in violation of the above prohibitions may result in the following civil and criminal penalties:

Civil penalties--\$2000 or twice the amount of the prohibited contribution, whichever is greater, against a principal or a contractor. Any state contractor or prospective state contractor which fails to make reasonable efforts to comply with the provisions requiring notice to its principals of these prohibitions and the possible consequences of their violations may also be subject to civil penalties of \$2000 or twice the amount of the prohibited contributions made by their principals.

Criminal penalties—Any knowing and willful violation of the prohibition is a Class D felony, which may subject the violator to imprisonment of not more than 5 years, or \$5000 in fines, or both.

**Contract Consequences**

Contributions made or solicited in violation of the above prohibitions may result, in the case of a state contractor, in the contract being voided.

Contributions made or solicited in violation of the above prohibitions, in the case of a prospective state contractor, shall result in the contract described in the state contract solicitation not being awarded to the prospective state contractor, unless the State Elections Enforcement Commission determines that mitigating circumstances exist concerning such violation.

The State will not award any other state contract to anyone found in violation of the above prohibitions for a period of one year after the election for which such contribution is made or solicited, unless the State Elections Enforcement Commission determines that mitigating circumstances exist concerning such violation.

Additional information and the entire text of P.A 07-1 may be found on the website of the State Elections Enforcement Commission, [www.ct.gov/seec](http://www.ct.gov/seec). Click on the link to "State Contractor Contribution Ban."

Definitions:

"State contractor" means a person, business entity or nonprofit organization that enters into a state contract. Such person, business entity or nonprofit organization shall be deemed to be a state contractor until December thirty-first of the year in which such contract terminates. "State contractor" does not include a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

"Prospective state contractor" means a person, business entity or nonprofit organization that (i) submits a response to a state contract solicitation by the state, a state agency or a quasi-public agency, or a proposal in response to a request for proposals by the state, a state agency or a quasi-public agency, until the contract has been entered into, or (ii) holds a valid prequalification certificate issued by the Commissioner of Administrative Services under section 4a-100. "Prospective state contractor" does not include a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

"Principal of a state contractor or prospective state contractor" means (i) any individual who is a member of the board of directors of, or has an ownership interest of five per cent or more in, a state contractor or prospective state contractor, which is a business entity, except for an individual who is a member of the board of directors of a nonprofit organization, (ii) an individual who is employed by a state contractor or prospective state contractor, which is a business entity, as president, treasurer or executive vice president, (iii) an individual who is the chief executive officer of a state contractor or prospective state contractor, which is not a business entity, or if a state contractor or prospective state contractor has no such officer, then the officer who duly possesses comparable powers and duties, (iv) an officer or an employee of any state contractor or prospective state contractor who has *managerial or discretionary responsibilities with respect to a state contract*, (v) the spouse or a *dependent child* who is eighteen years of age or older of an individual described in this subparagraph, or (vi) a political committee established or controlled by an individual described in this subparagraph or the business entity or nonprofit organization that is the state contractor or prospective state contractor.

"State contract" means an agreement or contract with the state or any state agency or any quasi-public agency, let through a procurement process or otherwise, having a value of fifty thousand dollars or more, or a combination or series of such agreements or contracts having a value of one hundred thousand dollars or more in a calendar year, for (i) the rendition of services, (ii) the furnishing of any goods, material, supplies, equipment or any items of any kind, (iii) the construction, alteration or repair of any public building or public work, (iv) the acquisition, sale or lease of any land or building, (v) a licensing arrangement, or (vi) a grant, loan or loan guarantee. "State contract" does not include any agreement or contract with the state, any state agency or any quasi-public agency that is exclusively federally funded, an education loan or a loan to an individual for other than commercial purposes.

"State contract solicitation" means a request by a state agency or quasi-public agency, in whatever form issued, including, but not limited to, an invitation to bid, request for proposals, request for information or request for quotes, inviting bids, quotes or other types of submittals, through a competitive procurement process or another process authorized by law waiving competitive procurement.

