



## **REQUEST FOR PROPOSAL**

### **Multi-State Lottery Association**

#### **2026 Operational Security Assessment – ISO 27001 Certification and WLA SCS Compliance Review**

**Date of Issuance: March 23, 2026**

**Written Questions Due April 6, 2026; Proposal Due: April 20, 2026**

## **1. Introduction**

The Multi-State Lottery Association (“MUSL”) is an unincorporated non-profit government benefit association owned and operated by thirty-nine (39) governmental lotteries (“Member Lotteries”). MUSL assists both Member Lotteries and additional lotteries licensed to sell multi-jurisdictional lottery games, such as Powerball, in the operation and sale of those lottery games.

As part of its services to Member Lotteries, MUSL:

Conducts drawings (both physical ball and digital draws) at locations in Johnston, Iowa and Tallahassee, Florida, and has emergency draw facilities located in Des Moines, Iowa and Lincoln, Nebraska;

Manages financial transactions between MUSL and participating lotteries in support of multijurisdictional games;

Develops and maintains a data information website for sales and winner data sharing between MUSL, lotteries, and lottery vendors;

Develops and maintains websites for the promotion of these games;

Provides other services to lotteries not relevant to this RFP.

MUSL does not sell lottery tickets or pay lottery prizes, and does not maintain lottery play data, or significant amounts of PII.

MUSL has approximately twenty-four full-time employees and six part-time employees.

MUSL is currently utilizing the DRATA tool as its ISO 27001 and WLA SCS compliance platform.

## 2. Services Requested

MUSL is seeking an Operational Security Assessment (“OSA”) comprised of a review against and to receive certification of ISO 27001 and a review for compliance with (but not certification of) WLA SCS standards before December 31, 2026.

· The anticipated contract length for this project will be for three (3) years including the initial review and certification / compliance year (2026) and two (2) annual review years (2027 and 2028).

MUSL expects the selected Vendor to provide a Project Manager who will be assigned to the project for its total duration, absent extenuating circumstances, such as termination of employment, inability to complete the assignment, etc.

## 3. Anticipated Timeline for the RFP

**March 23, 2026:** Issue Request for Proposal.

**April 6, 2026:** Written questions from interested Vendors due to MUSL. All questions should be sent by email, subject line “2026 OSA” to [Procurement@MUSL.com](mailto:Procurement@MUSL.com)

**April 13, 2026:** Written responses to Vendor questions distributed to all interested Vendors. Interested Vendors must express their interest before this date to receive responses to Vendor questions. Responses will not be posted publicly.

**April 20, 2026:** Proposals due and received by MUSL no later than 3:00 pm CDT. Vendors must email a PDF of their proposal, subject line “2026 OSA” to [Procurement@MUSL.com](mailto:Procurement@MUSL.com)

**April 27, 2026:** Vendor proposal evaluation and selection process begins; evaluation team may require teleconferences with Vendors submitting proposals during this week. In-person presentations may be requested at MUSL’s discretion. Teleconferences, if necessary, will be held via Teams.

**May 1, 2026:** Successful Vendor selected; background check and contract negotiations begin.

It is anticipated that a project kick-off meeting will be held following successful contract negotiations.

MUSL reserves the right to modify the schedule as may be necessary.

MUSL will provide notice to vendors submitting proposals after a contract is awarded, but will not provide its evaluation or selection processes.

## 4. Service Requirements

### Data Transmission

The Contractor shall not transmit confidential, personal, or sensitive data via e-mail or other internet transport protocol unless the data is encrypted. The Contractor will not store any MUSL data on any mobile computing device, such as a laptop computer, USB drive or portable data device, except where there is a business necessity and only if the mobile computing device is protected by industry-standard encryption software. The Contractor must adopt procedures for terminating access to MUSL's data by employees when employment ends.

### Protection of MUSL Data and Personally Identifiable Information.

- Contractor shall ensure that all MUSL data including PII is housed in the continental United States, inclusive of backup data and will not be transferred to any other hosting entity or location without prior written consent of MUSL.
- All MUSL data must not be commingled with other customer data.
- All MUSL Data must be encrypted both in transit and at rest.
- For web applications, Contractor shall ensure that MUSL's TLS standards are met to protect Web requests that contain user credentials, sensitive information, any forms of user authentication, or personal information (as defined in Iowa Code section 715C.1(11)(a)).
- For data access purposes, Contractor shall document the access method being used and any special authentication requirements that must be satisfied by the individual customers to qualify for access.
- Contractor must provide a pre-approved report of who has access to MUSL data.

