

NOTICE OF INTENT TO AWARD SOLE SOURCE CONTRACT

Date: June 10, 2016

Pursuant to NMSA 1978, § 13-1-126.1, the New Mexico Lottery Authority hereby announces its intent to award a sole source contract for lottery services upon the expiration of 30 days from the date of this Notice as follows:

Parties to the contract:

New Mexico Lottery Authority (“NMLA”) and LinQ3 Technologies, LLC (“LinQ3”)

Nature and quantity of the service being contracted for:

The contract will provide lottery services to NMLA consisting of MUSL-approved systems and methods for integrated gameplay at fuel pumps and other such point-of-sale devices (“POS Devices”) at Lottery Retailers with whom NMLA has contracted for the purpose of selling Lottery games to the public (the “Business Purpose”). The services to be provided by LinQ3 include the use of its necessary software, hardware, systems, platforms, equipment, programs, applications, interface servers, documentation, protocols, data, interfaces and other components necessary to fulfill the “Business Purpose.” The services to be provided include, but are not limited to, the provision of informational support for players who use POS Devices for Lottery transactions in the form of a 24/7: player toll free hotline; call center with help desk; and website managed by LinQ3 that can be accessed through the NMLA’s own website. LinQ3 will also be required to provide training for Lottery staff and others relating to the use of its services for the Business Purpose. LinQ3 will provide three (3) winner-verification terminals under the terms of the contract, and provide a system for the redemption of winning lottery tickets sold from POS Devices. LinQ3 will be required to maintain a complete and current set of records accounting for all sales of lottery tickets and shall provide it for inspection upon request of NMLA.

Contract amount:

The contract amount will be determined based upon the sale of Lottery products from POS Devices under the terms of the contract, as follows:

- (i) Six percent (6%) of gross sales of Lottery products made through POS Devices, less any amounts refunded back to players for cancelled Lottery transactions;
- (ii) A \$1.00 convenience fee that shall be paid for each transaction by players who use a POS Device to purchase Lottery products; and
- (iii) Any “winning” bonus that would otherwise be payable to a Lottery Retailer under NMLA’s Retailer Compensation Plan then in effect, 50% of which shall be paid by LinQ3 to the Lottery Retailer whose POS Device issued the winning ticket.

LinQ3 shall be responsible for payment of any and all bank fees and other such service charges associated with the use of debit cards by players to purchase Lottery products from fuel pumps.