

# State of Minnesota Minnesota State Lottery



## **FIRST AMENDED REQUEST FOR PROPOSAL**

### **FOR THE IMPLEMENTATION AND OPERATION OF A NEW GAMING SYSTEM**

### **AND RELATED SERVICES**

### **“Gaming System RFP 2025”**

**Published: March 10, 2025**

**First Amendment: April 8, 2025**

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Dear Prospective Partners,

The Minnesota Lottery creates and sells products that encourage Minnesotans to experience the fun, thrill, and excitement of gaming, while knowing their entertainment dollars are supporting their community and their environment.

What Minnesotans might not know is that the Lottery works hand-in-glove with a gaming system vendor to deliver on that mission. The Lottery's partnership with its gaming system vendor is its single most important, and it impacts nearly every aspect of its operations.

Through this RFP, the Lottery is reevaluating every aspect of its operations and its relationship with its system vendor. We are asking for an integrated solution and comprehensive services that will serve as the backbone of many years of growth. We expect this growth to be in many forms, but we can't necessarily predict how the gaming system will function and how our future gaming system vendor will support the Lottery's goals in the next ten years. Consequently, this RFP is asking for player-centric flexibility, with an expanded baseline offering that includes a mobile application, a robust vending and self-service package, and a complete digital solution that includes the ability to sell draw-based games via digital channels from day one.

We have also endeavored to design this procurement to be less prescriptive than those in the past. We want you to explain how you will solve our problems and advance our mission, not just how you'll meet our technical requirements. Furthermore, we have designed this process to include a technical specifications refinement period prior to contract signature. During this period, we will work together to bring your most innovative ideas to the Minnesota Lottery.

At several points in this document, you'll see us request you provide Service Descriptions. These commitments are the core of the ongoing relationship between our system partner and the Lottery and make up the plurality of the scoring of this RFP. Finally, throughout this process, we will focus on offering lottery products responsibly, as responsible gaming is a core value for the Minnesota Lottery. We expect your proposal to demonstrate a clear commitment to ethical practices, including tools and features that promote safe and responsible play.

We understand the hard work we're asking from you, and we sincerely thank you in advance. We look forward to reviewing your proposals and working together to build a gaming system that will serve the people of Minnesota for years to come.

Sincerely,

Adam Prock  
Executive Director  
Minnesota Lottery

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# 1 General Information Regarding the RFP and Proposal Submission

## 1.1 Terminology

Significance	Response Type
MANDATORY	ACCEPTANCE

Each numbered section and subsection in the RFP is immediately followed by an RFP Standard Compliance Box, as follows:

Significance	Response Type
[MANDATORY/IMPORTANT...]	[NONE/ACCEPTANCE...]

The following definitions apply to the box marked “Significance”:

INFORMATION	The section or subsection contains information which does not require any specific response. It should be noted that the information may provide vital information relevant to other sections in this RFP and that the information constitutes an integral part of this RFP.
MANDATORY	The section or subsection and its requirements must be responded to and adhered to. Failure to do so will result in disqualification of the Proposal.
IMPORTANT	The section or subsection and its requirements are considered essential to the Lottery and should be adhered to. Failure to meet the stated requirements is not cause for disqualification of the Proposal, but may have a negative impact on the evaluation of the Proposal.
DESIRED	The section or subsection and its requirements are desired by the Lottery. Meeting the stated requirements may have a positive impact on the evaluation of the Proposal.
SPECIFIED OPTION	The section or subsection and its requirements apply only to the technical and pricing components. A Specified Option must be proposed by the Bidder based upon the quantities and hypothetical acquisition timing provided in the RFP. The only difference between a Specified Option and a required base product and/or service is that the Lottery may opt not to obtain the Specified Option, while all base products and/or services must be delivered. The Lottery will reject a Bidder’s Proposal if a Specified Option is not included. The Lottery makes no commitment to procure Specified Options or choose the quantity or timing for acquisition of Specified Options should they choose to procure them.
INVITED OPTION	The section or subsection and its requirements apply only to the technical and pricing components. An Invited Option is identified as being of specific interest to the Lottery. Bidders are not obligated to include Invited Options in their Proposals; however, if specifications are

presented, corresponding pricing must also be presented based upon the quantities and hypothetical acquisition timing provided in the RFP. For the corresponding pricing, “to be determined” or an equivalent non-response must not be used. The Lottery makes no commitment to procure Invited Options or choose the quantity or timing for acquisition of Invited Options should they choose to procure them.

NOT APPLICABLE The section or subsection is not applicable to this RFP.

The following definitions apply for the box marked “Response Type”:

NONE The section or subsection does not require any response at all.

ACCEPTANCE The section or subsection contains information and only requires YES or NO. Any qualified acceptance should be marked NO.

FULL The section or subsection requires the Bidder to provide a full and dedicated response, including all information required to allow the Lottery to judge the Bidder’s compliance with the requirement.

### 1.1.1 Marking of Proposal Sections

Significance	Response Type
MANDATORY	ACCEPTANCE

In response to the RFP, the Bidder’s Proposal must include every chapter, section, and subsection specified in the RFP in the sequence specified in the RFP.

Each section and subsection heading in the Proposal must be immediately followed by the Proposal Standard Compliance Box below:

Significance	Compliance
[MANDATORY/IMPORTANT...]	[FULL/MODIFIED/N/C]

The box marked “Significance” must contain the significance assigned by the RFP, except where subsections that do not appear in the RFP have been added by the Bidder in the Proposal; see Section 1.1.1.1 (Marking of Additional Sections or Subsections).

The box marked “Compliance” must indicate the Proposal’s compliance with the RFP requirement per the following:

FULL The Proposal complies fully with the RFP requirement without any changes or reservations.

MODIFIED The Proposal complies largely with the RFP requirement, but with minor modifications.

N/C The Proposal does largely not comply with the RFP requirement.

The Bidder’s Proposal text should be placed after the Proposal Compliance Box in each section and subsection as appropriate.

Any comments, actual descriptions, explanations, or expansions of the response to the RFP requirement in question shall be given as normal text following the box.

The Lottery reserves the right to reject the Proposal for failure to indicate where the response is less than fully compliant. If the Proposal in the Bidder's opinion is compliant but in an alternate way than required by the RFP, the response shall be marked MODIFIED.

#### 1.1.1.1 **Marking of Additional Sections or Subsections**

Significance	Response Type
MANDATORY	ACCEPTANCE

If there are additional considerations the Bidder would like to present to the Lottery, the Bidder's Proposal must include new sections or subsections at the end of each section, subsection, or chapter to which the additional feature relates, and must retain the existing outline numbering scheme of the RFP.

In case the use of additional sections or subsections does not adequately support the Bidder's needs, additional information may also be provided in one or several appendices as applicable, with a clear reference to the relevant appendix(ces) under each applicable section or subsection heading.

All sections or subsections that have been added by the Bidder in the Proposal and that do not appear in the RFP must include the following Proposal Standard Compliance Box:

Significance	Compliance	Comment
[OFFERED INFORMATION/ OFFERED OPTION]	N/A	[Free text...]

The box marked "Significance" must contain the significance assigned by the Bidder per the following:

**OFFERED INFORMATION** This section or subsection contains information that was not requested by the Lottery, but which the Bidder feels is important information to convey in their response.

**OFFERED OPTION** (Applies only to the Proposal.) An Offered Option is an option which has not been specified or invited in the RFP but which the Bidder wishes to offer to the Lottery. The Lottery makes no commitment to procure Offered Options or choose the quantity or timing for acquisition of Offered Options should they choose to procure them.

## 1.2 **Introduction**

Significance	Response Type
INFORMATION	NONE

The **Minnesota State Lottery** (hereinafter referred to as the "Lottery"), is issuing this Request For Proposal (RFP) to invite interested Bidders to submit Proposals for the delivery and implementation of Lottery-related products and services.

The general technical requirements of this RFP are set out in Chapter A. Detailed functional specifications will be discussed and agreed on prior signing of a contract with the successful bidder. The contractually agreed functionality and services must be delivered and fully implemented no later than May 17, 2027.

An electronic copy of the text of this RFP is provided by the Lottery at the URL referenced in Section 1.8 (Official RFP Website).

### 1.3 Lottery and RFP Objectives

Significance	Response Type
INFORMATION	NONE

The objective of this Request for Proposal (RFP) is to procure a robust, agile, scalable, modern, and secure Gaming System that will serve as the backbone of the Lottery operations, related delivery, implementation and comprehensive services. The System should seamlessly integrate with existing infrastructure and support a wide range of gaming products, including but not limited to draw-based, instant-win and scratch games, and certain legally authorized iGaming options.

The selected System must ensure high availability, real-time processing and reporting, and compliance with industry standards and regulatory requirements. It should also offer advanced data analytics, reporting capabilities, and comprehensive security features to protect against fraud and ensure the integrity of the gaming process.

The Gaming System should be designed to support future growth and innovation with the flexibility to adapt to new game types, distribution channels, and emerging technologies. The overall objective is to enhance operational efficiency, improve player and retailer experience, and maximize revenue generation for the Lottery. All should be delivered through the provision of ongoing excellent Services.

The Gaming System should provide, but not limited to the following:

- Automated processing and streamlining key Lottery operations
- High velocity of tickets sales, validations, prize payments, and other core processes
- Scalability to accommodate increasing retailer and player numbers, new game types, and higher transaction volumes over time without performance degradation.
- Agile management of games
- Modern, well defined user interfaces for players and retailers to ensure a smooth and intuitive experience.
- Comprehensive, state-of-the-art reporting functions to support decision making and identify growth opportunities.
- Advanced analytics through data management to gain insights into player behavior, optimize marketing strategies, and identify emerging trends in lottery participation.
- Smooth integration with payment gateways, tax systems, and external gaming partners for a cohesive ecosystem.
- Secure sensitive player and transaction data using encryption, access controls, and other security protocols to prevent fraud and unauthorized access.
- Compliance with local, state, national, and international gaming regulations.
- High availability systems, redundancies and business continuity as well as disaster recovery plans to ensure continuous operation.
- Optimized system performance to reduce operational and maintenance costs, including hardware, software, and staffing expenses.

- Accommodate future technological advancements and changes in the gaming landscape to avoid costly overhauls.

The Gaming System functionality and processes should be delivered through excellent service concepts, structured by well-defined Service Descriptions and Service Level Agreements.

From an illustrative point, a schematic scope of the RFP could be indicatively shown as follows:

## Schematic Scope and Interfaces

For illustration purposes only (non contractual), v1

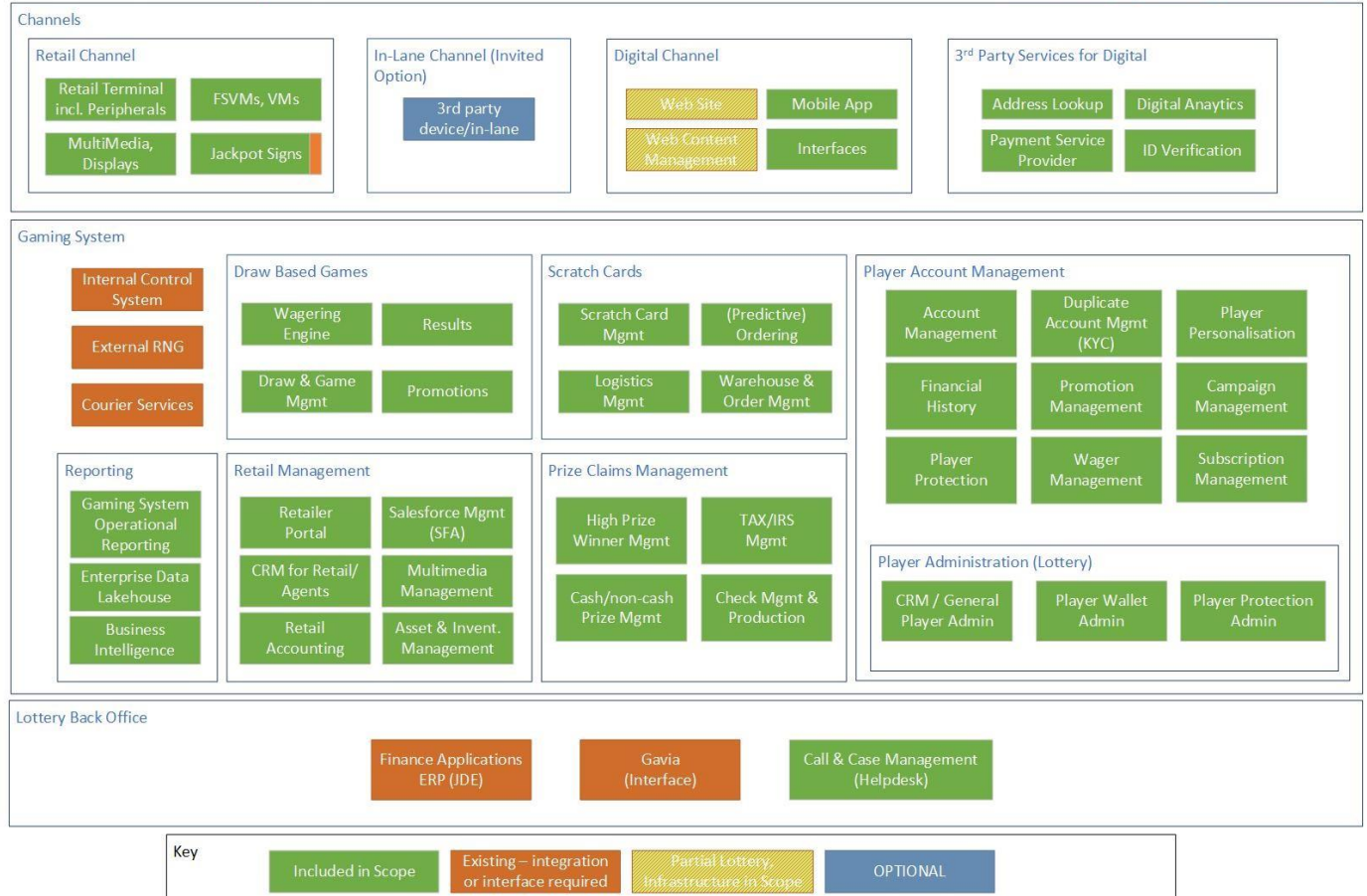


Figure 1 – Schematic RFP Scope

## 1.4 Glossary of Terms

Significance	Response Type
MANDATORY	ACCEPTANCE

The following table provides for terms and definitions applicable throughout the RFP, related Proposals received, any subsequent agreements and other documents forming part of this process.