### User Accounts

- Contractor's User accounts shall follow or exceed MUSL password complexity requirements. Accounts with privileged access (which are authenticated by the Contractor) are required to have at least NIST 800-63 AAL-2 authentication.
- Contractor shall provide the capability for password encryption before the password is recorded in any data repository. Passwords shall not be stored directly; rather, a cryptographic hash of the password shall be stored.
- Contractor shall provide pre-approved user account information to MUSL.

### Software Security Features

- Contractor shall use Virtual Private Networks (VPNs) to help prevent unauthorized internal intercept of communications between their system and MUSL systems or use another means of secure communication agreeable to MUSL standards.

### Security, Risk Monitoring, and Assessments

- Contractor shall maintain a formal, defense-in-depth Security Incident Response Plan, which shall describe how the Contractor will respond to potential security incidents.

### Disclosure of a Security Breach

- Contractor shall notify MUSL as soon as it discovers that there has been a breach of the security of data (“Incident”).
- Contractor shall pay all final judgements, and reasonable attorney fees, and associated court costs due to an Incident that is directly attributable to the Contractor’s breach of the requirements of this Section.
- Contractor shall implement and maintain procedures consistent with the requirements of this Contract, including taking best steps to protect and safeguard from unlawful use or disclosure all Personal Information that is collected and maintained by the Contractor under this Contract.
- Contractor shall notify MUSL of any Incident caused by the Contractor’s breach of the requirements of this Section where unencrypted personal information was, or is reasonably suspected to have been, acquired by an unauthorized person through the Contractor’s systems, or encrypted personal information was or may have been acquired through the Contractor’s systems by an unauthorized person with access to the encryption key.
- Contractor shall ensure that MUSL is notified of an Incident caused by the breach of the requirement of this section. Additional remedies, such as making available to the affected persons credit monitoring and call center support shall be conducted as required by law, or otherwise as mutually agreed by the parties, at Contractor’s expense.

### Return of Information

When it becomes necessary to end the relationship, MUSL will specify a format and transfer method for returning MUSL data. The contractor is required to maintain and secure the data until it is successfully returned.

Once the data has been successfully returned, the contractor is required to apply a data wipeout and sanitization that is reviewed utilizing a method approved by MUSL. Contractor is required to provide a certificate of destruction or recycling no later than ninety (90) days after the request to return data is made to verify that the Contractor properly sanitized all copies of MUSL data.

### Changes to Contractor Services

Any changes to the provision of services by Contractor, including maintaining and improving existing information security policies, procedures, and controls must be reported to MUSL. This also includes any modifications, improvements, or change in use of technology or infrastructure. Contractor is responsible to show evidence to MUSL that any changes meet the required security standards.

## 5. Anticipated Project Schedule and Deliverables

MUSL anticipates the selected vendor will utilize a standard two-phase ISO 27001 review approach, with the WLA compliance review conducted as part of Phase 2. MUSL Information Security Staff will observe the review process for internal educational purposes.

*Please indicate whether you advise MUSL to perform its internal auditor review before or after Phase 1.*

Dates below are for the initial annual review year. Dates for future annual reviews will be mutually agreed to by the Parties but are anticipated to occur at roughly the same time frames. All dates are tentative and may change depending on the need of the testers and employee timelines.

<b>May 11, 2026</b>	Kick-off meeting, mutually determine statement of work, deliverables, and task assignments. Designation of Vendor Project Manager; determination of weekly meetings scheduled during Phase 1 and Phase 2 by Vendor Project Manager during the project.
<b>Prior to July 31</b>	Phase 1 review
<b>September</b>	Phase 2 review
<b>October</b>	Certification of 27001 and WLA compliance determination issued

Times may be adjusted based on any required remediation, but certification and compliance determination is expected to be received prior to December 31, 2026.

## 6. Vendor Review and Requirements

### Proposal Evaluation and Vendor Selection

- 1) Any award to be made pursuant to this RFP will be based upon the Proposal with appropriate consideration given to operational, technical, cost, and management requirements. Evaluation of offers will be based upon the Vendor's responsiveness to the RFP and the total price quoted for all items covered by the RFP.
- 2) Marketing and general promotional materials will not be helpful to the evaluation team. Please only provide specific information regarding how your company can address the requirements as set forth in this RFP.
- 3) The following are criteria which will be used for consideration of Proposals (order not necessarily indicative of evaluation weighting):
  - a) Sufficiency of Proposal and Information Presented
  - b) The extent to which Vendor's proposed solution fulfills MUSL's stated requirements as set out in this RFP.
  - c) Ability to perform the Scope of Services set out in the Service Requirements.
  - d) Past Work and Performance

- e) Proposed Costs, including licensing and ongoing costs, if any. Cost proposals should include all costs associated with the initial report, follow-up testing (if requested), initial remediation evaluation and final report. Cost proposals shall be broken down for each anticipated contract year and potential extension years.
- f) Terms and Conditions for Products and Services. Vendors submitting Proposals should expect to enter into the terms and conditions as set out later in this RFP, and must identify any concerns, questions or alternative contract language in their Proposals.

