



Department of Administration
 Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

State of West Virginia Master Agreement

Order Date: 10-05-2023

CORRECT ORDER NUMBER MUST
 APPEAR ON ALL PACKAGES, INVOICES,
 AND SHIPPING PAPERS. QUESTIONS
 CONCERNING THIS ORDER SHOULD BE
 DIRECTED TO THE DEPARTMENT
 CONTACT.

Order Number:	CMA 0705 0705 LOT1700000007 5	Procurement Folder:	202610
Document Name:	GAMING SYSTEM AND SERVICES	Reason for Modification:	Change Order 04 To Increase Contract Per the attached documentation
Document Description:	GAMING SYSTEM AND SERVICES		
Procurement Type:	Central Master Agreement		
Buyer Name:			
Telephone:			
Email:			
Shipping Method:	Best Way	Effective Start Date:	2018-06-28
Free on Board:	FOB Dest, Freight Prepaid	Effective End Date:	2025-06-27

VENDOR		DEPARTMENT CONTACT			
Vendor Customer Code:	000000101085	Requestor Name:	Jodi R Hash		
IGT GLOBAL SOLUTIONS CORP 10 MEMORIAL BLVD		Requestor Phone:	(304) 558-0500		
PROVIDENCE RI 99999		Requestor Email:	jhash@wvlottery.com		
US		<div style="font-size: 48pt; font-weight: bold;">24</div> <div style="font-weight: bold;">FILE LOCATION _____</div>			
Vendor Contact Phone:	999-999-9999			Extension:	
Discount Details:					
	Discount Allowed	Discount Percentage	Discount Days		
#1	No	0.0000	0		
#2	No				
#3	No				
#4	No				

INVOICE TO	SHIP TO
ACCOUNTS PAYABLE LOTTERY PO BOX 2067 CHARLESTON WV 25327-2067 US	PURCHASING LOTTERY 900 PENNSYLVANIA AVE CHARLESTON WV 25302 US

Total Order Amount:	Open End
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Purchasing Division's File Copy

ENTERED

[Signature] 10/5/2023
 PURCHASING DIVISION AUTHORIZATION
 DATE: *[Signature]*
 ELECTRONIC SIGNATURE ON FILE 10/6/23

ATTORNEY GENERAL APPROVAL AS TO FORM
 DATE: *[Signature]*
 ELECTRONIC SIGNATURE ON FILE

ENCUMBRANCE CERTIFICATION
[Signature]
 DATE: 10-11-2023
 ELECTRONIC SIGNATURE ON FILE

10/10/2023

Extended Description:

Change Order

Change Order No.4 is issued to increase the original contract according to all terms, conditions and specifications contained in the original contract and all authorized change orders except that the contract is increased by a one-time cashless implementation fee as defined in the attached documentation.

All provisions of the original contract and subsequent change orders not modified herein shall remain in full force and effect.

No other changes.

Line	Commodity Code	Manufacturer	Model No	Unit	Unit Price
1	43211512				0.000000
	Service From	Service To		Service Contract Amount	
	2018-06-28	2025-06-27		0.00	

Commodity Line Description: GAMING SYSTEM AND SERVICES

Extended Description:

Reference Attachment Revised Cost Sheet *
TO INCREASE ANNUAL FEE FROM 4.115% TO 4.2822% TO ALLOW FOR MOBILE APP.

Line	Commodity Code	Manufacturer	Model No	Unit	Unit Price
2	43211512			EA	0.000000
	Service From	Service To		Service Contract Amount	
				0.00	

Commodity Line Description: HARDWARE: TERMINALS, DISPLAYS, TICKET CHECKERS, ETC.

Extended Description:

Reference Attachment Revised Cost Sheet *
TO DECREASE DEVICE COST FROM \$3,892,925 TO \$2,854,800.