<b>TERM</b>	<b>DEFINITION</b>
Acceptance	Written notice of approval from the Lottery transmitted to the Contractor that the Lottery has evaluated the performance of an action by the Contractor and has determined that the performance meets the Lottery's requirements.
ACCLAIMS	Andersen Consulting Comprehensive Lottery and Information Management System
Accounting Week	The seven (7) day period starts at the beginning of the Business Day on Tuesday and ending at the end of the Business Day the following Monday.
Activation, Activate	The act of notifying the Lottery through a Retailer Terminal that the Lottery Retailer has begun selling a particular Pack of Scratch Game Tickets which then authorizes a Retailer and the Lottery to validate and pay a prize from a ticket within that Pack.
ADA	Americans with Disabilities Act. Please also note related WCAG definitions and requirements.
Agreement	See Contract
Apparent Successful Bidder	The Bidder recommended by the Evaluation Committee and approved by the Executive Director, subject to the execution of the Contract.
Back-office System	Data processing systems used to support the central business operation of the Lottery, as distinct from gaming systems or systems employed by the retailer at the point-of-sale. This includes for example the Lottery's ERP and ICS systems.
Bidder	Any entity that has expressed interest in the RFP and may wish to respond or has responded to the RFP, up to the point in time when the Lottery announces the contract award. This may also be a Joint Venture or Consortium as long as there is a single main contracting entity and party assuming the full responsibilities of the Contract.
Bid Bond	Guarantee of the availability of the products and/or services offered by the Bidder for a certain period of time following Proposal Submission.
Business Day	All days from Mondays to Sundays, 00:00 am to 11:59:59 pm Central Time, where the Gaming System is operational.
BI tool	Business Intelligence tool as offered by the Bidder. Mainly used for querying the Data Lakehouse and developing/generating reports.
Central Gaming System	The Gaming System, excluding Terminals and POS Equipment.
Consortium	An association or a combination of businesses, financial institutions, or investors, for the purpose of engaging in common project(s).
Consumables	Play slips, ticket stock, printer and other designated paper (e.g. for printing bill of ladings, etc.), printer ribbons, ink supply, toner, batteries (e.g., for wireless equipment), and any other operational supplies required by retailers to operate their terminals. The term "Consumables" does not include point-of-sale promotional items or scratch tickets.
Contract	The written agreement resulting from this RFP, the successful Proposal and subsequent negotiations, which incorporates, among other things, this RFP and the Bidder's Proposal, Functional Specifications, and all modifications hereto and thereto.
Contract Manager	The manager of a party responsible for the Contract on behalf of the respective organization.

<b>TERM</b>	<b>DEFINITION</b>
Contractor	The Bidder with whom the Lottery executes a Contract pursuant to this RFP. Once the Lottery and the Apparent Successful Bidder sign the Contract, the latter becomes the Contractor.
CRM	Customer Relationship Management
Customer Site	Site used by or belonging to a customer of the Bidder.
Data Breach Event	As defined in Section 3.49.
Data Lakehouse, DLH	A unified platform that combines elements of both data lakes (unstructured, semi-structured, and structured data storage) and data warehouses (transactional support, schema enforcement, and analytical querying.
Lotto Games	Games described in section 2.4.3. Does not include Scratch games.
Degraded Performance	The operation of the Gaming System when (i) any function required by the Contract is not fit for the intended purpose, including but not limited to selling, validation, and/or cancelling tickets through any channel, or producing retailer accounting or other reports, or player account services other than failures which are determined to be outside the responsibility of the Contractor, (ii) data is not being securely and redundantly recorded on redundant Systems, (iii) data is not being provided through interfaces at agreed times and intervals.
DDoS attack	DDoS attack means "Distributed Denial-of-Service (DDoS) Attack" and it is a cybercrime in which the attacker floods a server with internet traffic to prevent users from accessing connected online services and sites.
Documentation	Means all user manuals, operating manuals, technical manuals, and any other instructions, specifications, documents, and materials, in any form or media, that describe functionality, installation, testing, operation, use, maintenance, support, and technical and other components, features, and requirements.
Effective Date	The date upon which the Contract is signed.
ERP	Lottery Enterprise Resource Planning system, currently based on JD Edwards.
ETL and ELT	ETL stands for Extract, Transform, and Load. It involves transforming data on a separate processing server before transferring it to the data warehouse. ELT stands for Extract, Load, and Transform, performs data transformations directly within the data warehouse itself.
Evaluation Committee	A committee, established by the Lottery, to oversee the activities of the Proposal Evaluation process. The Evaluation Committee manages and is responsible for determining the Proposal that best meet the combined criteria of the RFP and making a Contract award recommendation to the Lottery Executive Director.
Functional Specification	The documentation defining the scope and deliverables on a more detailed level, which is to be included in the Contract. This documentation is being developed and agreed between the Lottery and the Successful Bidder. Any specification and documentation developed after Contract award becomes equally part of the Functional Specification.
FSVM, Vending machine	Full-Service Vending Machine
Game Sales	The total value of Lottery Ticket sales less taxes/duties less cancellations, promotional and free tickets and less misprints.

TERM	DEFINITION
Gaming System	The set of software and hardware components required in order to deploy and operate a particular game or set of games via various channels. Such components include for example game terminals, digital front ends, communications channels, game related applications and systems, game host computers as well as back-office systems at the Lottery Headquarter Office.
Gaming Transaction	The activity in the Gaming System that creates a record and receipt of a sale, cancelled or validated ticket, or any other transaction through any Sales Channel. For example, a transaction may begin when a Lottery Retailer presses the send key or function on the Retailer Terminal and ends with the printing and dispensing of a game Ticket or report. A transaction may also be a result of a player activated device, FSVM, a web-based or a mobile application user.
General Gaming System Service Availability General Service Response Time.	See definitions in Chapter E.
GGR	Gross Gaming Revenue. Defined as: Total Sales less Prizes Paid less a fixed amount of \$1,000,000 per month to account for unclaimed prizes. Note: The unclaimed prizes reduction (\$12,000,000 per Contract year) helps with simplification of the monthly settlement process and is based on past year experience.
Go-Live Date	The designated date defined by the Lottery, when the conversion of the new System is completed, and the Lottery permits the Contractor to enable live business transactions.
Hotline, Retailer Hotline	The method utilized to handle incoming telephone calls from Lottery Retailers relating to Retailer Terminal problems, ordering of supplies and handling of Lottery Retailer questions.
IaaS	“Infrastructure as a Service” – a type of cloud computing service that offers essential compute, storage, and networking resources on demand. Typically including servers and storage, networking firewalls/security and data center physical facility/building.
Intellectual Property Rights	Any rights with respect to inventions, discoveries, or improvements, including (without limitation) patents, patent applications and certificates of invention; trade secrets, know-how, or similar rights; registered and unregistered design rights; the protection of works of authorship or expression, including copyrights and future copyrights; Lottery Trade Marks and other trademarks, service marks, trade names, logos (whether registered or not), and trade dress; domain names, typography rights, all raw, source, processed and transactional data, rights of extraction relating to databases, data base rights and all other rights similar, or having similar or equivalent effect to, any of the above which may subsist now or in the future under any laws or international conventions anywhere throughout the world (whether or not capable of registration) and where such rights are enhanced by registration, any registration of such rights and the right to apply for registrations, certificates, or renewals with respect thereto, and the rights to prosecute, enforce, and obtain damages.
Internal Control System (ICS)	The audit system and its associated processes that performs auditing of the gaming system component to ensure the integrity, security, and accuracy of Gaming Transactions.

<b>TERM</b>	<b>DEFINITION</b>
Joint Venture	A partnership or conglomerate; see Consortium.
Jurisdiction	State of Minnesota
KPI	Key Performance Indicator. A quantifiable measure used to evaluate the success of the Contractor in meeting Lottery objectives for performance.
Letter of Transmittal	A written notification from a Bidder to a Lottery that accompanies each Proposal volume in response to an RFP published by the Lottery.
Litigation Bond	Statement to discourage frivolous legal actions by permitting the Lottery to recover damages resulting from a Bidder initiating a frivolous lawsuit.
Lottery	The Minnesota State Lottery
Lottery Executive Director	The person in charge of running the Lottery and making executive decisions on a day-to-day basis.
Lottery Headquarter Office	The physical location that houses the Lottery's main business operations and IT infrastructure. The Lottery's Headquarter Office is located at 2645 Long Lake Road, Roseville, Minnesota 55113.
Lottery Retailer, Retailer	Legal business authorized by the Lottery to sell and/or validate lottery tickets at a POS.
Lottery Ticket	See Ticket
LSR	Lottery Sales Representative
Major Part	A product, system, or service provided, which is important for the implementation and/or operation of the Gaming System or the Lottery business.
Management PC	Personal computer used by the Lottery where Gaming System related applications are installed, e.g., for inquiry, report preparation, and/or managing game parameters for the Gaming System or other Systems.
Material Change	Any event which, following Generally Accepted Accounting Principles (GAAP) or International Accounting Standards (IAS), would require a disclosure in the annual report of a publicly traded corporation.
Mobile App	Means the mobile application, including software and Documentation the Contractor is required to develop or otherwise provide under the Contract, including any updates, upgrades, new versions, new releases, enhancements, improvements, and other modifications made or provided pursuant to any Support Services.
MUSL	Multi-State Lottery Association - The association of lotteries based in Urbandale, Iowa that currently conducts a number of games, including Powerball®.
NASPL	North American Association of State and Provincial Lotteries, <a href="http://www.naspl.org">www.naspl.org</a>
Pack	A quantity of Scratch Game Tickets that are shrink-wrapped and inventoried to be distributed to Lottery Retailers.
Party, Parties	The Lottery and the Bidder or Contractor, each being a Party, jointly referred to as Parties.
PCI DSS	Payment Card Industry - Data Security Standards

<b>TERM</b>	<b>DEFINITION</b>
Person	An individual, a partnership, a Joint Venture, a registered limited liability partnership, an association, a corporation, a limited liability company, a trust, an unincorporated organization or any other entity, business or enterprise, authorized to do business in the Lottery's jurisdiction.
Play Slip	A pre-printed Retailer Terminal-readable form issued under the authority of the Lottery used for marking a player's Games play selection.
Portal, Retailer Portal	An extranet, web-based type, private system enabling Retailers to self-service their activities related to the Lottery.
POS	Point of Sale (retail location), often linked to a Lottery Retailer
Primary Computer System	A computer system located at a Primary Site that has the ability to process and record all transactions on a real-time basis and all functions related to the Gaming System.
Primary Site, Main Site	The designated location of the Primary Computer System. The physical sites and all data must be located within the geographic region of North America. This could be also cloud-based (Infrastructure as a Service), provided the data is hosted within the same region.
Prizes Paid	The total amount of prize validations processed by the Gaming System in a given month. A validation is considered complete when a winning ticket is marked as paid. For annuity, merchandise, and multistate prizes validated in a given month, the Lottery's portion or cost of the prize is a component of Prizes Paid.
Proposal	All materials submitted by a Bidder in response to the RFP.
Proposal Clarification	A process used by the Proposal Evaluation Committee to resolve ambiguities and improve the understanding of an individual Bidder's Proposal. The responses of individual Bidders to Lottery requests for clarification are considered part of the deliberative process of clarifying the offerings in a Proposal.
RFP	References this "Request For Proposal" document including all appendices and subsequent amendments.
Sales Channel	A means of selling to customers through either a physical POS (e.g., Retail Terminal, FSVM, etc.) or through digital means (e.g., web based, mobile app, etc.).
Scratch Ticket, Scratch Game Ticket	A physical product sold by the Lottery, belonging to the Instant products. To play, the player must scratch off the latex to reveal ticket symbols to determine if it is a winning ticket.
Secondary Site	The designated secondary location or infrastructure where a back-up or redundant Computer System is located. The physical sites and all data must be located within the geographic region of North America. This could be also cloud-based (Infrastructure as a Service), provided the data is hosted within the same region.
Service	A means of delivering value for the Lottery by facilitating outcomes the Lottery wants to achieve. In particular, it refers to all services required in this RFP.
Service Credit	Service credits (or service level credits) are a mechanism by which amounts are deducted from the amounts to be paid under the Contract to the Contractor if actual Contractor performance fails to meet the performance standards agreed in the SLA.