MUSL may contact any Vendor for clarifications or additional information regarding their Proposals and may negotiate contract terms including the scope of work, deliverables, and budget.

MUSL may contact any client or former client of the Vendor for additional information regarding the Vendor's services.

MUSL will notify all Vendors submitting proposals regarding its selection of a contracted vendor.

By issuing this RFP, MUSL is not offering to enter into a contract with any interested Vendor, nor does acceptance of a proposal or additional information constitute an agreement to enter into a contract with any interested Vendor. Vendor selection schedule may change.

### **Background Security Reviews**

The Selected Vendor will be subject to successful completion of a financial and criminal history background check of the organization, its owners, and all staff who will be assigned to work on the MUSL project. A CV of each member of your organization who will be assigned to this project must be included in your proposal. Additionally, MUSL may determine that Vendor employees take additional security testing as may be governed by MUSL's internal security policies.

In Proposals, Vendors must include information security policies, code of conduct and/or code of ethics, and employment handbook with their Proposals.

Vendors must also indicate any exceptions to MUSL's standard Terms and Conditions (see Appendix A).

### **Contractual Terms and Conditions**

Any resulting contract will include requirements regarding confidentiality, bonding and insurance, compliance with MUSL security requirements, intellectual property assurances and other provisions. Vendors should expect to enter into an agreement as provided for in this RFP, and MUSL's standard contract terms (see Appendix A). A non-disclosure agreement may be included in the contractual terms and conditions.

MUSL will complete a review of each submitted deliverable within specified working days from the date of receipt and identify if the deliverable is accepted (per the acceptance criteria), or, if the deliverable is rejected as not meeting the agreed-upon deliverable. Vendor will have time to correct the deficiencies.

Full payment of agreed upon consideration shall be paid following submission and acceptance of Final Report.

## **Performance Monitoring**

The Vendor is required to provide MUSL's project manager with weekly written progress reports for this project.

Items to be covered in the progress report may include:

- a) Required documents (plans, estimates, schedules, analyses).
- b) Description of all work performed and completed during the week for which the progress report is provided and shall present the work to be performed during the subsequent week.
- c) Identification of outstanding issues encountered with an explanation of the cause, proposed resolution, and timeframe in which the issue will be resolved.
- d) Schedule of progress/status meetings with the MUSL project manager.

Liquidated damages may be imposed should the reporting be late, incomplete, or unsatisfactory through no fault of MUSL.

## **Costs of Proposals**

Vendors are responsible for their own costs associated with submitting Proposals in response to this RFP. MUSL will not reimburse any costs incurred in the submission of their Proposal.

## **Vendor Requirements**

The successful Vendor must be regularly and continuously engaged in the business of providing services performed by their Information Technology professionals and experts during the past three (3) years. This must be verifiable through the Vendor's website, references, and past projects completed.

Vendors must provide at least three (3) professional references, including name, title, phone number, email and physical address. Bidders must provide a brief description of processes and procedures they will take to perform the Service Requirements.

## **Vendor Information**

*Please provide responses to these questions:*

- 1) What is the estimated timeline for completion of the project, if different than the outlined schedule above?
- 2) What is your proposed cost for completion of the project (by year), including all testing, meeting, reporting, and other requirements as outlined in this RFP?
- 3) Does your company have a process for replacing individuals who are not qualified or are unable to work well with outside staff? Staff replacements must be approved by MUSL; approval will not be unreasonably withheld.
- 4) Please briefly describe the process for assigning and replacing staff assigned to the project.
- 5) What type of insurance does your company carry currently?
- 6) What type of warranty do you provide for the services provided?

## **7. Submission Information**

Interested vendors may submit their questions and Proposals (as a PDF) by email only to:

[Procurement@MUSL.com](mailto:Procurement@MUSL.com)

Place the following information in the subject line: 2026 OSA

**Attempts to contact other employees at MUSL may be grounds for disqualification from the RFP process.**

Thank you for your interest in this project.