"Managerial or discretionary responsibilities with respect to a state contract" means having direct, extensive and substantive responsibilities with respect to the negotiation of the state contract and not peripheral, clerical or ministerial responsibilities.

"Dependent child" means a child residing in an individual's household who may legally be claimed as a dependent on the federal income tax of such individual.

"Solicit" means (A) requesting that a contribution be made, (B) participating in any fund-raising activities for a candidate committee, exploratory committee, political committee or party committee, including, but not limited to, forwarding tickets to potential contributors, receiving contributions for transmission to any such committee or bundling contributions, (C) serving as chairperson, treasurer or deputy treasurer of any such committee, or (D) establishing a political committee for the sole purpose of soliciting or receiving contributions for any committee. Solicit does not include: (i) making a contribution that is otherwise permitted by Chapter 155 of the Connecticut General Statutes; (ii) informing any person of a position taken by a candidate for public office or a public official, (iii) notifying the person of any activities of, or contact information for, any candidate for public office; or (iv) serving as a member in any party committee or as an officer of such committee that is not otherwise prohibited in this section.

**Attachment I**  
**IMPORTANT NOTICE TO CLC EMPLOYEES**

TO: All Connecticut Lottery Corporation Employees

FROM: Anne M. Noble, President & CEO

DATE: May 21, 2010

SUBJECT: Invitation to Bid for Instant Ticket Games 1070 and 1080 Annuity Contract, CLC201006

The Connecticut Lottery Corporation (the "CLC") has issued an Invitation to Bid for the Instant Ticket Games 1070 and 1080 Annuity Contract. Effective immediately, therefore, in order to assure the integrity of the procurement and selection processes, there shall be NO CONTACT authorized between CLC staff members and any Prospective Vendor, except for such contacts as may be necessary by the Evaluation Committee during the selection process and for routine contacts as may be required in connection with existing contracts. The definition of "Vendor" for this purpose includes all management and staff of companies expected to submit a Bid for this Contract, as well as any consultant, lobbyist, agent or advisor to any such Vendor.

This prohibition against non-essential contacts will continue until the entire ITB and Contract Award process has been concluded.

The sole contact on matters pertaining to this ITB is **Susan Starkowski, Fiscal Administrative Officer**. All telephone calls and/or correspondence must be directed to Ms. Starkowski at [www.sue.starkowski@ctlottery.org](mailto:www.sue.starkowski@ctlottery.org) or 860-713-2788.

It is very unlikely that Prospective Vendors will attempt any communication because the ITB strictly prohibits all such inquiries. However, in the event that any attempt is made by a Prospective Vendor to contact or establish communication with a member of the Lottery staff, it should be reported immediately to Ms. Starkowski.

Prospective Vendors and CLC employees are further reminded that no news releases or statements to the news media pertaining to this ITB, related Proposals, and/or Contracts resulting there from shall be issued or made without prior written approval of the President & CEO.

Any questions or requests for clarification of this requirement should be directed to Ms. Starkowski.

**IMPORTANT NOTICE TO CLC BOARD OF DIRECTORS**

TO: Members of the CLC Board of Directors

FROM: Anne M. Noble, President & CEO

DATE: May 21, 2010

SUBJECT: Invitation to Bid for Instant Ticket Games 1070 and 1080 Annuity Contract, CLC201006

The Connecticut Lottery Corporation (the "CLC") has issued an Invitation to Bid for the Instant Ticket Games 1070 and 1080 Annuity Contract. The CLC will engage a qualified vendor to provide annuity(ies) for the contract term commencing on October 19, 2010 should a top prize winner of the Instant Ticket Games 1070 and 1080 choose an annuity as their payout option.

Effective immediately, therefore, in order to assure the integrity of the procurement and selection processes, I am asking Members of the Board of Directors to refrain from all non-essential contact with any Prospective Vendor. The definition of "Vendor" for this purpose includes all management and staff of companies expected to submit a Bid for this Contract, as well as any consultant, lobbyist, agent or advisor to any such Vendor, except for such contacts as may be necessary by the Evaluation Committee during the selection process and for routine contacts as may be required in connection with existing contracts.