<b>TERM</b>	<b>DEFINITION</b>
SLA	Service Level Agreement, which is a contractual agreement between the Contractor and the Lottery that documents what Services the Contractor will furnish (through one or many Service Description(s)) and defines the Service standards the Contractor is obligated to meet.
Software	All system software and customized software (including the source code and any technical and functional (development) Documentation if developed by the Contractor for or at the request of the Lottery or in connection with the Contract). For the avoidance of doubt, this applies to Contractor's Sub-Contractors as well if applicable.
Solution, Contractor Solution	Means the overall solution to be provided by the Contractor under the Contract, comprising the respective System, or system component(s), and the Services (including, but not limited to Implementation and Transition, ongoing Operation, Development and Support Services).
SSAE16	Statement on Standards for Attestation Engagements (SSAE) No. 16", short SSAE16 (formerly known as SAS 70) producing a "Service Organization Controls (SOC) 1 report" as output. US equivalent to ISAE 3402.
Statement of Non-Collusion	Certification that the Bidder has neither directly nor indirectly entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of free competitive bidding in connection with the Proposal.
Subcontractor, Sub-contractor	Person(s) to whom the Bidder entrusts a portion of the execution of the Contract.
Successful Bidder	The Bidder to whom the Lottery awards a Contract pursuant to this RFP, subject to any further negotiation and Contract signing. (Non-winning Bidders may be termed "Unsuccessful Bidders").
System	A collection of hardware, software, facilities, and procedural elements which provides useful services, and which produces useful outputs. In this RFP there are numerous references to systems, inclusive of references to systems that are subsystems of other referenced systems. The immediate context and adjectives or labels define which systems are being discussed. When used without other qualification, "System" refers to the comprehensive gaming system as per the objective of this RFP proposed by the Bidder.
Telecommunications Network	The telecommunications network that provides the interface and compatibility between Retailer Terminals, communications equipment, and the Central Gaming Systems.
Terminal, Retailer Terminal	Machine designated to facilitate mainly Lottery product sales or validations at a POS. Typically includes a main PC based unit, an operator touch screen, image scanner, a printer, bar code scanner and readers, selected peripherals as well as interfaces to connect additional peripherals.
Ticket, Lottery Ticket	Tangible evidence issued by the Lottery to provide participation in a Lottery game.
Ticket Checker	A player activated terminal where a player can check to see if their Games or Scratch Ticket is a winner. The terminal simply replies with an appropriate message. Considered a peripheral.

<b>TERM</b>	<b>DEFINITION</b>
Ticketing Tool, Incident Management Tool, Support Ticket System, Issue Tracking System	A software tool used to manage, track, and resolve issues or requests submitted by Lottery staff or the Contractor. It allows to organize, prioritize, and assign tickets (tasks or problems) to the appropriate individuals or teams for resolution. Such a tool may also be integrated in workflows to ensure effective, measurable processes and traceability.
Total Sales	The proceeds generated by the sale of Lottery Tickets before deduction of a commission or other compensation paid to the vendor or retailer for selling tickets. These proceeds generated do not include cancellations, free tickets and requests for adjustments and represent the actual money received by the Lottery from the sale of tickets.
Transaction Log	The file or data structure that lists all transactions, by a Lottery Retailer, that have occurred during a day (or longer). This includes all game transactions, selection sets, management commands, cancellations, inquiries, Scratch Game Ticket transactions, etc.
Twin Cities Metropolitan Area	The eleven (11) counties around Minneapolis and St. Paul, which include the counties of Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington, and Wright.
WCAG	Web Content Accessibility Guidelines as published by the World Wide Web Consortium (W3C). Minimum version for compliance: WCAG ver 2.1 Level AA. Ongoing compliance to newer releases is required.
Web-Code	Barcode or number on a Ticket that will be used for entry into contests and for digital prize checking. Contest can be entered via website or app.
WLA	World Lottery Association, <a href="http://www.world-lotteries.org">www.world-lotteries.org</a>
Working Day	All days from Mondays to Fridays, 08:00 am to 4:30 pm (CT), excluding public holidays.

## 1.5 Schedule

<b>Significance</b>	<b>Response Type</b>
MANDATORY	ACCEPTANCE

The milestones and significant dates for the RFP, Proposal Submission, and contract award include, but are not limited to, the following:

<b>Event</b>	<b>Date, Time</b>
RFP Publication	March 10, 2025
Bidder Expression of Interest	March 17, 2025, 2:00 pm CT
Bidder's Written Questions (First Round)	March 25, 2025, 2:00 pm CT
Lottery Written Responses (First Round)	April 8, 2025
Bidder's Written Questions (Second Round)	April 18, 2025, 2:00 pm CT
Lottery Written Responses (Second Round)	May 02, 2025
<b>Deadline for Proposal Submission</b>	<b>July 7, 2025, 2:00 pm CT</b>
Proposal Opening	July 8, 2025

Event	Date, Time
Proposal Presentations – duration to be one (1) day per Bidder	<del>July 28 – August 1, 2025</del> <u>August 4 – August 8, 2025</u>
Bidder Site Visits	September 29-October 3, and October 6-10, 2025
Evaluation Committee Recommendation	Early November 2025
Notification of Successful Bidder	November 14, 2025
Functional Specification development phase	November 17 – March 13, 2026
Contract Negotiation	January – March 2026
Contract Executed	March 20, 2026
Debriefing	Following contract execution
Contract Conversion Date	May 17, 2027

## 1.6 Issuing Office

Significance	Response Type
MANDATORY	ACCEPTANCE

The RFP is issued by the Minnesota State Lottery.

The Lottery is the single Issuing Office with regard to all procurement and contractual matters relating to the products and/or services described in this RFP.

The Issuing Office is the only office authorized to clarify, modify, amend, alter, or withdraw specifications, requirements, terms, and conditions of the RFP, and any Contract entered into as a result of the RFP.

The location of the Issuing Office is 2645 Long Lake Road, Roseville, Minnesota 55113.

## 1.7 Procurement Officer and Point of Contact

Significance	Response Type
MANDATORY	ACCEPTANCE

The Procurement Officer, acting on the Lottery's behalf, is the sole point of contact with respect to all contractual matters relating to the procurement of the products and/or services described in this RFP.

All communications concerning this RFP, including but not limited to submission of questions, requesting copies of amendments or answers, and submission of Proposals, must be addressed to the Procurement Officer at the address identified in Section 1.6 (Issuing Office):

**Kolby Sabrina**  
**Minnesota Lottery Purchasing Department**  
**Minnesota State Lottery**  
**2645 Long Lake Road**  
**Roseville, MN 55113**

**E-mail: kolby.sabrina@mnlottery.com**

In case the Procurement Officer cannot be reached, and urgent contact needs to be made with the Lottery, the following secondary Point of Contact may be used:

**Ben Freedland  
General Counsel  
Minnesota State Lottery  
2645 Long Lake Road  
Roseville, MN 55113  
E-mail: ben.freedland@mnlottery.com**

## **1.8 Official RFP Website**

<b>Significance</b>	<b>Response Type</b>
MANDATORY	ACCEPTANCE

The Lottery's official procurement website with respect to this RFP is

<https://www.mnlottery.com/vendor-opportunities>

This website is the only valid source of information concerning this procurement process. It is the responsibility of the Bidders to ensure that they have received and taken into consideration all information provided on this website.

## **1.9 Bidder Contact with the Lottery**

<b>Significance</b>	<b>Response Type</b>
MANDATORY	ACCEPTANCE

Upon RFP Publication, the restrictions on Bidder communications described in this section are instituted to protect the integrity of the procurement process.

Other than the Procurement Officer, as specified in Section 1.7 (Procurement Officer and Point of Contact), Bidders and their agents shall not make unsolicited contact with any Lottery personnel or Proposal Evaluation Committee member, to the Lottery or public official of the Jurisdiction regarding the RFP or the Proposals.

Bidders should not represent themselves to Lottery staff or Lottery retailers as having the endorsement of the Lottery, nor as the Lottery's next supplier of gaming system products and/or related services.

Bidders who are currently doing business with the Lottery may continue to do so; however, any communication regarding the RFP, not otherwise permitted in the RFP, is prohibited.

The Lottery will disqualify Bidders for intentionally causing a material violation or circumvention of the requirements of this section.

## **1.10 Bidder Expression of Interest**

<b>Significance</b>	<b>Response Type</b>
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IMPORTANT	FULL
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Each interested Bidder should notify the Lottery about their interest in this RFP and the related procurement process.

The Bidder should notify the Issuing Office at the location given in Section 1.6 (Issuing Office), by the date stated in Section 1.5 (Schedule), stating the Bidder's interest in this RFP and providing the following information:

- Name of prospective Bidder company
- A contact person for all matters relating to the RFP or Proposal including name, title, address, telephone, and email

A form for this purpose is provided in Chapter B to this RFP.

While the Lottery will undertake to promptly and diligently notify all registered potential Bidders about new information related to this RFP, it is the Bidder's responsibility to verify that they have received all applicable information in accordance with Section 1.8 (Official RFP Website).

## 1.11 RFP Clarification Questions

Significance	Response Type
MANDATORY	ACCEPTANCE

It is the responsibility of each Bidder to examine the entire RFP and seek clarification in writing per Section 1.11.1.

This RFP clarification procedure provides the only means by which a Bidder may request clarification of the RFP or additional information on the business, contractual, procedural, and technical requirements of the procurement.

The Lottery will conduct two (2) rounds of clarification questions to allow Bidders to be clear on the RFP terms, conditions, and requirements, and the associated Proposal Submission and Proposal Evaluation processes. The Bidder should consult Section 1.5 (Schedule) to determine the milestones and dates for submitting written questions.

### 1.11.1 Submission of RFP Clarification Questions

Significance	Response Type
IMPORTANT	ACCEPTANCE

Bidders may submit written questions regarding the RFP to the Issuing Office according to the schedule specified in Section 1.5 (Schedule).

Bidders must submit written questions relevant to the RFP to the Point of Contact via email in PDF and Microsoft Word formats. The Lottery will confirm receipt of the email within two (2) business days.

An RFP inquiry from a Bidder:

- Must be written in generic (i.e., non-proprietary) terms inasmuch as all responses to inquiries will be available to all Bidders
- Must not contain price data
- Must cite a specific RFP section number and title (if any)

The Lottery will reject a Bidder's Proposal if the inclusion of pricing information has any adverse effect on competition or otherwise prejudices the procurement process.

#### 1.11.2 Response to RFP Clarification Questions

Significance	Response Type
IMPORTANT	ACCEPTANCE

The Lottery will respond to written questions by the dates specified in Section 1.5 (Schedule). An electronic copy of all written questions, together with the Lottery's written responses, will be provided to all Bidders that have expressed an interest in the RFP as per Section 1.10 (Bidder Expression of Interest). Specific Bidders will not be identified in the Lottery's written responses.

The Lottery may combine questions that are duplicative into one comprehensive question and provide a written response to that combined question.

The Lottery will:

- Provide all of the questions and responses electronically in the following read-only format(s): PDF
- Post the questions and responses to the Lottery's website as referenced in Section 1.8 (Official RFP Website)

All questions and answers will be formalized as amendments to the RFP; see Section 1.13 (Amendments to the RFP). Any other modification of the requirements of the RFP, except by the issuance of amendments, will not be recognized.

#### 1.12 Pre-Proposal Conference

Significance	Response Type
INFORMATION	NONE

The Lottery will not hold a Pre-Proposal Conference in association with this RFP.

#### 1.13 Amendments to the RFP

Significance	Response Type
MANDATORY	ACCEPTANCE

An amendment to the RFP will be issued, for example, in order to:

- Make changes to the requirements of the RFP

- Correct defects or ambiguities in the RFP
- Change the date, place, or time of critical milestones published in the RFP

Amendments to the RFP will be clearly identified as such. Only modifications made as written and posted amendments to the RFP by the Issuing Office and/or in accordance with Section 1.11 (RFP Clarification Questions) and Section 1.12 (Pre-Proposal Conference) are considered valid and applicable amendments of this RFP.

All amendments to this RFP will be uniquely identified and posted to the website specified in Section 1.8 (Official RFP Website), which is the sole official source of all amendments to this RFP.

The Lottery will notify all Bidders that have expressed an interest in the RFP as per Section 1.10 (Bidder Expression of Interest) when amendments to the RFP have been posted to the website.

A complete list of all amendments applicable to this RFP as well as the amendments themselves will be provided by the Lottery upon request prior to the deadline for Proposal Submission specified in Section 1.5 (Schedule).

The Bidder is solely responsible for obtaining all relevant information posted on the website and, by responding to this RFP, will be considered to have obtained all such posted amendments.

#### 1.14 Proposal Content and Format

Significance	Response Type
MANDATORY	ACCEPTANCE

Bidders should provide the Lottery with information, evidence, and demonstrations in a manner that will enable the Lottery to award a Contract that best serves the stated interests of the Lottery and its Jurisdiction.

Bidders should prepare their Proposals providing a straightforward and detailed description of their ability to satisfy the requirements of this RFP. Emphasis in each Proposal should be on completeness and clarity of content.

At a minimum, Proposals must be fully responsive to the requirements stated in this RFP.

Proposals must be submitted in the format described in Section 1.14 (Responsive Proposal Submission Criteria), Section 1.15 (Response to Technical and Non-Price Requirements), and Section 1.16 (Price Proposal).