## Appendix A – Anticipated Contract Terms

### OPERATIONAL SECURITY ASSESSMENT – ISO 27001 CERTIFICATION AND WLA SCS COMPLIANCE REVIEW AGREEMENT

This Agreement (“**Agreement**”) is made and entered into on the last date of execution by the Multi-State Lottery Association, (“**MUSL**”) with offices located at 8101 Birchwood Court, Suite R, Johnston, Iowa 50131, and XXX with offices at XXX (“**Contractor**”) (each a “**Party**” and collectively the “**Parties**”).

#### RECITALS

**WHEREAS**, MUSL is an association of governmental lotteries organized to assist, facilitate, and coordinate among its Participating Lottery members one or more multi-jurisdiction lottery games; and

**WHEREAS**, MUSL issued a Request for Proposal (“**RFP**”) for services related to vulnerability scanning and penetration testing;

**WHEREAS**, Contractor submitted a Proposal on XXX (the “**Proposal**”); and

**WHEREAS**, MUSL desires to have Contractor provide the Services as identified in the RFP and the Proposal (“**the Project**”); and

**WHEREAS**, each Party has legal authority to enter into this Agreement; and

**NOW, THEREFORE**, in consideration of the foregoing recitals and the mutual promises hereinafter set forth, and intending to be legally bound, the parties hereto agree as follows:

**1. Services to be Provided by Contractor.** Contractor shall perform all Services, and issue all Reports as required by the RFP and Contractor’s Proposal and by this reference, incorporated into the terms and conditions of this Agreement. The order of preference in the event of a conflict in terms shall be resolved by the terms of the documents in this order: Agreement, RFP, Contractor’s proposal. Services shall be performed within the timeframe as mutually agreed to by the Parties, and as may be set out in a Statement of Work (SOW). The fee for the services shall be as indicated in Contractor’s Proposal. For purposes of this Agreement, the term “Contractor” includes any subcontractors; use of subcontractors must be approved in advance by MUSL. Services shall be performed during the hours specified by MUSL.

Any Report regarding the work performed under this agreement is issued solely for the benefit of MUSL, and is to the scope defined in the RFP, the Proposal, and this Agreement.

**2. Costs.** Contractor shall be paid a fixed fee of \$XXX for all Services required by the RFP and as identified in Contractor’s Proposal. Invoices shall be submitted to [ap@musl.com](mailto:ap@musl.com), or by USPS or overnight services to the Director of Finance, Multi-State Lottery Association, 8101 Birchwood Court, Suite R, Johnston, Iowa 50131, and undisputed amounts shall be paid within 30 days of receipt of the invoice. The Parties shall make all reasonable efforts to resolve disputed amounts. MUSL will not pre-pay for services.

**3. Key Personnel.** Contractor's personnel assigned to this project are those identified in Contractor's Proposal and any substitutions made as allowed below ("Key Personnel"). Contractor shall ensure at all times that only Contractor's personnel who have undergone background testing as required by MUSL are on Contractor's project team for this project and also ensures that those personnel possess the necessary skills, abilities, and experience to perform the following in accordance with the highest professional and industry standards. Substitutions may be made only with prior approval in writing from MUSL.

Contractor shall work under the direction of, and provide all information concerning the Project to MUSL's project manager(s) or designee(s).

At MUSL's direction, Key Personnel may be required to undergo security awareness and ethics training, and meet specific security-related requirements or provide specific security and ethics assurances as deemed necessary by MUSL.

**4. Deliverables and Project Schedule.** Contractor shall complete all Services and provide all deliverables in accordance with the specifications and requirements set forth in this Agreement, the Proposal, an applicable SOW, or as mutually agreed to by the Parties. MUSL reserves the right to extend the deliverables dates. Any other changes will be by mutual written agreement of the Parties.

Deliverables include any tangible or intangible items or things that have been or will be prepared, created, maintained, serviced, or developed by the Contractor at any time following the effective date of the Agreement, for or on behalf of MUSL.

**5. Confidentiality.** Each party acknowledges that in the course of the Project it may learn from the other party certain non-public personal or otherwise confidential information. Each party shall regard any and all non-public or confidential information it receives which in any way relates to or pertains to the other party, including its members, customers, and employees, as confidential. Each party shall take commercially reasonable steps to not disclose, reveal, copy, sell, transfer, assign, or distribute any or any part of such information in any form, to any person or entity, or permit any of its employees, agents, or representatives to do so for any purpose other than as required under this Agreement, and expressly as part of the Project.