Line	Commodity Code	Manufacturer	Model No	Unit	Unit Price
3	43211512				0.000000
	Service From	Service To		Service Contract Amount	
	2018-06-28	2025-06-27		0.00	

Commodity Line Description: CASHLESS IMPLEMENTATION
ONE-TIME FEE

Extended Description:

CO# 4 - Per the attached documentation
A one-time cashless implementation fee of \$2,012,260 broken down as follows:
- software engineering/customer acceptance testing: \$1,650,000
- payment service solution setup: \$50,000
- call center setup: \$50,000
- 235 retrofit kits for existing vending machines (equipment and install): \$262,260

Line	Commodity Code	Manufacturer	Model No	Unit	Unit Price
4	43211512				0.000000
	Service From	Service To		Service Contract Amount	
	2018-06-28	2025-06-27		0.00	

Commodity Line Description: CASHLESS MONTHLY FEES
AFTER GO-LIVE

Extended Description:

CO# 4 - Per the attached documentation for the first 12 months after Go-Live; Communication Fee, Payment Services Fee (will automatically increase by 3% annually), Call Center Fee (will automatically increase by 3% annually), Equipment Maintenance and Installation Fee

FW



MEMO

To: Toby Welch, Senior Buyer, West Virginia Purchasing Division
From: W. Brian Nickerson, Esq., General Counsel, West Virginia Lottery *WBN*
Date: October 4, 2023
Re: Statement Regarding CMA LOT17*7 and IGT Agreement dated September 26, 2023

Mr. Welch,

Section 4.2.10 of CMA LOT17*7 states, "In year five, the Lottery may elect to obtain replacement hardware and any new coordinating software in part, or in whole, for the System, player and retailer websites, and field equipment. At the Lottery's request, the Vendor should present options and discuss the benefits of each new product offering. Costs for acquisition of hardware and additional software are to be excluded from this cost proposal and will be the responsibility of the Lottery when the option is exercised. Vendor will configure necessary software upgrades to ensure functionality on the System at no additional cost."

The attached changed order, which is a letter agreement dated September 26, 2023, by and between the Lottery and IGT, its traditional lottery vendor, contemplates a hardware and software replacement pursuant to 4.2.10. All of the costs set forth therein, including but not limited to costs for software engineering and testing as well as cashless transaction fees, are for the acquisition of additional hardware and software and related equipment and services and are not contemplated by the final sentence of 4.2.10, which states "Vendor will configure necessary software upgrades to ensure functionality on the System at no additional cost." Such sentence directly refers to IGT's obligation to ensure its newly engineered software is functional with the Lottery's current system. IGT will be responsible for all software replacement/upgrades necessary to ensure its software properly functions with the Lottery's current system. All other costs are related to hardware and software replacement/upgrades and related equipment and services.

Please do not hesitate to contact me should you have any questions or concerns regarding this letter or the attached agreement and request for change order.



September 26, 2023

Mr. John Myers
West Virginia Lottery
900 Pennsylvania Ave.
Charleston, WV 2502

Re: IGT Cashless Hardware/Software Implementation for the West Virginia Lottery

Dear John:

IGT Global Solutions Corporation ("IGT") is pleased to offer the West Virginia Lottery (the "Lottery") the following pricing for your Cashless Implementation project. The Lottery and IGT are parties to an agreement entitled Retail Lottery Terminals & Cashless Vending Machines, Order Date November 17, 2021, Order Number CMA 0705 0705 LOT1700000007 1 as the same may be amended (the "Contract").

The below pricing shall be memorialized in an amendment to the Contract, or such other form of binding agreement as the parties may agree (the "Amendment") executed on or prior to October 27, 2023, containing mutually agreed terms and conditions, including the terms set forth below. Capitalized terms used in this letter (the "Offer Letter") have the meaning assigned to them in this Offer Letter.