All proposed hardware, software, and services must be included in the final delivery unless otherwise specified (with the exception of options not selected by the Lottery).

The Lottery reserves the right to award a lower evaluation score or reject a Proposal for failure by a Bidder to provide the appropriate information or materials in response to each stated requirement or request for information.

## 1.15 Response to Technical and Non-Price Requirements

Significance	Response Type
MANDATORY	ACCEPTANCE

The Technical Proposal must contain and respond to all of the information required in Chapter A (Technical Specifications) and **must not include any pricing information**.

All pages of the Technical Proposal must be numbered. Pre-printed inserts do not need to be numbered.

The Technical Proposal must be complete. The Lottery will reject a Technical Proposal that does not provide all of the mandatory information requested.

The Technical Proposal should provide all of the information concerning the particular subject area that the Bidder believes would be helpful to the Lottery in determining its ability to meet the specifications or perform the requirements.

In the Bidder's description of its system or related services, the Bidder must state whether a Major Part will be provided by a subcontractor or consultant. If so, the Bidder must state the name of the subcontractor or consultant and state the function or service that will be performed by that subcontractor or consultant.

### 1.15.1 Technical and Service Specifications

Significance	Response Type
IMPORTANT	ACCEPTANCE

Technical Specifications set forth in Chapter A (Technical Specifications) and Service Specifications in Chapter D must be regarded by the Bidder as mandatory, unless otherwise labeled in the box marked "Significance" of the RFP Standard Compliance Box, as described in Section 1.1 (Terminology).

The Bidder may propose additional services, products, product components, or features not required in Chapter A (Technical Specifications); i.e., Offered Options. If an additional service, product, product component, or feature is proposed, it should be clearly labeled in the box marked "Significance" as an OFFERED OPTION in the Proposal Standard Compliance Box.

## 1.16 Price Proposal

Significance	Response Type
MANDATORY	ACCEPTANCE

The Price Proposal must contain all of the information required in Chapter 4 (Pricing).

## 1.17 Responsive Proposal Submission Criteria

Significance	Response Type
MANDATORY	ACCEPTANCE

This section of the RFP contains the instructions for responding to the RFP and the requirements for information that must be included in the Bidder's Proposal. A Proposal submitted in response to this RFP is expected to provide the Lottery with the necessary information and evidence that will make it possible for the Bidder's Proposal to be recommended by the Evaluation Committee. A Proposal must be fully responsive to the requirements stated in the RFP.

Bidders must submit their Proposal as two (2) volumes in separate packages. The two (2) volumes must be identified as follows:

1. The Technical Proposal volume, which must include:
  - Letter of Transmittal – see Section 1.18 (Letters of Transmittal)
  - RFP Compliance Table (see Chapter C)
  - The Technical Proposal (the entire response except pricing information)
  - Litigation Bond – see Section 1.20 (Litigation Bond)
  - Certification Regarding Lobbying (see Chapter H/H1)
  - Affidavit of non-collusion (see Chapter H/H2)
  - Veteran-Owned Preference Form (see Chapter H/H3)
  - Resident Vendor Form (see Chapter H/H4)
  - Workforce and Equal Pay Declarations Page (see Chapter H/H5)
2. The Price Proposal volume, which must include:
  - Letter of Transmittal – see Section 1.18 (Letters of Transmittal)
  - The Price Proposal (Chapter G5)
  - The Excel file “Chapter G - Pricing Model Details”

Each of the separate volumes listed above must:

- Be submitted in ring binders
- Be submitted on standard size white paper
- Allow a minimum of  $\frac{3}{4}$ ” (20 mm) margins on all sides
- Use a reasonable font type no smaller than 11 point for the main text

Each volume – that is, either the Technical Proposal or Price Proposal, either of which may consist of more than one physical package if necessary – must be submitted separately sealed and clearly marked with:

- The Bidder's name and address
- The reference of this RFP “GAMING SYSTEM RFP 2025”
- The contents of the package (e.g., “Technical Proposal: 2 Binders, 1 media”)
- The sequence number of the package; i.e., “pack X of Y” where Y signifies the total number of packages in the Bidder's Proposal

Both packages must be specifically addressed to the Issuing Office at the location provided in Section 1.6 (Issuing Office).

Both packages must be sent to and received by the Issuing Office by the time and date specified in Section 1.5 (Schedule).

Bidders must submit one (1) original of each document. The original of each document must be signed in ink by an officer or agent of the Bidder with authority to contractually bind the Bidder. Bidders must submit ten (10) hard copies of the Technical Proposal (hard copies of the Price Proposal volume are not needed). The original should include the passwords for the electronic submissions, as described in the following paragraph.

Additionally, Bidders must submit one (1) electronic copy of their **entire** Technical Proposal and one (1) electronic copy of their **entire** Pricing Proposal by uploading password-protected and digitally signed PDFs to a Lottery portal as designated by the Procurement Officer.

Upon request, Bidders should be prepared to deliver additional hard copies of the Technical Proposal.

#### 1.17.1 Proposal Delivery Location and Process

Significance	Response Type
MANDATORY	ACCEPTANCE

The Proposals must be delivered to the Point of Contact at the address indicated in Section 1.7 (Procurement Officer and Point of Contact) no later than the date and time specified in Section 1.5 (Schedule). The Procurement Officer will acknowledge, in the manner determined by the Lottery, receipt of each Proposal received before the deadline for Proposal Submission specified in Section 1.5 (Schedule). The acknowledgement will indicate the date and time of the receipt of the Proposal.

Only an acknowledgement issued by the Issuing Office will be accepted as proof of the date and time of filing of the Proposal. A courier receipt signed by the Procurement Officer will constitute a valid receipt. No other acknowledgement or other evidence will be accepted. For personally delivered Proposals, the person delivering the Proposal will be given the acknowledgement.

#### 1.17.2 Late Proposals

Significance	Response Type
MANDATORY	ACCEPTANCE

Proposals pursuant to this RFP must be submitted and received by the Procurement Officer as of the published date and time specified in Section 1.5 (Schedule). The Lottery will note the official date and time of receipt of all Proposals. The Lottery will reject Proposals that are not submitted by the specified date and time, and no acknowledgement shall be issued for any such Proposals. The Lottery will return late Proposals that have been rejected to the Bidder unopened.

#### 1.17.3 Proposal Language

Significance	Response Type
MANDATORY	ACCEPTANCE

Bidders must submit their Proposals in English language. The Contract will be written in English. In case of conflicting text between different language versions of any document, the English version shall prevail.

**1.17.4 Pricing Information**

Significance	Response Type
MANDATORY	ACCEPTANCE

The Bidder must only include pricing information in the Price Proposal. The Bidder must not include pricing information in any portion of the Technical Proposal, including responses to clarification questions. The Lottery will reject the Bidder's Proposal for inclusion of pricing information anywhere other than in the Price Proposal.

The Bidder should avoid including No Charge (N/C) or statements to the same effect anywhere other than in the Price Proposal. The Lottery will reject the Bidder's Proposal for inclusion of such statements.

**1.17.5 Compliance Table**

Significance	Response Type
MANDATORY	FULL

A Compliance Table is provided in Chapter C with all section numbers and their respective significance completed.

The Compliance Table aligns with the following format and will cover all of the sections and subsections in the RFP:

		Compliance			
Section	Significance	FULL	MODIFIED	N/C	Comments
[number]	[Mandatory...]	[X]			[text]

The Bidder must complete the Compliance Table provided in Chapter C by filling in the Compliance sections for each entry in the table as defined in Section 1.1.1 (Marking of Proposal Sections).

If the Bidder has complied fully with the requirements specified in the section or subsection of the RFP, the Compliance area of the table must indicate FULL.

If the Bidder has largely complied with the requirements specified in the section or subsection of the RFP, but with minor modifications, the Compliance area of the table must indicate MODIFIED.

If the Bidder has not complied with the requirements defined in the section or subsection of the RFP, the Compliance area of the table must indicate NO and the Bidder should provide the reason for non-compliance in the associated Comment box.

Bidders must submit the completed Compliance Table as part of the Technical Proposal.

**1.18 Letters of Transmittal**

Significance	Response Type
MANDATORY	FULL

A Bidder submitting a Proposal in response to the RFP must submit a Letter of Transmittal as required in Section 1.14 (Responsive Proposal Submission Criteria). Each separate Letter of Transmittal must be signed by an officer or agent of the Bidder with authority to contractually bind the Bidder to the terms and offerings in the Proposal. Pricing information must not appear in any portion of any Letter of Transmittal. Each Letter of Transmittal must include a clear Bidder's statement of compliance with the requirements of the RFP for the duration of the Acceptance Period, identified in Section 1.28 (Acceptance Period).

### 1.19 Bid Bond

Significance	Response Type
INFORMATION	NONE

The Lottery does not require a Bid Bond.

### 1.20 Litigation Bond

Significance	Response Type
MANDATORY	FULL

The Lottery requires a Litigation Bond.

The Bidder must provide a Litigation Bond in the amount of \$350,000. The Litigation Bond shall remain in effect for two (2) years from the deadline for Proposal Submission. The Litigation Bond must be in the form of a policy or certificate issued by a surety company licensed to do business in the State of Minnesota. In lieu of a Litigation Bond, a Bidder may file securities or an irrevocable Letter of Credit in the form required by the Minnesota Statutes §349A.07, subdivision 5.

The Lottery reserves the right to make a claim upon the Litigation Bond if both the following apply:

- The Bidder brings any legal action against the Jurisdiction, the Lottery, any officer or employee of the Lottery, any consultant or employee of a consultant under contract with the Lottery, or any retailer, over the issuance of the RFP, the selection of the Successful Bidder, or execution of a Contract with the Successful Bidder.
- The Jurisdiction, the Lottery, or such other party is the prevailing party at the conclusion of the legal action.

Following the signing of a Contract with the Successful Bidder, the Litigation Bond of any Bidder may be released upon acceptance by the Lottery of a Bidder's covenant not to sue.

### 1.21 Government Data Practices and Request for Confidentiality

Significance	Response Type
MANDATORY	ACCEPTANCE

The Bidder and the Lottery must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to data created, collected, received, stored, used, maintained, or disseminated by the Bidder. The civil remedies of Minnesota Statutes §13.08 apply to the release of data governed by Chapter 13, by either the Bidder or the Lottery.

If the Bidder receives a request to release the data referred to in this clause, the Bidder must immediately notify and consult the Lottery's Authorized Representative as to how the Bidder should respond to the request. The Bidder's response to the request shall comply with applicable law.

If a Proposal includes any information that constitutes a trade secret of the Bidder as defined by Minnesota Statutes §13.07, or that constitutes security-related information that cannot be disclosed without compromising the security interests of the Bidder (or of the Lottery if the Bidder receives the contract award), such information must be clearly marked as "CONFIDENTIAL".

An entire page or paragraph in which such information appears should not be marked "CONFIDENTIAL" unless the entire page or paragraph consists of such confidential information. Only the confidential portion(s) should be so identified and marked.

The Bidder must defend the confidentiality of its trade secrets through the judicial process.

The Lottery will hold in confidence all material contained in sections that are marked "CONFIDENTIAL" to the extent allowed by Minnesota Statutes, Chapter 13.

The Lottery may determine that material marked CONFIDENTIAL is not private data under Minnesota Statutes Chapter 13. Prior to releasing any data marked CONFIDENTIAL, the Lottery agrees to meet with the Bidder and/or to provide time for the Bidder to oppose such a release to the extent permitted by Minnesota law.

## 1.22 Property of the Lottery

Significance	Response Type
MANDATORY	ACCEPTANCE

All matters set forth in the Bidder's Proposal including, without limitation, technical and financial information, may be subject to disclosure after the contract award. All submitted Proposals will become the property of the Lottery upon receipt and may be returned only at the option of the Lottery. The Lottery will strive to keep all Proposal information confidential in accordance with Section 1.21 (Government Data Practices and Request for Confidentiality), unless compelled by jurisdictional law to release some or all information. The Lottery reserves the right to use any and all information contained in a Proposal to the extent permitted by law.

## 1.23 Incurred Costs Associated with the Proposal

Significance	Response Type
MANDATORY	ACCEPTANCE

Neither the Lottery nor the Jurisdiction will be liable for any of the Bidder's costs associated with any activity related to this RFP, other than as may be explicitly set out in this RFP.

## 1.24 Multiple Proposals from a Single Bidder

Significance	Response Type
MANDATORY	ACCEPTANCE

Each Bidder must submit one (1) Proposal only. Within the single Proposal, the Bidder may identify Offered Options, including unsolicited products, services, features, or substitutions that the Bidder believes may be appealing and useful to the Lottery.

### 1.25 Proposal Opening

Significance	Response Type
MANDATORY	ACCEPTANCE

The Evaluation Committee will open the Technical Proposals at the Lottery headquarters on the date set out in Section 1.5 (Schedule). The Proposal opening is not public. Price Proposals will not be opened at this time; they will remain sealed until after the evaluation of the Technical Proposals.

### 1.26 Proposal Clarification Process

Significance	Response Type
MANDATORY	ACCEPTANCE

The Lottery may request clarification from Bidders for the purpose of resolving ambiguities or questioning information presented in the Proposals. The Lottery may request clarification on one or more statements made by a Bidder in its Proposal at any point during the Proposal Evaluation process. When the Lottery requests clarification from a Bidder, the Issuing Office will prepare a written request, which will:

- Consist of a list of questions
- Be sent in writing via email to the contact person representing the Bidder
- Include a deadline for the Bidder to submit a response
- Include appropriate references to the RFP or the Bidder's Proposal

The Bidder must send a response within the time indicated in the written request. If this proves to be unfeasible, the Lottery and the Bidder may agree a modification of the deadline.