Contractor shall maintain such information as confidential and shall not disclose to third parties without MUSL's prior express written permission all information and deliverables not otherwise publicly available, whether proprietary or not, made known to or discovered by Contractor or furnished by Contractor to MUSL or furnished by MUSL to Contractor during the performance of or in connection with this Agreement. Contractor shall immediately notify (within three (3) days of the request) MUSL in writing if Contractor receives a request to disclose such information during this Agreement or at any time thereafter.

If Contractor is required or requested to provide information or documents regarding any services performed under this Agreement to any party other than MUSL, Contractor shall immediately (within three (3) days of the request) notify or advise MUSL of any such requests or requirements. MUSL may initiate such legal action as MUSL deems appropriate to protect information from discovery to protect MUSL's interests.

MUSL agrees that the Report is proprietary to the Contractor and to MUSL and will not release the Report to any other parties external to the Agreement except its members without prior written approval of Contractor. Contractor will not release the Report to any party external to the Agreement without express written approval from the Executive Director (or designee as provided in writing) of MUSL.

**6. Return of Information.** Upon request of MUSL, and upon expiration or termination of this Agreement, Contractor shall return all documents and any other tangible information as provided under this Agreement (including but not necessarily limited to confidential information provided by MUSL or developed by Contractor), and any copies, notes, memoranda, records, drawings, manuals, computer software, data, work product, draft and final reports or other documents or materials. Contractor shall provide written confirmation of the destruction of all electronic files containing confidential information either obtained by Contractor or created by Contractor in performance of this Agreement. This does not apply to any information which is or becomes public knowledge through a source other than Contractor and through no fault of Contractor; is or becomes lawfully available to Contractor from a source other than MUSL; or, is disclosed by Contractor with MUSL's prior written approval.

This Section shall survive Termination and/or the Term of this Agreement. Contractor also expressly agrees that no use of the information gained from this Project shall be used in public speeches, presentations or in any public forum unless MUSL has provided express written consent. Damages pursuant to this section shall apply should Contractor not adhere to the requirements.

**7. Liquidated Damages.** Contractor and MUSL hereby acknowledge and agree to the following: 1) if Contractor does not provide or perform the requirements referred to or listed in this Agreement, damage to MUSL will result; 2) establishing the precise measure of MUSL's damages in the event of default by Contractor may be costly, time consuming, difficult, or impossible to accurately estimate or calculate; 3) the liquidated damages amounts set forth in this section represent a good faith effort to quantify the damages that could reasonably be anticipated at the time of execution of this Agreement; 4) the damages set forth herein are just and reasonable; 5) nothing contained in this section shall be construed as relieving Contractor from performing all contractual requirements as set forth in its Proposal and as required by this Agreement and the RFP, whether or not the requirements are set forth herein; 6) it is the Parties' mutual intention that this section provide for liquidated damages to compensate MUSL upon the occurrence of such an event, rather than penalties to deter Contractor from breaching this Agreement and/or to punish Contractor upon the occurrence of such an event; and, 7) MUSL may therefore in its sole discretion, deduct damages from the compensation otherwise due to Contractor. All assessments of damages shall be within the sole discretion of MUSL.

**(a) Liquidated Damages Assessment.** Once MUSL has determined that liquidated damages are to be assessed, MUSL shall notify Contractor of the assessment(s). Failure to notify does not impact MUSL's assessment of damage and is not a condition precedent thereto. MUSL will withhold liquidated damages from payments to Contractor, or, if no payments have been made, MUSL will make a demand of payment of liquidated damages. The Contractor must make payment within thirty (30) days of MUSL's demand. In the event the Contractor fails to pay within the thirty (30) day period, MUSL may make a claim for payment from the bonds, insurance, or lines of credit proffered by Contractor under this Agreement, or MUSL may seek payment directly from Contractor in the event such bonds, insurance, or lines of credit are insufficient or no longer available.

**(b) Failure to Assess Liquidated Damages.** The failure of MUSL to assess liquidated damages in any instance where MUSL is entitled to liquidated damages pursuant to the terms of this Agreement shall not constitute waiver in any fashion of MUSL's rights to assessment of liquidated damages.

**7.1 Severability of Individual Liquidated Damages Clauses.** If any portion of this liquidated damages provision is determined to be unenforceable, the other portions of this provision shall remain in full force and effect.

## 7.2 Specific Liquidated Damages.

**(a) Failure to Maintain Confidentiality.** Should Contractor fail to adhere to the Confidentiality provisions of this Agreement at any time, whether prior to the completion of Contractor services and deliverables under this Agreement or at any time thereafter, Contractor may be assessed liquidated damages in an amount up to \$100,000 per incident.