Terms and Conditions

Services and Deliverables:

- A comprehensive cashless implementation project delivered pursuant to mutually agreed schedule (including a go live date ("Go Live") delivered as a project managed by IGT (the "Project")):
 - An Aurora central system software upgrade to enable/support cashless functionality pursuant to agreed specifications for the GT28, GT24 and GT20 devices (the "Devices").
 - Integration of the cashless functionality utilizing third party payment services providers (initially World Pay) and third-party payment devices (initially Verifone); and Ventus modems for connectivity from Verifone cashless device to financial provider.
 - Requirements documented for cashless software implementation.
 - Software updates to support cashless functionality on the Devices.
 - QA testing of cashless software on the Devices.
 - Support for Lottery CAT testing of cashless functionality.
- Ongoing Services:
 - Monitor cashless payment/communication through third-party systems (Verifone/Ventus devices).
 - Payment services included are Merchant of Record, Funds Management, and Fraud Management.
 - Call center services include phone support in the US 16 hours per day, 7 days per week, from 8:00 AM to 11:59 PM EST. The call center will handle all player calls for vending cashless transactions, questions regarding credits and player issues.



Fees:

The Lottery shall pay IGT the following fees for the Services and Deliverables (the "Fees").

One-Time Cashless Implementation Fee for the Project ("One-Time Fee")

A one-time cashless implementation fee of \$2,012,260, broken down as follows:

- software engineering/customer acceptance testing: \$1,650,000
- payment service solution setup: \$50,000
- call center setup: \$50,000
- 235 retrofit kits for existing vending machines (equipment and install): \$262,260

Monthly Fees After Go Live ("Monthly Fees")

- **Cashless Device Communication Fees:** A fixed monthly cashless device communication fee of \$33.50 per unit for all cashless supported Devices.
- **Payment Services Fees:** For up to 1,000 Devices: a fixed monthly payment services fee of \$10,000 (the "Payment Services Fee") for the first 12 months after Go Live; after the first 12-month period, the Payment Services Fee will automatically be increased by 3% annually.
- **Call Center Fees:** For up to 1,000 Devices: a fixed monthly call center fee of \$8,333 (the "Call Center Fee"), for the first 12 months after Go Live; after such initial 12-month period, the Call Center Fee will automatically be increased by 3% annually.
- **Equipment Maintenance and Installation Fees:** monthly maintenance fees of \$115 per Device for each machine installed at a retailer that has been upgraded with a Cashless Retrofit Kit. Maintenance includes PCI compliance, physical visits, security audits and tracking through the IGT dispatch tool provided under the Contract.

Cashless Transaction Fees

- The Lottery agrees that it is permitted under the Contract to and shall pay and shall be responsible for all cashless transaction fees with the cashless functionality on a pass-through basis as specified in this paragraph. The Lottery understands and agrees that IGT is not assuming any obligations related to the operation of the offered cashless functionality, and is not obligated for, and/or paying any associated third-party costs, fees, or expenses, which includes, but is not limited to, all payment processing transaction fees (including all card scheme interchange, network fees and assessments, and all acquiring fees), PCI audit compliance fees, third-party device fees and incurred financial losses resulting from player disputes or chargebacks. IGT shall pay such amounts on behalf of the Lottery and IGT shall submit invoices in arrears for all such fees to the Lottery and the Lottery will pay all such amounts subject to the applicable terms of the Contract.
- **On-going Support:**

IGT will provide on-going support related to Verifone payment readers and Ventus communication modems for all cashless supported Devices during the Payment Services Term (defined below).



Delivery Timeframe and Term:

IGT will complete the Project within a mutually agreed written schedule based on final specifications.

IGT would provide the offered Services from Go Live through the remaining initial term of the Contract, until June 27, 2025, as the same may be extended by mutual written agreement of the parties (the "Payment Services Term").

Invoice and Payment:

IGT will invoice the Lottery for the Fees specified above as follows:

One-time Fee:

Quarterly, beginning Q4'CY'23 for a period of 7 quarters or 24 months.

Monthly Fees:

Beginning the first month following Go Live and ending in the final month of the Payment Services Term.