The Bidder's response:

- Must address only the information requested
- Must be submitted to the Issuing Office in writing via email
- Must not include any pricing information, unless the request for clarification relates specifically to the Bidder's Price Proposal

The Bidder must keep confidential all information that is exchanged as part of the Proposal clarification process.

The Proposal clarification process does not permit withdrawal, revision, or additions to the technical elements of the Proposal after Proposal Submission, nor any change to the financial terms quoted; it should be understood that a Proposal clarification request is not a negotiation.

**1.27 Modification/Withdrawal of a Proposal**

Significance	Response Type
MANDATORY	ACCEPTANCE

The Bidder may modify or withdraw a Proposal by written notice received prior to the deadline for Proposal Submission specified in Section 1.5 (Schedule).

The Bidder may modify or withdraw a Proposal in person before 02:00 p.m. (Central Time) on the date for Proposal Submission.

The Lottery will not consider verbal telephone requests to modify or withdraw a Proposal.

After the deadline for Proposal Submission, the Bidder must not modify a Proposal, except to the extent of a Bidder's response to a request for clarification pursuant to Section 1.26 (Proposal Clarification Process).

**1.28 Acceptance Period**

Significance	Response Type
MANDATORY	ACCEPTANCE

Proposals must remain valid until December 31, 2025. The Lottery will reject a Bidder's Proposal that is not valid for the duration of the Acceptance Period. Bidders will be strictly held to the terms in their Proposals. The contents of the RFP and the Proposal will become contractual obligations in the event of contract award. The Lottery will cancel a contract award for failure of the Successful Bidder to accept these obligations.

**1.29 Disclosure Prohibition**

Significance	Response Type
IMPORTANT	ACCEPTANCE

Information provided in a Proposal must be held in confidence by the Bidder and not be revealed or discussed with parties other than the Bidder except as required by law. The Lottery will disqualify the Proposal if the disclosure has had a material impact on competition or otherwise prejudices the procurement process.

The Lottery will ensure that the Proposals remain confidential until the procurement process under this RFP is formally concluded by the Lottery. All materials submitted in response to this Solicitation will become property of the Lottery. During the evaluation process, all information concerning the responses submitted will remain private or nonpublic and will not be disclosed to anyone whose official duties do not require such knowledge. Responses are private or nonpublic data until the completion of the evaluation process as defined by Minn. Stat. § 13.591. The completion of the evaluation process is defined as the State having completed negotiating a contract with the selected responder.

**1.30 Material/Non-Material Deviations**

Significance	Response Type
MANDATORY	ACCEPTANCE

Each Bidder must submit a Proposal that meets all mandatory requirements of this RFP.

Material requirements of the RFP are those designated as MANDATORY in the box marked “Significance” of the RFP Standard Compliance Box. The Lottery will reject as non-responsive any Proposal that does not meet all material requirements of this RFP, that fails to provide all required information, documents, or materials, or that includes language that is conditional or contrary to terms, conditions, and requirements.

The Lottery reserves the sole right to determine whether a Proposal meets the material requirements of the RFP. Further, the Lottery reserves the right to waive mandatory requirements and inform all Bidders of such in writing, where it is deemed to be in the best interests of the Lottery.

The Lottery reserves the right to waive or permit cure of non-material deviations, both in the Proposal form and in the Proposal contents, if in the judgment of the Lottery the best interests of the Jurisdiction will be served, and such waiver or cure will not be prejudicial to competition. The Lottery's waiver or permitting cure of a non-material deviation will not excuse the proposing Bidder from full compliance with the Contract requirements if the proposing Bidder is awarded the Contract.

**1.31 Disqualification for Business Incapability**

Significance	Response Type
IMPORTANT	ACCEPTANCE

The Bidder must have financial and business stability and the wherewithal to perform and support the Lottery. If, at any time prior to the signing of a Contract, the Lottery reasonably determines that the Bidder does not possess adequate financial ability or requisite stability to carry out the obligations of the Contract, the Lottery reserves the right to disqualify that Bidder from further consideration.

**1.32 Effect of a Proposal**

Significance	Response Type
MANDATORY	ACCEPTANCE

A Proposal does not confer upon the Bidder any rights to the award of a Contract.

**1.33 Rejection/Selection of Proposals**

Significance	Response Type
IMPORTANT	ACCEPTANCE

The acceptance of a Proposal will not diminish the Lottery's right to negotiate specific Contract terms, including price, with the Apparent Successful Bidder.

Issuance of the RFP in no way constitutes a commitment by the Lottery to award any Contract.

The Lottery reserves the right to:

- Reject any or all Proposals or any portion of all Proposals received in response to the RFP if the Lottery determines that it is in the best interests of the Lottery to do so
- Reject any Proposal which is conditional or incomplete
- Continue the Proposal Evaluation process and select the Proposal which offers the best value to the Lottery, even if all Bidders fail to meet one or more of the mandatory requirements
- Advertise for new Proposals
- Arrange to receive or itself perform and obtain the products and/or services requested in the RFP
- Abandon the solicitation of such requested products and/or services
- Award in whole or in part a Contract deemed to be in the best interests of the Lottery

The Lottery will notify in writing those Bidders who submit a Proposal in response to the RFP, but who are not awarded the Contract (the Unsuccessful Bidders).

#### 1.34 Shortlist of Potential Bidders

Significance	Response Type
INFORMATION	NONE

The Lottery may establish an internal shortlist but will not publicly announce such a shortlist of potential Bidders.

#### 1.35 Independent Price Determination

Significance	Response Type
MANDATORY	FULL

By submission of a Proposal, the Bidder must certify – and in the case of a joint Proposal, each party thereto must certify as to its own organization – that in connection with the Proposal:

1. The prices in the Proposal have been arrived at independently, without consultation, communication, or contract for the purpose of restricting competition as to any matter relating to such prices with any other Bidder or with any competitor.
2. Unless otherwise required by Jurisdictional law, prior to contract award the prices which have been quoted in the Proposal have not been knowingly disclosed by the Bidder and will not knowingly be disclosed by the Bidder directly or indirectly to any other Bidder, any competitor, or to any person not representing the Bidder.
3. No attempt has been made or will be made by the Bidder to induce any other person or entity to submit or not submit a Proposal for the purpose of restricting competition.

The Lottery will disqualify the Proposal if failure to notify has had a material impact on competition or otherwise prejudices the procurement process.

**1.36 Change of Ownership/Financial Condition**

Significance	Response Type
MANDATORY	ACCEPTANCE

If the Bidder (including the parent or holding company of the Bidder) experiences a Material Change in its ownership or financial condition after its Proposal has been submitted and prior to the execution of the Contract with the Successful Bidder, the Bidder must notify the Issuing Office in writing at the time the change occurs or is identified.

The Lottery will disqualify the Proposal if the breach has had a material impact on competition or otherwise prejudices the procurement process.

**1.37 News Releases and Advertising**

Significance	Response Type
MANDATORY	ACCEPTANCE

News releases pertaining to this RFP or the services, study, data, or project to which it relates must not be made without prior written approval by the Lottery, and then only in accordance with explicit written instructions from the Lottery.

By submitting a Proposal, the Bidder agrees not to use the Lottery's name, logos, images, nor any data or information related to this procurement process, or the Contract resulting thereof, as a part of any press releases or commercial advertising without prior written approval by the Lottery. The Bidder must not claim that the Lottery endorses its products or services.

The results of the RFP process must not be released without prior approval of the Lottery, and then only to designated persons and/or media organizations. The Lottery will not unreasonably withhold approval for such releases.

**1.38 Hiring and Other Business Relationships with Lottery Staff**

Significance	Response Type
MANDATORY	FULL

During the period from RFP Publication until Contract award, and for a 12-month period following Contract award, Bidders must not make any employment offer (officially or unofficially) or propose any business arrangement whatsoever to any employee of the Lottery. The Lottery will reject a Bidder's Proposal or terminate any subsequent Contract for making such an offer or proposition.

**1.39 Debriefing**

Significance	Response Type
MANDATORY	ACCEPTANCE

An Unsuccessful Bidder will be given the opportunity for a Debriefing with the Lottery. The Issuing Office will schedule any Debriefing after the Contract has been executed with the Successful Bidder upon request by a Bidder.

The Debriefing will be held as a phone conference or face-to-face meeting. In the Debriefing, the Lottery will provide feedback relevant to the Bidder's own Proposal only, including, but not limited to:

- Results with respect to the evaluation criteria
- Positive/strong areas of the Proposal, in the Lottery's judgment
- Negative/weak areas of the Proposal, in the Lottery's judgment

The duration of the Debriefing will not exceed one (1) hour, unless the Lottery agrees otherwise.

## 2 Lottery Background

### 2.1 History

Significance	Response Type
INFORMATION	NONE

In 1988, Minnesotans voted to amend their Constitution to authorize a state-run lottery. In 1989, the Legislature approved and the Governor signed Minnesota Statutes Chapter 349A into law, officially creating the Minnesota State Lottery, the 33rd lottery in the country.

The Minnesota State Lottery launched its first scratch game on April 17, 1990 and Lotto game tickets in August 1990. Currently, Lottery net proceeds and proceeds from the in-lieu-of-sales tax on lottery tickets sales are dedicated to the General Fund, which includes funds dedicated to the responsible gambling programs; the Environment and Natural Resources Trust Fund, the Game and Fish Fund and the Natural Resources Fund are used to enhance our State's natural resources including fish and game, parks, trails and zoos as well as public education, local government assistance, public safety and other programs. Through fiscal year 2024, the Minnesota State Lottery has provided more than \$4 billion to its beneficiaries.

### 2.2 General Information

Significance	Response Type
INFORMATION	NONE

The Lottery's mission is to provide secure gaming opportunities designed to maximize public participation and acceptance within the guidelines as provided in state law. More specifically, the Lottery offers a wide range of gaming options appealing to a variety of the state's citizens and visitors. This mission is intended to maximize contributions to the projects and programs identified by the Minnesota Constitution and the Minnesota Legislature as recipients of lottery proceeds.

The Lottery has headquarters in Roseville and three regional offices statewide: Virginia, Detroit Lakes, and Owatonna. The regional offices provide local service and information, process winning tickets, provide a base for field marketing staff, and serve as storage and distribution centers. The Lottery maintains an offsite backup data center for disaster recovery purposes and MUSL compliance. The Lottery also leases warehouse space in the Energy Park district of St. Paul.

Further general information regarding the Lottery can be found at the Lottery's website at [www.mnlottery.com](http://www.mnlottery.com).

#### 2.2.1 Lottery Organization (Including Organization Chart(s))

Significance	Response Type
INFORMATION	NONE

An organization chart of the Lottery is included below:

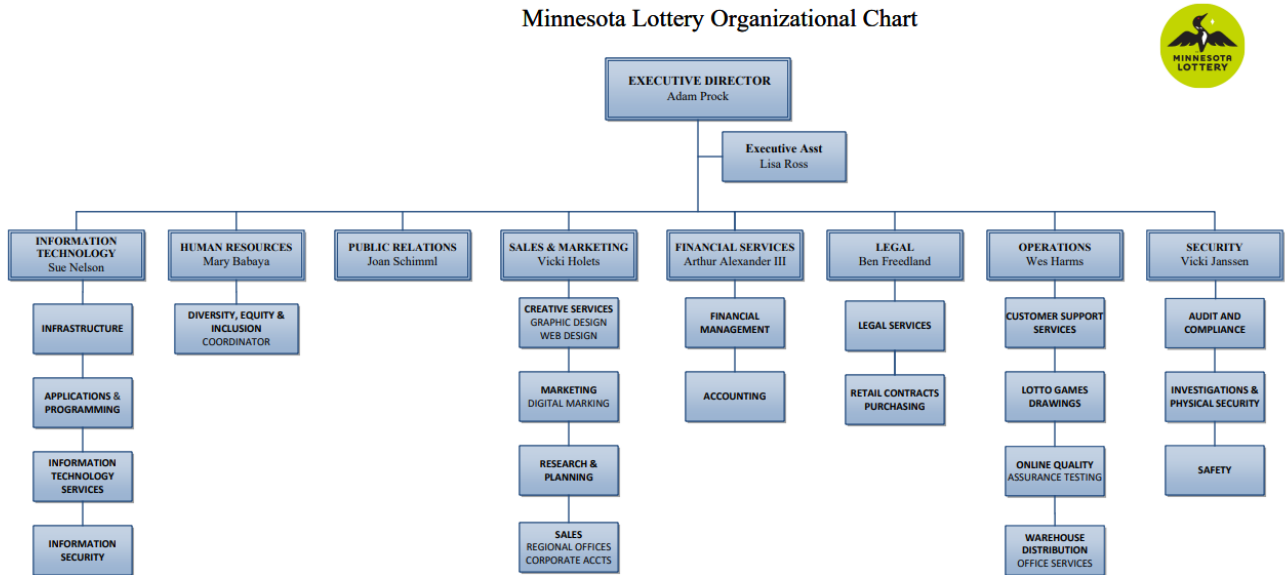


Figure 2 - Lottery Organization chart

### 2.2.2 Legal Status

Significance	Response Type
INFORMATION	NONE

Lottery Statutes and Rules can be found at the Lottery’s webpage at <https://www.mnlottery.com>.