**(b) Failure to Return Confidential Information.** Should Contractor fail to return all documents and things pertaining to the Project or confidential information provided by MUSL at the termination of this Agreement, Contractor may be assessed liquidated damages in an amount up to \$50,000 per incident.

**8. Term.** The term shall be from the Agreement execution date through XXX, or as otherwise mutually agreed to by the Parties.

**9. Termination.** MUSL may terminate this Agreement, in whole or in part, at any time, at will and without cause and will be responsible only for paying compensation to Contractor as indicated below.

MUSL shall not be liable for any costs incurred if termination by MUSL is for cause and, in the sole discretion of MUSL, such cause materially threatened the security or integrity of MUSL, or if, in the sole discretion of MUSL, Contractor failed to provide any goods or services of material value or benefit to MUSL.

If this Agreement is terminated, compensation, if any, shall be limited to reasonable expenses for good and valuable (as determined by MUSL) products, materials, supplies, and services provided by Contractor and accepted by MUSL through the termination date for which Contractor have not yet been compensated. MUSL will make no payments to Contractor for work not provided to MUSL, work in progress, or raw materials acquired unnecessarily in advance by Contractor, in excess of MUSL's delivery requirements, or initiated by Contractor after receipt of notice of termination.

**10. Exclusivity.** This Agreement is non-exclusive as related to the services provided and nothing in this Agreement precludes MUSL from procuring the same or similar services from another vendor.

**11. Indemnification.** Contractor shall indemnify, defend and hold harmless the Indemnified Parties from and against all actions, losses, liabilities, suits, penalties, fines, damages and claims (including taxes), and all reasonably related costs and expenses (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties), whether based on negligence, strict liability, intellectual property infringement, or any other culpable conduct arising from or in connection with any of the following:

**(a)** Any claim, demand, action, citation or legal proceeding arising out of or resulting from (i) the Services and deliverables provided by Contractor, (ii) performance of the work, duties, responsibilities, actions or omissions of Contractor or any of its subcontractors under this Agreement, or (iii) a breach of any representation or warranty made by Contractor in this Agreement, including, but not limited to, Contractor's unauthorized disclosure of MUSL confidential information.

**(b)** Any claim, demand, action, citation or legal proceeding arising out of or related to occurrences that Contractor failed to insure against, or which Contractor's insurer has declined coverage of, as provided for under this Agreement.

**(c)** Any claim, demand, action, citation or legal proceeding arising out of or resulting from the death or bodily injury of any person, or the damage, loss or destruction of any real or tangible personal property, which may be incurred, suffered, or required in whole or in part by an actual or alleged act or omission of Contractor, or by any of its subcontractors, or by anyone directly or indirectly employed by any of them.

(d) Any claim, demand, action, citation or legal proceeding resulting from any negligent or intentional act or omission of Contractor or any of its subcontractors, including failing to follow MUSL security-related requirements as required in this Agreement.

These indemnification clauses shall not apply to the extent, if any, that such death, bodily injury, property damage, or other damages are caused by negligent, reckless, or intentional wrongful conduct of MUSL, its Members, or their individual jurisdictions.

This section shall survive the termination of this Agreement.

**12. Compliance with Laws.** Each Party shall comply with all applicable laws, rules and regulations when performing under this Agreement. This also requires that Contractor to pay all taxes, fees, and assessments, however designated or levied, or based upon the goods and services supplied by Contractor.

**13. Non-Discrimination.** Contractor agrees that it shall not discriminate in any manner against an employee or applicant for employment because of race, color, religion, creed, age, sex, sexual orientation, marital status, national origin, ancestry or disability of a qualified individual with a disability.

**14. Bonds and Insurance.** All required bonds and insurance must be issued by companies or financial institutions which are financially rated Excellent or better by A.M. Best Company and duly licensed, admitted, and authorized to do business in Iowa by the Insurance Division of the State of Iowa.

Proof of bonding or insurance must be furnished to MUSL no later than the date of Agreement execution and periodically thereafter as renewed.