This prohibition against non-essential contacts will continue until the entire ITB and Contract Award process has been concluded.

The sole contact on matters pertaining to this ITB is **Susan Starkowski, Fiscal Administrative Officer**. All telephone calls and/or correspondence must be directed to Ms. Starkowski at [www.sue.starkowski@ctlottery.org](mailto:www.sue.starkowski@ctlottery.org) or 860-713-2788.

It is very unlikely that Prospective Vendors will attempt any communication because the ITB strictly prohibits all such contact. However, in the event that any attempt is made by a Prospective Vendor to contact or establish communication with a member of the Board of Directors, it should be reported immediately to Ms. Starkowski.

Members of the CLC Board of Directors are further reminded that no news releases or statements to the news media pertaining to this ITB, related Proposals, and/or Contracts resulting there from shall be issued or made without prior written approval of the President & CEO.

**IMPORTANT NOTICE TO DIVISION OF SPECIAL REVENUE**

TO: Paul Young, Executive Director of the Division of Special Revenue

FROM: Anne M. Noble, President & CEO

DATE: May 21, 2010

SUBJECT: Invitation to Bid for Instant Ticket Games 1070 and 1080 Annuity Contract, CLC201006

The Connecticut Lottery Corporation (the "CLC") has issued an Invitation to Bid for the Instant Ticket Games 1070 and 1080 Annuity Contract. The CLC will engage a qualified vendor to provide annuity(ies) for the contract term commencing on October 19, 2010 should a top prize winner of the Instant Ticket Games 1070 and 1080 choose an annuity as their payout option.

Effective immediately, therefore, in order to assure the integrity of the procurement and selection processes, the Lottery asks your assistance in directing employees of the Division of Special Revenue to prohibit contact with any Prospective Vendor for this contract ***except for such contacts as may be necessary by the Evaluation Committee during the selection process and for routine contacts as may be required in connection with existing contracts.*** The definition of "Vendor" for this purpose includes all management and staff of companies expected to submit a Bid for this Contract, as well as any consultant, lobbyist, agent or advisor to any such Vendor. This prohibition will continue until the entire ITB and Contract Award process has been concluded.

The sole contact on matters pertaining to this ITB is **Susan Starkowski, Fiscal Administrative Officer**. All telephone calls and/or correspondence must be directed to Ms. Starkowski at [www.sue.starkowski@ctlottery.org](mailto:www.sue.starkowski@ctlottery.org) or 860-713-2788.

It is very unlikely that Prospective Vendors will attempt any communication because the ITB strictly prohibits all such inquiries. However, in the event that any attempt is made by a Prospective Vendor to contact or establish communication with a member of the Lottery staff, it should be reported immediately to Ms. Starkowski.

DOSR employees are further reminded that no news releases or statements to the news media pertaining to this ITB, related Proposals, and/or Contracts resulting there from shall be issued or made without prior written approval of the President & CEO.

Any questions or requests for clarification of this requirement should be directed to Ms. Starkowski.

## Plain Language Summary of State Ethics Laws for Current and Potential State Contractors

**Note:** The following is a summary of the major ethics laws and related provisions applicable to current and potential state contractors. For more detailed information or to discuss any questions you may have, contact the Office of State Ethics at (860) 566-4472.

### RESTRICTIONS ON THE BENEFITS YOU MAY GIVE TO STATE PERSONNEL

**GIFTS:** In general, no one doing business with or seeking business from a state or quasi-public agency may give a gift to an official or employee of that agency. Connecticut's gift ban is strict, but has some exceptions. For example, under the Ethics Code, you may give: (1) food and drink up to \$50 per person per year, if the person paying, or his or her representative, is in attendance; and (2) tangible gifts up to \$10 per item up to \$50 per person per year. Also exempt are certain items such as informational materials, or plaques costing less than \$100. For a complete list of the Code's gift exceptions, consult Conn. Gen. Stat. § 1-79(e) or contact the Office of State Ethics.