Additional information on the Legal context:

- The Minnesota Constitution (Article XIII, Section 5) prohibits lotteries with the exception of a “lottery operated by the state.”
- Laws governing the operation of the Minnesota State Lottery are set out in Minnesota Statutes, Chapter 349A.
- The Lottery operates outside the state treasury and is not subject to the legislative appropriations process.
- Advertising expenditures may not exceed 2.75 percent of gross revenue.
- The Minnesota Constitution guarantees that a minimum of 40 percent of net lottery proceeds is allocated to the Environment and Natural Resources Trust Fund through 2034. All other revenues are distributed at the discretion of the legislature.
- Restrictions on Lottery games and operations are found in Minnesota Statutes 349A.13, and include (emphasis added) “The director shall not; (7) sell instant win lottery tickets through a website. *The restriction in this clause does not apply to the sale of tickets of a joint lottery within the meaning of section 349A.02, subdivision 3, or games that rely on a drawing to select a winner.*”

**2.2.3 Lottery Ethics and Integrity**

Significance	Response Type
INFORMATION	NONE

A Lottery operation is an extremely sensitive enterprise because of the nature of the lottery industry and its status as a public entity. Therefore, it is essential that its operation, and the operation of other enterprises which would be linked to it in the public mind, avoid not only actual impropriety but also the appearance of impropriety. This is guided by the Lottery's Code of Conduct.

The current version of the Lottery's Code of Conduct is referred to in Chapter I, part of the RFP documentsI and included hereto by this reference.

**2.3 Roles Pursuant to this RFP**

Significance	Response Type
INFORMATION	NONE

This section includes a brief description of the individual roles pursuant to this RFP.

**2.3.1 The Lottery**

Significance	Response Type
INFORMATION	NONE

The Minnesota State Lottery (the Lottery) is an Executive Branch Agency of the State of Minnesota. The Lottery is operated and administered by the Lottery Director who has the overall supervisory authority and responsibility of the Lottery. The Lottery Director is appointed by the Governor, with the advice and consent of the Minnesota Senate. An Evaluation Committee will be responsible for all evaluation aspects of this RFP and will make a recommendation to the Lottery Director upon conclusion of the evaluation process.

**2.3.2 Lottery Executive Director / Contract Administrator**

Significance	Response Type
INFORMATION	NONE

The Contract Administrator for any contract resulting from this RFP shall be:

Adam Prock, Executive Director  
 Minnesota State Lottery  
 2645 Long Lake Road  
 Roseville, MN 55113

The Contract Administrator, their successor or designee shall be the sole point of contact with respect to all contractual matters resulting from this RFP.

**2.3.3 Other Entities**

Significance	Response Type
INFORMATION	NONE

The following two entities are in addition relevant for this RFP:

- The State of Minnesota.
- QLot Consulting is supporting the Lottery throughout this RFP project.

**2.4 Current Business Overview**

Significance	Response Type
INFORMATION	NONE

General information related to the Minnesota State Lottery and its operation can be found on the Lottery's website. The types of information that can be found on the Lottery's general website include:

- Lottery Overview
- Annual report and financial statements.
- Descriptions of current Games offered.
- Additional information on Scratch Games.
- The statutes and regulations governing Lottery operations.

The Minnesota State Lottery operates only enterprise activities, namely sales of lottery tickets to the general public and the related supporting functions of administration, marketing, finance, security, licensing and data processing. No general government functions or operations are managed by the Lottery. Operating revenues in fiscal year 2024 were approximately \$776 million.

Budgetary controls for the Minnesota State Lottery are addressed through state laws that provide specific limitations on operation and administrative expenses. For budgetary purposes, the Minnesota State Lottery is classified as an unappropriated special revenue fund. An estimate of expected expenditures is filed annually with Minnesota Management and Budget and is monitored throughout the year. In addition, Lottery financial management staff monitors compliance with Lottery statutes.

**2.4.1 Current Lottery Business**

Significance	Response Type
INFORMATION	NONE

The Lottery reached major accomplishments in fiscal year 2024:

- During the month of April, Lottery exceeded \$4 billion dollars returned to state
- Achieved sales of over \$775 million, third highest on record behind 2021 and 2023.

- The Lottery awarded \$476.2 million in prizes to 30.6 million winners (61.4% payout) across the state, with prizes ranging from \$1 to a \$3.73 million jackpot.
- Paid retailers \$50.98 million in commissions and incentives.
- Transferred \$196.5 million to the State of Minnesota beneficiaries.
- Achieved Scratch sales of \$524.9 million.
- Achieved Lotto sales of \$250.8 million.
- The Minnesota Millionaire Raffle game produced \$8 million in sales while achieving the fastest sell-out ever.
- The Lottery's database includes over 650,000 member accounts, with 129,000 active members regularly engaging with promotions and contests. Players submitted over 2.2 million 2nd Chance entries during the fiscal year.
- Introduced a new mobile convenience app to inform consumers about lottery information including games, jackpots, and promotions. The app was launched on the iOS and Android platforms.
- Continue partnerships with high-profile events – Minnesota State Fair, Mall of America, with on-site sales.

Lottery revenue is generated by sales of Scratch games and Lotto games.

#### 2.4.2 Product Description and Sales Performance

Significance	Response Type
INFORMATION	NONE

There are currently different types of Lottery games: traditional (paper) Scratch Games and Lotto Games. The Minnesota State Lottery has introduced more than 15 Lotto games and numerous scratch games since its inception. In fiscal year 2024, the Lottery introduced a variety of 48 new scratch games and provided players the opportunity to participate in various types of Lotto games, including three types of Progressive Print-N-Play games.

Current and historical sales and prize related information can be found on the Lottery webpage (in the Financial Statements).

#### 2.4.3 Lotto Games

Significance	Response Type
INFORMATION	NONE

The Lottery currently offers eight (8) Games offered at retail: Mega Millions, Powerball, Gopher 5, Pick 3, Lotto America, North 5, Progressive Print-N-Play games, and Minnesota Millionaire Raffle including add-on games such as Power Play, Megaplier, All Star Bonus and EZ-Match. Gopher 5, Pick 3, North 5, and Minnesota Millionaire Raffle drawings are conducted solely by the Minnesota State Lottery, while Mega Millions, Powerball, and Lotto America are conducted in conjunction with the Multi-State Lottery Association (MUSL). Additional information regarding the Lottery's Games may be found at the Lottery's website at [www.mnlottery.com](http://www.mnlottery.com) and additional information regarding

Powerball and Lotto America may be found at the MUSL's website at [www.musl.com](http://www.musl.com). Additional information regarding Mega Millions can be found at [www.megamillions.com](http://www.megamillions.com).

#### 2.4.4 Instant/Scratch games

Significance	Response Type
INFORMATION	NONE

The Lottery launched its first scratch game on April 17, 1990. Players play by scratching off the latex covering the ticket play area. Scratch games offer a wide variety of game themes and were the first products offered to players. The Lottery also offers "Stub games", which is a Scratch ticket (usually \$20) that has a free stub/coupon that is redeemable on the Retailer Terminal for a specific Lotto game (which can vary).

Ticket prices today range from \$1 to \$50. Scratch games provided approximately 67.7 percent of total fiscal year 2024 sales. In that year, the Lottery introduced 48 new Scratch games, with approximately 41 Scratch games available for sale at any one time.

Additional information regarding the Lottery's current Scratch games may be found at the Lottery's website at [www.mnlottery.com](http://www.mnlottery.com).

#### 2.4.5 Lottery Sales/Financial Results

Significance	Response Type
INFORMATION	NONE

Total Lottery sales for Fiscal Year 2024 (ending June 30, 2024) were \$775.7 million. General financial information regarding the Lottery, including the 2024 annual report can be found at [www.mnlottery.com](http://www.mnlottery.com).

#### 2.5 New Games and Concepts

Significance	Response Type
INFORMATION	NONE

The Lottery is an innovative organization and expects to implement additional games and concepts in the future. The future Contractor will fully support the Lottery in this regard.

#### 2.6 Lottery Retailers

Significance	Response Type
INFORMATION	NONE

Information about the retailers and addresses can be found on the Lottery webpage. Currently, there are approximately 3,216 Retail Terminals plus 576 vending machines at approximately 3,052 traditional retail locations. This does not include terminals at Lottery Headquarters, regional offices as well as event terminals (in total about 20 terminals/set-ups).

Retailers earn 6% sales commission on Scratch and 5.5% on Lotto for every dollar in Lottery products they sell. In addition, they earn 1.5 percent of each prize value that is redeemed at their store.

Retailers in Minnesota pay no fees to the Lottery beyond an initial contract application fee of \$100, and \$20 for annual contract renewal. In addition, Scratch Tickets in Minnesota are issued to retailers on consignment, as opposed to an upfront form of payment, leading to higher sales and stronger retailer cooperation in our state.

Retailers may not accept credit cards for Lottery purchases. Debit cards and personal checks, however, are acceptable at Retailer's discretion.

A Retailer generally may not sell a Lottery Ticket at a price other than the price set by the Executive Director under the game procedures for the game.

### 2.6.1 Digital Offering

Significance	Response Type
INFORMATION	NONE

In 2015, the Lottery ceased internet sales after the amendments to Minnesota Statutes 349A.13. Internet sales of draw-based Lotto Games, as described above, remain legal and authorized. Additionally, offerings that do not include sales of instant win tickets like digital redemptions, wallets, player cards, loyalty remain available. As described below, these digital offerings are within the scope of this RFP but may not be activated at Go Live.

## 2.7 Lottery Back-Office System

Significance	Response Type
INFORMATION	NONE

The Lottery currently uses the JD Edwards software for its purchasing/receiving, order processing of non-ticket inventory, accounts payable, fixed assets and general ledger applications. The Contractor will be required to provide interfaces for sending relevant transactions and information to the JDE platform and other appropriate systems to support Lottery internal data management.

## 2.8 Lottery Internal Control System (ICS)

Significance	Response Type
INFORMATION	NONE

The Lottery uses a third-party Internal Control System solution provided by Spectra Corp. All systems are redundant and provide for independent control measures as required by various audit requirements and MUSL. The systems are operated and controlled by the Lottery's Information System Department that is audited by the Lottery's Security area.

The Lottery is planning to renew its ICS platform in parallel with this new Gaming System procurement to provide for a new ICS environment at the time of conversion for integration.

The Contractor will be required to provide the interface for sending all relevant transactions and information to the ICS. See Chapter A for further information.

## 2.9 Lottery Operations

Significance	Response Type
INFORMATION	NONE

The Lottery's current lottery gaming system is supplied and operated by IGT. The system was initially implemented in 2015 and the contract since extended until 2027. The IGT system is processing all lottery game transactions from all regular retailer points of sale through GT1200 Terminals. All retailers are also equipped with Ticket Checker devices permitting players to verify their tickets for prizes won.

Scratch Ticket transactions are equally handled by the IGT IPS system, which includes Scratch Ticket validation and all management.

Full Service Vending Machines are in use at selected retail locations (Gemini Ultra, GT28 and GT20) and maintained by IGT.

The IGT host is currently based on a triple configuration, with redundant systems within the State of Minnesota and one remote system at a central data center location out of State.

IGT provides for related services such as system operations 24/7, maintenance, field services, Consumables, the telecommunications network, retail terminals, training and development, marketing support.

The Lottery uses Spee-Dee Delivery Service, Inc., located in St. Cloud, Minnesota to provide delivery services for Scratch Game Tickets and other materials sent to Lottery Retailers.

The Lottery currently takes care of various business processes and systems, including

- ERP back-office system (JD Edwards),
- Various data feeds and data manipulation from the IGT system to the Lottery back-office environment
- balancing,
- Third party provided ICS operation (currently Spectra Corp),
- draw processes,
- administration of scratch ticket management/business,
- warehousing for scratch tickets and promotional and merchandize materials,
- digital front ends through a separate solution provided by Pollard Digital Solutions / mkodo,
- administration of retailer licensing and weekly settlement / billing through gaming system,
- system integration as appropriate and acceptance testing,
- field sales, customer service hotline.

**2.10 Current Communications Network**

Significance	Response Type
INFORMATION	NONE

The Retailer Terminals are currently connected through Satellite or Cellular connections as provided through the current gaming system supplier.

More specifically, the terminals are connected to the Primary Host Systems in Roseville Minnesota and Backup systems in Austin, Texas via two different communication networks; Satellite and Cellular.

The Satellite Retailer network connects to a satellite that is transmitting data back and forth to a Hub in either North Las Vegas or Germantown, Maryland depending on weather patterns. From either of those sites a high-speed land line then carries the data to the host systems in Roseville, Minnesota and Austin, TX for processing. Once processed the host then sends the data back to the satellite hub via a high-speed land line and then the hub transmits it back to the Retailer via Satellite.

Cellular Retailers connect to a one of three cellular providers and then are connected to a high-speed land line then carries the data to the host systems in Roseville, Minnesota and Austin, TX for processing. Currently, there are 2,278 devices on Ventus Cellular (1,228 AT&T, 1,050 Verizon).

Within the entire network, a total of 1,152 connections are based on dual communication. Of those, 1,048 are VSAT primary/Cellular secondary and 102 are on Cellular primary/Cellular secondary connections,

The network currently provides for certain bandwidth limitations, which offers little flexibility in terms of multimedia content delivery to points-of-sale.