Contractor shall maintain insurance for claims set forth below which may arise out of or result from Contractor's operations under this Agreement, whether such operations be by Contractor or by any subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

- (a) Claims under workers' compensation, disability benefit and other similar employee benefit acts as required by law in each jurisdiction in which Contractor does business.
- (b) Claims for damages because of bodily injury, occupational sickness or disease, or death of Contractor's employees or subcontractors.
- (c) Claims for damages because of injury to or destruction of tangible property, including loss of use resulting therefrom.
- (e) General Liability Insurance coverage with limits of not less than \$1,000,000 for injury to any one person, \$5,000,000 for any one occurrence of personal injury and \$2,000,000 for any one occurrence of property damage.
- (f) Property Insurance on all buildings, furniture, fixtures, computer and communications equipment used in operating and supporting the services provided under this Agreement in an amount equal to or greater than the actual replacement cost thereof. Coverage shall insure personal property including contents, equipment, and mobile items against fire, theft, collision, and flood. MUSL (including its member lotteries and licensee lotteries) is not responsible for insuring any of Contractor's equipment or facilities included in or associated with this Agreement.
- (g) Automotive Liability Insurance covering drivers and vehicles employed in connection with the operation of this Agreement.

**(h) Errors and Omissions Insurance** with limits of not less than \$5,000,000 to be in force and effect beginning one week prior to the beginning of services under this Agreement. Insurance coverage must insure Contractor and the Indemnified Parties for direct loss which may be incurred due to any error caused by Contractor, its officers, employees, agents, subcontractors or assigns in the provision of services, regardless of negligence. Coverage must continue until one year past the expiration of this Agreement

Contractor may not elect to provide entirely or in part for the insurance protections described above through self-insurance.

**15. Assignment.** No right or obligation of Contractor under this Agreement may be assigned by Contractor without the prior written approval of MUSL, and in the event of any such approval, the terms and conditions hereof shall apply to and bind the party or parties to whom the right or obligation is assigned as fully and completely as Contractor is hereunder bound and obligated. No assignment shall operate to release Contractor from its liability for the timely and effective performance of its obligations hereunder. Assignments made in violation of this provision shall be null and void.

**16. News Releases.** Contractor shall not issue any news releases, media statements, or any other advertising or presentation materials (verbally or in writing) pertaining to this Agreement or Project, without prior written approval from MUSL.

**17. Use of MUSL Intellectual Property.** Contractor agrees not to use the names, logos, images, nor any data or results arising from this procurement process or Agreement as a part of any commercial advertising or for any reason without prior written approval by MUSL.

**18. Force Majeure.** For the purposes of this contract, “force majeure” is defined as “an act of God or any other cause of like kind not reasonably within a party’s control, and which, by the exercise of due diligence of such party, could not have been preened or is unable to be overcome.” Contractor must inform MUSL in writing within three (3) days of the existence of any such force majeure or otherwise waives this right as a defense.

Neither Contractor nor MUSL shall be liable to the other for any delay in or failure of performance under this Agreement due to a Force Majeure occurrence. Any such delay in or failure of performance shall not constitute default or give rise to any liability for damages. The existence of such causes of delay or failure shall extend the period for performance in the exercise of reasonable diligence until after the cause of delay or failure has been removed.

If Force Majeure conditions are expected to continue unabated for an indefinite period and Contractor cannot perform services as required by this Agreement, MUSL retains the right to obtain alternative services and/or to terminate this Agreement so that business continuity can be restored without liability to Contractor for any services not performed or not provided.

Contractor shall immediately upon discovery notify MUSL in writing of any delays in performance regardless of responsibility, fault, or negligence. If Contractor contends the delay is the responsibility, fault, or negligence of MUSL staff, Contractor must provide written notice within three (3) days of the discovery, and to the extent possible, identify the event or individual responsible so MUSL may take appropriate action to remedy the situation. Failure to provide such notice to MUSL as required in this section shall constitute a waiver of Contractor’s right to assert MUSL’s action/inaction as a defense.

**19. Intellectual Property - Scope of Ownership.** Each party will retain exclusive interest in and ownership of its Intellectual Property developed before this Agreement or developed outside the Scope of this Agreement. Any Intellectual Property developed solely by a Party under this Agreement, and without participation of, or information from the other Party is and will remain the sole and exclusive property of the developing party. In the event that the Parties jointly develop Intellectual Property, the Parties shall engage in good faith negotiations to establish their respective rights. In the event the Parties cannot reach an agreement with regard to such jointly developed property, each party will have equal ownership and rights in such intellectual property, without further obligation and without a duty to account to the other Party.

**20. Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Iowa both as to interpretation and performance without regard to any conflict of laws provisions. In the event that any proceeding of a quasi-judicial or judicial nature is brought to determine any matter arising out of or in connection with this Agreement, such proceeding must be brought in Polk County District Court for the State of Iowa or in Federal District Court for the Southern District of Iowa in Polk County, Iowa. Contractor acknowledges that MUSL is formed pursuant to the Iowa's Revised Uniform Unincorporated Nonprofit Association Act.