**IMPORTANT RECENT CHANGE IN LAW:** As of July 1, 2004, gifts for "major life events," including a wedding or the birth of a child, which were previously exempt from the gift ban, are now subject to the strict gift limits outlined above if the gifts are provided by any individual or entity doing business with or seeking business from the state.

**NOTE:** State agencies may have stricter gift rules than the provisions of the Ethics Code (for example, an agency policy may ban all food and drink). Be sure to obtain a copy of the agency's ethics policy before you provide any benefit to an agency official/employee.

**NECESSARY EXPENSES:** Under the Ethics Code, you may not pay a fee or an honorarium to a state official or employee for making a speech or appearing at your organization's event. You may, however, under limited circumstances, pay the "necessary expenses" of such a state servant. These expenses are limited to: necessary travel, lodging for the nights before, or and after the speech, meals and conference fees. There may be reporting requirements attached to the giving and taking of necessary expenses, so contact the Office of State Ethics if you need more information. **NOTE:** Before providing necessary expenses, check with the state agency's ethics officer to determine if the agency allows such payments.

**GIFTS TO THE STATE:** The Ethics Code allows limited "gifts to the state" which facilitate state action or functions (for example, donating a piece of equipment to the agency).

**NOTE:** Recent legislation was passed that may impact gifts to the state. Please contact the Office of State Ethics before giving a gift to the state to determine if such donations are acceptable.

## **RULES ON HIRING STATE PERSONNEL**

Before you hire a current or **former** state employee, you should be aware of certain provisions of the Ethics Code. First, if you are considering hiring a current state employee, especially from a state agency with which you do business or by which you are regulated, you should know the following:

A current state employee must not accept outside employment that impairs his independence of judgment regarding his state duties, or that encourages him to disclose confidential information learned in his state job. Also, a current state employee may not use his or her state position for financial gain, however inadvertent that use may be. Therefore, for example, a current state employee who exercises any contractual, supervisory or regulatory authority over you or your business may not be able to work for you.

Second, if you are considering hiring a **former** state employee, you should be aware of the Ethics Code's post-state employment, or revolving door, laws:

If you hire or otherwise engage the services of a former state official or employee, he or she may not represent you before his or her former agency for one year after leaving state service.

**NOTE:** The former State Ethics Commission established a limited exception to this provision which allows the former employee to return to his or her former agency within the one year period for the sole purpose of providing technical expertise (for example, to help implement a previously awarded contract). This is a fact-specific exception that applies in very limited circumstances: therefore, you should contact the Office of State Ethics for further assistance if you think this exception applies to you.

If a state official or employee was substantially involved in, or supervised, the negotiation or award of a contract valued at \$50,000 or more, and the contract was signed within his or her last year of state service, and you or your business was one of the parties to the contract, then you and/or your business are prohibited from hiring him or her for one year after he or she leaves state employment.

A former state official or employee can **never** represent anyone other than the state regarding a particular matter in which he or she was personally and substantially involved while in state service and in which the state has a substantial interest.

Third, there are approximately 75 state officials or employees who may not negotiate for, seek or accept employment with any business subject to regulation by their agency, and may not accept employment with such a business for one year after leaving state service. Under that section of the law, it is also illegal for a business in the industry to employ such an individual.

## **CONFLICT OF INTEREST RULES THAT APPLY TO YOU AS A STATE CONTRACTOR**

Under Conn. Gen. Stat. §1-86e of the Ethics Code, no state contractor, including a consultant or other independent contractor, can use the authority provided under the contract, or confidential information acquired in the performance of the contract, to obtain financial gain for himself, his employee, or a member of his immediate family. Also, a state contractor cannot accept another state contract that would impair his independence of judgment in the performance of the first contract. Finally, a state contractor cannot accept anything of value based on an understanding that his actions on behalf of the state would be influenced.



It is important to call the Office of State Ethics at (860) 566-4472 to discuss the application of this law, or any of the other ethics laws, to your specific situation.