**2.11 Jurisdictional Game Groups**

Significance	Response Type
IMPORTANT	ACCEPTANCE

The Lottery is a member of MUSL, NASPL and WLA. The Lottery participates in Powerball, Power Play, Lotto America, All Star Bonus, Mega Millions, and Megaplier games and offers those via its Sales Channels as appropriate. All relevant MUSL and specific Game Group rules apply accordingly also for the Lottery and all current and future vendors. The Bidder shall take note and consider such situation in its offering.

**2.12 Marketing**

Significance	Response Type
INFORMATION	NONE

The Lottery must sell its product in a competitive marketplace. The competition includes all other products vying for the discretionary entertainment dollar. As such, continued advertising is necessary to maintain awareness and interest about lottery products and to ensure lottery revenue and proceeds goals are met.

The Lottery, by law, may spend no more than 2.75 percent of gross revenue on advertising. During Fiscal Year 2024, advertising expenditures, including production and agency fees, but not including promotional action, was \$7.6 million.

Total lottery paid media expenditures of all types was 1.0 percent of revenue or much lower than other consumer products found in grocery or convenience stores. Many companies marketing to consumers spend more than 5 percent of revenue on advertising; figures in excess of 10 percent are not uncommon in some industries.

Minnesota law places restrictions on the content of advertising. Lottery advertising must be consistent with the dignity of the state and may only:

- Present information about lottery games.
  - Identify state programs supported by lottery revenues.
  - Present the lottery as a form of entertainment.
  - State winning numbers or identity of winners.
- Lottery advertising may not:
  - Market the lottery as a means of relieving financial difficulties.
  - Target with the intent to exploit a specific group or economic class of people.
  - Exploit a religious holiday through use of a religious theme or symbol.
  - Present the purchase of a lottery ticket as a financial investment or a way to achieve financial security.
  - Use the name or picture of an elected state official to promote a lottery game.
  - Misrepresent the chance of winning a prize.
  - Denigrate those people who do not buy a ticket or unduly praise those who do.

All Lottery advertising and brochures prominently state, “Lottery players must be 18 years of age or older.” The Lottery is committed to responsible gambling messaging and marketing to adults.

Lottery advertising is scheduled, purchased, and evaluated on a reach and frequency measurement consistent with standard industry business practices. The Lottery attempts to inform all players about our products on a statewide basis and, when possible, make efficient use of selected media vehicles that provide higher returns on investment.

The Lottery has booth space and sales kiosks at many annual events across the state including but not limited to Mall of America (Bloomington) and the Minnesota State Fair (St. Paul).

The Lottery maintains an active digital presence across multiple platforms, including its website, mobile app, and social media channels. Players can engage with the Lottery through the official website ([mnlottery.com](https://mnlottery.com)), on Instagram ([instagram.com/mnlottery](https://instagram.com/mnlottery)), LinkedIn ([linkedin.com/mnlottery](https://linkedin.com/mnlottery)), on YouTube ([youtube.com/mnlottery](https://youtube.com/mnlottery)), on Facebook ([facebook.com/mnlottery](https://facebook.com/mnlottery)), and on X ([x.com/mnlottery](https://x.com/mnlottery)).

## 3 Terms and Conditions

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### 3.1 Introduction

Significance	Response Type
MANDATORY	ACCEPTANCE

This chapter describes the terms and conditions that apply to the procurement process and which will become part of the Contract executed pursuant to this RFP.

### 3.2 Scope of the Contract

Significance	Response Type
MANDATORY	ACCEPTANCE

This RFP and resulting Contract covers the design, development, delivery, full implementation, maintenance and operation of a lottery gaming system environment and the provision of services according to Lottery requirements and specifications, which the Contractor must fulfill. This environment includes, but is not limited to:

1. Integrated gaming system infrastructure and related software, covering retail and digital sales channels and business processes
2. certain back-office application systems and software (e.g. CRM, Data Lakehouse),
3. retailer terminals, various vending machines, and POS equipment (e.g. various signs, Ticket checkers) including related field services,
4. communication network and related components,
5. multi-media environment,
6. flexible business to business (B2B), business to consumer (B2C) and back-office system interfaces, and
7. comprehensive services related to all of the above.

### 3.3 Elements of the Contract

Significance	Response Type
MANDATORY	ACCEPTANCE

The Contract between the Lottery and the Successful Bidder must include as integral parts thereof:

1. The Contract (including agreed upon SLA and Service Descriptions)
2. Clarifications and amendments to this RFP
3. This RFP

4. The Bidder's Proposal clarifications
5. The Bidder's Proposal, including appendices
6. Other documents that the Lottery clearly designates as such (e.g. specifications and requirements documents, etc.)

In the event of a conflict in language between any of the documents referred to above, the documents referred to above are listed in order of precedence.

The Contract elements listed above constitute the entire Contract between the Lottery and the Bidder, and representations, verbal or written, not included in such Contract elements are not binding on either the Lottery or the Contractor. In particular, the Lottery makes no representation of any kind regarding expected sales volumes or revenues, other than as expressly set out in this RFP.

### 3.4 Governing Law

Significance	Response Type
MANDATORY	ACCEPTANCE

Applicable provisions of all applicable laws and administrative procedures, regulations, or rules of the State of Minnesota shall govern the development, submission, and evaluation of all Proposals received in response hereto and shall govern any and all claims and disputes which may arise between persons submitting a Proposal hereto and the Lottery.

The Contractor must read and be familiar with the applicable law, rules, and regulations.

Lack of knowledge of the law or applicable administrative procedures, regulations, or rules by any Contractor shall not constitute a cognizable defense against their effect.

With respect to any legal actions or proceedings arising under the RFP or the Contract, a Contractor must, by submission of a Proposal, consent to the venue and jurisdiction of courts of the Jurisdiction, which is the place of the publication of the RFP, the place where a Contract will be executed, and the principal place where the obligations of the Contractor to the Lottery are to be performed.

Every Bidder understands and shall accept, that there could always be future changes to the legislative or regulatory environment in which the Lottery operates that are beyond the Lottery's control. The Lottery or the State of Minnesota shall therefore not be held liable for future Federal or State legislative acts that would affect the Contract.

### 3.5 Term of the Contract

Significance	Response Type
MANDATORY	ACCEPTANCE

The Contract resulting from this RFP will be in effect from the Contract signing date, and for a period of seven (7) years from Go-Live Date, or such shorter period as the Lottery may determine, pursuant to Section 3.6, and upon termination to finish out the business week in progress. The causes for early termination of the Contract are as provided in this RFP.

The Lottery reserves the right to extend the Contract at its sole option up to a maximum of three (3) renewals of one (1) year each – OR – up to one (1) renewal of three (3) years, or any variation thereof,

provided that any such option to extend is exercised by the Lottery at least sixty (60) days prior to the end of the initial Contract period, or any extension thereof, or at a time mutually agreed by both parties. The price terms for any extensions may be at a rate of compensation to be renegotiated by the parties.

### 3.5.1 Emergency Extension

Significance	Response Type
MANDATORY	ACCEPTANCE

The Lottery reserves the right to reactivate or further extend the initial Contract, or any renewal thereof, at the rates and upon the terms and conditions then in effect on thirty (30) days' notice for six (6) thirty (30)-day periods if a different contractor is chosen for a subsequent contract, and the changeover to the new contractor's system does not occur by the time of the expiration of the original Contract or subsequent extension(s).

Exercising these rights shall not be construed as obligating the Lottery to repeat the procurement process for any subsequent contract or as conferring any right or expectation for the Contractor to continue operating the system after the expiration of any such emergency extension period.

### 3.6 Termination of the Contract

Significance	Response Type
MANDATORY	ACCEPTANCE

The Lottery may terminate the Contract prior to the expiration date in accordance with the provisions of this section (Section 3.6 and its subsections) of this RFP.

#### 3.6.1 Termination for Default

Significance	Response Type
MANDATORY	ACCEPTANCE

Default [under this section](#) is defined as the failure of the Contractor to fulfill the obligations of the Contract including the Proposal.

The Lottery may terminate the Contract or any portion(s) of the Contract entered into as a result of this RFP, and be relieved of the payment of any consideration to the Contractor for the terminated portions of the Contract except as otherwise provided herein, if the Contractor fails to perform to the Lottery's satisfaction any material requirement of the Contract, or is in material violation of any specific provision, or materially modifies the system (hardware or software) without the prior written consent of the Lottery, and fails to remedy the failure or violation within thirty (30) days (or more if authorized by the Lottery) after written notice from the Lottery of such failure or violation.

In the event of a termination for default, the Lottery shall have the right to obtain replacement products and/or services, on an emergency or interim basis, for the products and/or services that the Contractor agreed to provide under the Contract. Except as otherwise provided below, the Lottery shall have the right to collect from the Contractor the difference between the compensation to be paid to the Contractor as set forth in the Contract and the actual costs to the Lottery, including any added

administrative costs, of obtaining and utilizing replacement products and/or services on an emergency or interim basis. The Lottery may collect monies it is due as a result of a termination under this subsection by offsetting the amount from any payments due to the Contractor. The Contractor must not be liable to the Lottery for reimbursement of any costs incurred by the Lottery of obtaining replacement products and/or services if a termination pursuant to this section arises from causes beyond the control and without the fault or negligence of the Contractor, including an event of *force majeure*.

### 3.6.2 Termination for Cause

Significance	Response Type
MANDATORY	ACCEPTANCE

The Lottery may immediately terminate any Contract issued as a result of this RFP under this section for any of the following reasons by providing written notice to the Contractor:

1. The Contractor furnished any statement, representation, warranty, or certification in connection with this RFP or the resultant Contract, which is materially false, incorrect, or incomplete.
2. The Contractor becomes financially unstable or is not able to obtain the financing necessary to perform the Contract.
3. The Contractor or subcontractor, or an officer or owner of a five (5) percent or greater share of either, is convicted of a criminal offense incident to the application for or performance of any contract or subcontract whether in this Jurisdiction or in another jurisdiction or is convicted of a criminal offense which at the sole discretion of the Lottery reflects on the Contractor's integrity.
4. The Contractor commits an ethics or integrity violation as defined in the Contract.
5. A court of competent jurisdiction finds that the Contractor has failed to adhere to any material laws, ordinances, rules, regulations, or orders of any public authority having jurisdiction.
6. The Lottery determines that the public operation of the system could place the integrity of the Lottery in jeopardy, and that, in the Lottery's sole determination, the Contractor or its agents caused the system to place the integrity of the Lottery in jeopardy.
7. Any of the directors or administrators of the Contractor have been convicted of a criminal offense that in the Lottery's judgment may affect his/her professional capacity or professional ethics.
8. The Contractor or any officer or director thereof has been guilty of professional negligence or misconduct such that, in the Lottery's reasonable judgment, continuation of the Contract will be likely to have a negative impact on the Lottery's image and the Contractor has not immediately removed such director or administrator from employment by the Contractor after written direction of the Lottery to remove such individual.
9. The Contractor is wound up, liquidated, becomes bankrupt or insolvent, a substantial portion of its assets is seized by a creditor or becomes subject to judicial process, or the Contractor takes such action or fails to take action such as to endanger, in the Lottery's reasonable judgment, the Contractor's continued corporate existence or ability to carry out the Contract.

The Lottery and the jurisdiction in which the Lottery operates shall not be liable for any costs incurred if termination is for any of the causes stated above.

In the event of a termination for cause, the Lottery shall have the right to obtain replacement products and/or services, on an emergency or interim basis, for the products and/or services that the Contractor agreed to provide under the Contract. Except as otherwise provided below, the Lottery shall have the right to collect from the Contractor the difference between the compensation to be paid to the Contractor as set forth in the Contract and the actual costs to the Lottery, including any added administrative costs, of obtaining and utilizing replacement products and/or services on an emergency or interim basis. The Lottery may collect monies it is due as a result of a termination under this subsection by offsetting the amount from any payments due to the Contractor.

### 3.6.3 Termination for Convenience

Significance	Response Type
MANDATORY	ACCEPTANCE

1. The Contract may be terminated by the Executive Director if, because of legislative or other governmental changes or lack of funding, continuation of Games shall be determined by the Lottery not to be in the best interest of the Lottery or the State. Such termination shall be effected by the Lottery sending notice to the Contractor, in writing, of its intention to terminate at least thirty (30) days prior to the termination date.
2. The Contract may be terminated by the Executive Director without cause or for the convenience of the Lottery, by sending notice to the Contractor at least 365 days prior to the termination date.
3. Whenever a Contract is terminated without cause, for the convenience of the Lottery, the Contractor shall be compensated as set forth in the Contract. Upon receipt of notification of the termination, the Contract shall be null and void as of that date, except with respect to any clauses specifically stated in the Contract to survive termination.
4. In the event of termination under this section, the Contractor shall receive reimbursement for the cost of any materials, services, or other expenses (not including cost of equipment), reasonably and actually incurred at the time of receipt of the notification of termination, and which are not otherwise usable or recoverable by the Contractor. The Contractor, upon receipt of the notice of termination, shall take all steps necessary to mitigate the costs and expenses payable under this paragraph.