**21. Notice.** The Parties agree that all notices given pursuant to the terms of this Agreement shall be sufficient if made in writing, and mailed certified mail, first class postage prepaid, return receipt requested, or sent by overnight service with receipt acknowledged. All notices and other communications hereunder shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); or (c) on the third (3rd) day after the date mailed, by certified or registered mail (in each case, return receipt requested, postage pre-paid). Any such notice or communication shall be sent to the following addresses or such other addresses as may be designated from time to time by the parties in writing:

As to Contractor:  
XXX

As to MUSL:

Executive Director  
MULTI-STATE LOTTERY ASSOCIATION  
8101 Birchwood Court, Suite R  
Johnston, Iowa 50131

With copy to: Project Manager and Legal

**22. Miscellaneous.**

**(a) Taxes.** Each of the parties shall bear all taxes imposed on it as a result of the existence or operation of this Agreement including, but not restricted to, any tax on or measured by any fee or other payment required to be made by it hereunder, any registration tax, any tax imposed with respect to the granting of or transfer of licenses or other rights hereunder or the payment or receipt of fees or royalties hereunder. In particular, any tax which one party is required to withhold for fees or royalties paid to the other party shall be borne by the other party.

**(b) Entire Agreement.** This Agreement, the RFP and the Contractor's Proposal constitutes the entire agreement of the parties concerning the subject matter hereof and supersedes all previous agreements whether written or verbal and may only be amended in writing agreed to and executed by the parties hereto through their duly authorized officers or representatives.

**(c) Independent Contractor.** Contractor is an independent contractor, and the relationship between the parties shall be governed by the terms of this Agreement and shall not extend to other activities, transactions or

agreements. Neither party is in any way the legal representative, partner or agent of, nor has any authority to assume or create any obligation on behalf of the other party.

**(d) Severability.** If any provision of this Agreement is held illegal, void, or unenforceable in a judicial proceeding, such provision shall be severed from this Agreement and shall be inoperative. The parties shall use their best efforts to replace the severed provision with a new provision which is not illegal and which follows the principles of the severed provision as closely as is legally possible. The remainder of this Agreement shall remain in full force and effect and binding on the parties hereto.

**(e) Waiver.** Failure of either Party to assert any or all of its rights under this Agreement shall not be deemed a waiver of such rights, nor shall any waiver be implied from acceptance of, or payment made for any Service or Deliverable.

**(f) Conflict of Interest.** Contractor shall, while this Agreement is in effect, avoid situations, agreements, or relationships which might cause a conflict of interest and shall immediately notify MUSL if any such conflict does or might appear to arise. No part of the price for this Agreement shall be paid directly or indirectly by the Contractor to an employee of MUSL in connection with any work contemplated or performed in relationship to this Agreement.

**(g) Notice of Legal Proceedings.** Each party shall immediately advise the other party of any legal notices served on the party which might affect the other party, handle promptly all correspondence from the other party, reasonably assist and co-operate with the other party's officers, research and sales personnel during their trips to the facilities of the party.

**(h) Section Headings.** The section headings used herein are for reference and convenience only and shall not enter into the interpretation of this Agreement.

**(i) Counterparts.** This Agreement may be executed in any number of counterparts. Any counterpart shall constitute a full and original Agreement for all purposes.

**(j) Injunctive and Equitable Relief.** Each of the parties expressly acknowledges and agrees that the terms of this Agreement are reasonable and necessary for the protection of the legitimate business interests of the other parties. The parties further acknowledge that a violation of this Agreement would cause serious, immediate and irreparable harm to the other party, and therefore agree that the parties shall be entitled to seek injunctive or other equitable relief without the necessity of proving such harm.

**(k) Representations.** Each party represents that it possesses all licenses, permits, and any other legal authorization necessary to enter into and fully perform all its obligations hereunder, and will maintain all such licenses, permits and other authorizations in good standing throughout the term.

**(l) Reserved.**

**(m) Prohibition Against Purchasing Certain Lottery Products.** Contractor (including any subcontractors or agents) and its Key Personnel and any other persons identified by MUSL are prohibited from purchasing or redeeming any tickets or receiving any prizes from any lottery games for which MUSL provides drawing services. This prohibition shall also apply to any persons residing in the prohibited persons' residence(s).

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement on the date first written above.

**Contractor**

BY: \_\_\_\_\_ Dated: \_\_\_\_\_

ITS: \_\_\_\_\_

**MULTI-STATE LOTTERY ASSOCIATION**

BY: \_\_\_\_\_ Dated: \_\_\_\_\_

ITS: \_\_\_\_\_