Other Fees:

IGT will invoice for all other fees at the time of order unless otherwise mutually agreed by the parties in writing.

Payment Of all Invoices:

The Lottery will remit payment of all IGT invoices within 30 days of receipt.

Confidentiality:

The Lottery further acknowledges that this Offer Letter contains proprietary information of IGT, which derives independent economic value from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and that IGT takes significant efforts to protect the secrecy of such information. As such, IGT believes that such information is protected from public disclosure and, as such, the Lottery agrees that if it receives a request for public disclosure of all or any part of this Offer Letter, the Lottery will contact IGT with notice of such request and provide IGT the opportunity to participate in the opposition of such request, and that the Lottery will not publicly release all or any part of this Offer Letter without IGT's written approval, unless the Lottery determines in good faith that public disclosure is required by applicable law.

IGT acknowledges that the contents of this Offer Letter will be disclosed to the public as a public document as part of the public procurement process. IGT further acknowledges that all other confidentiality obligations of the Lottery set forth in this Offer Letter apply to public disclosure requests subsequent to, and not including, the disclosure of this Offer Letter as part of the mandated state procurement process.



Confidential

Prior Agreement:

Other than the new equipment and service pricing and any additional mutually agreed related terms and conditions as indicated in this Letter Agreement, the Lottery and IGT agree to be bound by the same terms and conditions as set forth in that certain Traditional Lottery Contract between the parties described as "CMA LOT 17*07" with a commencement date of June 28, 2018.

Please confirm the Lottery's agreement to the foregoing terms by signing in the space indicated below and returning one fully executed copy to me.

Thank you for the opportunity to present the above pricing for your cashless implementation project. Our Interim Account Development Manager, Nikki Orcutt, and I are available to discuss this Offer Letter at your convenience.

Sincerely,

Matthew Cedor, Regional Vice
President, Operations North
America Lottery IGT Global
Solutions Corporation 10 Memorial
Boulevard
Providence, RI 02903
Desk: (401) 392-2625
Mobile: (401) 744-0517
Email: matthew.cedor@igt.com

Acknowledged and Agreed
West Virginia Lottery

By:

Name: John A. Myers

Title: Director

Date: 9/27/23



STATE OF WEST VIRGINIA
DEPARTMENT OF ADMINISTRATION
OFFICE OF TECHNOLOGY
State Capitol
Charleston, West Virginia 25305

Mark D. Scott
Cabinet Secretary

Heather D. Abbott
Chief Information Officer

**TO: Thomas Hymes,
Lottery Commission**

**FROM: Heather D. Abbott, Chief Information Officer
Office of Technology**

**SUBJECT: INFORMATION TECHNOLOGY PROCUREMENT
CMA LOT17*7 IS&C NUMBER: 2024-2043 Expedite**

DATE: October 4, 2023

West Virginia Code §5A-6-4(a)(3) permits the Chief Technology Officer to "evaluate the economic justification, system design and suitability of information equipment and related services, and review and make recommendations on the purchase, lease or acquisition of information equipment and contracts for related services by the state spending units."

West Virginia Code §5A-6-4c requires that the Chief Technology Officer review and approve "a major information technology project."

West Virginia Code §5A-6-5 requires that "any state spending unit that pursues an information technology purchase that does not meet the definition of a 'major technology project' and that is required to submit a request for proposal to the State Purchasing Division prior to purchasing goods or services shall obtain the approval of the Chief Technology Officer, in writing, of any proposed purchase of goods or services related to its information technology and telecommunication systems.

After conducting a review of your request for Change order for CMA LOT17*7, the Office of Technology has determined:

X That your request is approved.

That your request is not subject to the review and approval provisions contained in Chapter 5A, Article 6 of the Code, therefore, it does not need approval by the Office of Technology.

This memorandum constitutes this office's official review and a copy should be attached to your purchase order and any other correspondence related to this request.

If you have questions, or need additional information, please contact Consulting Services at Consulting.Services@wv.gov.