## **OTHER ETHICS PROVISIONS THAT MAY APPLY TO YOU**

Contractors seeking large state contracts are required to execute affidavits regarding gifts and/or campaign contributions made to certain state employees or public officials in the two-year period prior to the submission of a bid or proposal. You need to check the web sites of both the Department of Administrative Services, [www.das.state.ct.us](http://www.das.state.ct.us), and the Office of Policy and Management, [www.opm.state.ct.us](http://www.opm.state.ct.us), for copies of these affidavits and for other updated information regarding state contractors. Also, because the particular agency with which you wish to contract may have specific rules that you must follow, you need to check with that agency as well.

If you or your business provides "investment services" as defined in the Code of Ethics, and you make a political contribution in connection with the Office of the Treasurer, you may be prohibited from contracting with that office. See Conn. Gen. Stat. § 1-84(n).

Finally, if you or your business spends or receives \$2,000 or more in a calendar year for activities that constitute lobbying under the Ethics Code, whether to affect legislation or the actions of an administrative state agency, then you and/or your business may have to register as a lobbyist with the Office of State Ethics, and more ethics rules will apply to you. Contact the Office of State Ethics, or review the lobbyist registration information at [www.ct.gov/ethics](http://www.ct.gov/ethics).

Recent legislation (Public Act 05-287) prohibits anyone who is a party (or who is seeking to become a party) to a state construction, procurement, or consultant services contract over \$500,000 from:

- (1) Soliciting information from a public official or state employee that is not available to other bidders for that contract, with the intent to obtain a competitive advantage over other bidders;
- (2) intentionally or recklessly charging a state agency for work not performed or goods or services not provided, or falsifying invoices or bills; or
- (3) intentionally violating or trying to circumvent the state competitive bidding and ethics laws.

Recent legislation (Public Act 05-287) also requires any prospective state contractor to affirm in writing that he or she has been provided with a summary of the state's ethics laws and that his key employees have read and understood the summary and agree to comply with the applicable provisions of the ethics law.

# CLC201006

## BIDDER'S CHECKLIST

**It is suggested that you review and check off each action as you complete it.**

1.  **Read the entire document.** Note critical items such as mandatory requirements, required services, date to submit, number of copies required, terms and conditions of the Contract.
2.  **Note the procurement officer's name, address, phone numbers and email address.** This is the only person who is allowed to communicate with Vendors regarding this solicitation.
3.  **Attend the pre-proposal conference, if one is offered.** These conferences provide an opportunity to ask clarifying questions, obtain a better understanding of the project, or to notify the CLC of any ambiguities, inconsistencies or errors in the solicitation.
4.  **Take advantage of the Question and Answer period.** Submit your questions to the procurement officer by the due date listed in the Schedule of Events and view the answers given in the formal addenda issued for the solicitation. All addenda issued for a solicitation are posted on the CLC website and will be distributed to vendors registered to receive bid opportunity notices via the State of Connecticut, Department of Administrative Services Procurement Portal. Addenda will include all questions asked and answers provided for this solicitation.
5.  **Follow the format required in the solicitation when preparing your response.** Provide point-by-point responses to all sections in a clear and concise manner.
6.  **Provide complete answers/descriptions.** Read and answer all questions and requirements. Do not assume the CLC or the Evaluation Committee will know what your capabilities are or what services you can provide even if you have previously contracted with the CLC. The proposals are evaluated based solely on the information and materials provided in your response.
7.  **Use the forms provided** (ie. cover page, pricing form, release forms, affidavit, etc.). See "Required Documents" section.
8.  **Check the CLC's website for RFP addenda.** Before submitting your proposal, check the CLC's website at [www.ctlottery.org](http://www.ctlottery.org) or the State of Connecticut, Department of Administrative Services Procurement Portal to see whether any addenda were issued for the solicitation.
9.  **Review and read the solicitation document more than once to make sure that you have addressed all requirements.** Your original response and the requested copies must be identical and complete. The copies are provided to the Evaluation Committee and will be used to score your response.
10.  **Submit your original response and ONE exact duplicate copy of your response no later than the date and time specified.** Note all the dates and times listed in the Schedule of Events and within the document, and be sure to submit all required items on time. Late proposal responses may be rejected.

This checklist is provided for assistance only and should not be submitted with the Vendor's Proposal.