### 3.6.4 Termination for Insufficient Funding

Significance	Response Type
MANDATORY	ACCEPTANCE

The Lottery may immediately terminate the Contract if it does not obtain funding or a funding cap from the Minnesota Legislature, or other funding source; or if funding cannot be continued at a level sufficient to allow for the payment of the services to be covered herein. Termination must be by written notice to the Contractor. Neither the Lottery nor the State of Minnesota is obligated to pay for any services that are provided after notice and effective date of termination. However, the Contractor will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed to the extent that funds are available. Neither the Lottery nor the State of Minnesota will be assessed any penalty if the Contract is terminated because of the decision of the Minnesota Legislature, or other funding source, not to appropriate funds. The Lottery must provide the Contractor notice of the lack of funding within a reasonable time of the Lottery receiving that notice.

### 3.7 End of Contract Conversion

Significance	Response Type
MANDATORY	ACCEPTANCE

The continuity of services to the Lottery customers is of utmost importance to the Lottery, especially during a conversion period from one contractor to another. The Contractor must cooperate fully and in good faith in such conversion, which may or may not involve other contractors.

It is contemplated that the Lottery, approximately one (1) year prior to the expiration of any Contract resulting from this RFP or extension thereof, will award a new Contract for replacement of the System. The parties understand and agree that the Lottery may utilize part of the last year of any Contract resulting from this RFP or extension thereof for conversion of the Gaming System to the subsequent system. The Lottery shall be solely responsible for the identification of and time for conversions of the Gaming System, and the Contractor for this RFP shall cooperate fully and in good faith in said conversion.

Cooperation may include, but is not limited to, sharing of ticket data or files, liability files, retailer authority files and cross-validation of winning tickets, instructions how to use and access those as well as other support deemed necessary by the Lottery.

The Contractor must accommodate accessing and validation of winning online tickets that have been sold prior to the conversion, either by reading the ticket/bar code or by accepting manual entry of the “old” winning ticket's serial number. The Contractor must also convert any applicable validation files to permit validation by bar code read (and manual entry). The goal, both during conversion and after, is to minimize confusion and effort for the players and retailers. Therefore, the Contractor must provide a description of the ticket's serial numbers including codes, encryption and decryption information, or an adequate, convenient method, tool, or source code object as well as full access to all relevant ticket data to allow the Lottery and the new contractor proper continuation. Failure to comply with this requirement may result in disqualification.

The Contractor, if requested at the close of this Contract, shall remove all its equipment and materials relating to the Gaming System from each POS location and from Lottery property on a Lottery-specified schedule of calendar days after conversion of the location to the new system. This schedule will be part of the conversion plan and communicated to the Contractor at least thirty (30) days in advance. Equipment and materials not so removed by the Contractor shall be considered abandoned and shall be disposed of at the Lottery's discretion at the Contractor's expense.

### 3.8 Severability

Significance	Response Type
MANDATORY	ACCEPTANCE

Each provision of the Contract shall be deemed severable from all other provisions of the Contract and, if one or more of the provisions of the Contract is declared invalid, the remaining provisions of the Contract shall remain in full force and effect.

### 3.9 Prime Contractor Responsibilities

Significance	Response Type
MANDATORY	ACCEPTANCE

The Contractor must be the prime contractor, and as such, is responsible for all contractual activities performed under the Contract whether or not the Contractor performs them.

The Contractor must be the sole point of contact with regard to contractual matters, including payment of any or all charges under the Contract. The Contractor is an independent contractor. No principal/agent relationship or employer/employee relationship should be contemplated or created by the parties to the Contract, except as expressly provided.

Should the Contractor utilize subcontractors to fulfill any of its obligations under the Contract, the Contractor shall be fully and solely responsible for the subcontractors' performance, compliance with the terms and conditions of the Contract, and compliance with the requirements of any and all applicable laws.

The Contractor is responsible for informing the subcontractor of any and all contractual and other obligations arising from the Contract with the Lottery and being relevant for the subcontractor's duties.

The Contractor must provide a listing of all subcontractors the Contractor proposes to use that are directly related to his obligations under the Contract.

In such case where the Contractor chooses to use subcontractors, the Lottery must have the right to communicate with the subcontractor in all matters related to the performance of the Contract. The Lottery will keep the Contractor informed in case of such direct communication.

### 3.10 Subcontractor Approval

Significance	Response Type
MANDATORY	FULL

Any proposed and future subcontracts shall be subject to the prior approval of the Lottery, except those subcontracts listed in the Proposal.

The Bidder shall propose alternates to any subcontractors not approved by the Lottery.

### 3.11 Assignment

Significance	Response Type
MANDATORY	ACCEPTANCE

The Contract shall not be assigned, transferred, conveyed, sublet, or otherwise disposed of without previous written approval of the Lottery, which approval must not be unreasonably withheld. Any purported assignment in violation of this section shall be null and void. Further, the Contractor shall not assign the right to receive moneys due under the Contract without the prior written consent of the Lottery.

**3.12 Background and other Investigations during the Contract Term**

Significance	Response Type
MANDATORY	FULL

The Contractor shall allow authorized personnel designated by the Lottery to interview any Contractor employee or subcontractor employee, or authorized agent related to the Contract in conjunction with any audit, review or investigation deemed necessary by the Lottery.

The Contractor shall upon execution of the Contract, and upon the addition of a new employee, officer, director or owner, submit to the Lottery a list of the names, addresses, dates of birth, social security numbers, and fingerprint cards bearing a signed authorization to allow law enforcement agencies to release to the Lottery any criminal history that pertains to such person, of all officers and employees of the Contractor and any contractors involved in the implementation, installation, and operation of the Lottery's Gaming System. This information is required for employees, officers, directors, five percent (5%) plus shareholders only for the division performing the Gaming System or related services for the Lottery.

The Lottery may inspect all premises of the Contractor or authorized subcontractors involved in providing services required by the Contract, to determine the degree of compliance with security and operational requirements. Such inspection/audit may be unannounced.

The Lottery or authorized personnel will conduct a background investigation of the Contractor, all of its principals, and each individual assigned to the project, pursuant to Minnesota Statutes, section 349A.07, subdivision 2.

The ability to conduct such investigations is a continuing right of the Lottery throughout the Term of the Contract.

**3.13 Lottery Approval of Staffing/Subcontractors**

Significance	Response Type
MANDATORY	ACCEPTANCE

The Lottery may disapprove any employee or subcontractor of the Contractor who is assigned to the Lottery Contract, either at Contract inception or at any time during the Term of the Contract.

Neither the Contractor nor the Lottery shall engage or allow the engagement of unfit or unqualified persons or persons not skilled in the tasks assigned to them with respect to the Contract and the parties shall at all times employ sufficient personnel for carrying out work to full completion in the manner and time prescribed by the Contract. The Contractor shall be responsible to the Lottery for the acts and omissions of the Contractor's employees or subcontractors.

Any person employed by the Contractor shall, at the written and reasonable request of the Lottery, be removed forthwith by the Contractor from work relating to the Contract. The Contractor's subcontractors are in this respect considered Contractor employees.

**3.14 Covenant Against Contingent Fees**

Significance	Response Type
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MANDATORY	ACCEPTANCE
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The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure a Contract pursuant to this RFP upon a Contract or understanding for a commission, percentage, brokerage, or contingent fee, excepting disclosed employees or disclosed established commercial or selling agencies retained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the Lottery shall have the right to terminate any Contract in accordance with the termination clause, and at its sole discretion, to deduct from any Contract any price or consideration, or otherwise recover the full amount of any such commission, percentage, brokerage, or contingent fee.

### 3.15 Accounting Records

Significance	Response Type
MANDATORY	ACCEPTANCE

The Contractor shall maintain, in accordance with generally accepted accounting principles, all pertinent books, documents, financial accounting records and evidence pertaining to the Contract to the extent and in such detail as necessary to document all net costs, direct and indirect for which payment is claimed. Such financial and accounting records shall be made available for inspection and copying, upon request, to the Lottery, its designee, or any authorized agency of the State at any time during the Term of the Contract and any extension thereof, and for seven (7) years from the expiration date or final payment under the Contract, whichever is later in time.

### 3.16 Right to Audit

Significance	Response Type
MANDATORY	ACCEPTANCE

The Lottery, the State of Minnesota, the Minnesota State Auditor or the Minnesota Legislative Auditor reserve the right to audit all Contractor and subcontractor facilities, processes, and/or procedures, as they relate to the Contract, using Lottery employees, its designees, or other employees of the Jurisdiction as provided by law.

The Contractor and all its subcontractors under the Contract are required to maintain records and supporting evidence pertaining to the fulfillment of the Contract obligations in accordance with generally accepted accounting principles and other procedures specified by the Lottery.

These records must be made available to the Lottery and its designees during the Term of the Contract and any extension thereto. These records must be retained for seven (7) years from the date of final payment of the Contract.

The Lottery reserves the right, at its sole discretion, to perform additional audits, which may include but are not limited to the following: financial/compliance, security, economy/efficiency, program results, or limited scope audits, where appropriate. Additionally, the Lottery reserves the right to inspect any of the Contractor's third-party auditor's reports and management letters.

Unless the audit would be impaired, any audit by the Lottery will only be conducted with reasonable prior notice to the Contractor, and subject to all security, quality, and other procedures which may

be in force at the Contractor site. In the case of an audit indicating non-compliance with the terms of the Contract, the Lottery may impose Liquidated Damages for non-performance.

### 3.17 Audit Requirements

Significance	Response Type
MANDATORY	ACCEPTANCE

The Contractor will be required to have a complete financial audit conducted annually, at its own expense. The audit must follow generally accepted auditing standards. A copy of the Contractor's certified financial statements shall be provided to the Lottery annually.

The Contractor will provide the Lottery with Securities and Exchange Commission (SEC) 10-K reports (or other appropriate non-U.S. equivalent) as they are issued, together with any reports required pursuant to Section 13 of the Securities and Exchange Act of 1934, as amended.

A third-party SSAE16, SOC2 audit and/or security audit of the Contractor's operations for Minnesota may be conducted during the first year of operation of the Contractor's Gaming System and every two (2) years thereafter. This audit will be paid for by the Contractor. The Lottery reserves the right to designate the firm that will conduct the SSAE16 and/or security audit.

### 3.18 Non-Exclusive Rights

Significance	Response Type
MANDATORY	ACCEPTANCE

Nothing in this RFP and the subsequent Contract shall grant or be interpreted as either party granting any exclusive rights to the other party unless explicitly stated.

### 3.19 Right of Use/USUFRUCT

Significance	Response Type
MANDATORY	ACCEPTANCE

If, for any reason other than breach of Contract by the Lottery (including a material adverse change in the Contractor's financial condition), the Contractor should lose its ability or refuse to perform the requirements of the Contract, the Lottery shall be entitled to acquire the right to use the equipment, facilities, software, source and object code program instructions, and Documentation for those items owned by the Contractor and which are necessary to provide contractual services. Such right shall be limited to the right of the Lottery to possess and make use of such contractual items solely for the use and benefit of the Lottery in operating, maintaining, altering, and improving the operational characteristics of the programs and systems being used by the Lottery under the Contract. Such use must be limited in time to the duration of and scope for programs, systems, and other items being used by the Lottery under the Contract.

In such an event, all software programs, Documentation, operating instructions, facilities, hardware, and the like, including modifications or alterations thereof, must be kept in confidence, except to the extent that they are public records under jurisdictional law, and must be returned together with all copies to the Contractor when their use has been completed.

### 3.20 Bidder Ethics and Integrity

Significance	Response Type
MANDATORY	ACCEPTANCE

In accordance with Minnesota State law and the Lottery's Code of Conduct, the Contractor is expected to establish and enforce an ethics policy for all its employees, independent vendors, and subcontractors to equally meet the Lottery's objectives in this regard; refer to Section 2.2.3 (Lottery Ethics and Integrity). Further to the general ethical requirements, the following requirements are of particular importance for the Lottery:

The Contractor is therefore obligated to meet high standards for ethics and integrity under this Contract including, but not limited to the following:

1. The Contractor shall accept no pay, remuneration, or gratuity of any value for performance on or information derived from this project from any party other than the Lottery or the Contractor as described in the Contract, or from any party under contract to the Lottery or seeking to contract with the Lottery with respect to this project.
2. The Contractor and employees shall not offer or give any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value to any Lottery employee in violation of Minnesota Statutes, Section 349A.12, subdivision 4, or Minnesota Statutes, Section 10A.071.
3. The Contractor and employees of the Contractor shall not disclose any business-sensitive or confidential information gained by virtue of this Contract to any party without the consent of the Lottery.
4. The Contractor and employees shall take no action in the performance of this Contract to create an unfair, unethical, or illegal competitive advantage for itself or others.
5. For violation of the above provisions, the Lottery may terminate the Contract, receive restitution from the Contractor, or take any other appropriate actions against the Contractor.

### 3.21 Disputes Under the Contract

Significance	Response Type
MANDATORY	ACCEPTANCE

All disputes arising under or relating to this Contract shall be resolved in accordance with this section.

A "Dispute" means a material disagreement between the Lottery and the Contractor as to the required performance under the Contract, including a dispute as to the Lottery's liability for or amount due upon any claim by the Contractor arising under or relating to the Contract.

The parties shall endeavor in good faith to resolve all Disputes by mutual agreement.

The complaining party must commence the effort to resolve a dispute by giving written Notice of Dispute to the other party specifying the issue(s) for resolution in reasonable detail.

The responding party must reply in writing to the complaining party within five (5) working days of receiving a Notice of Dispute. If the responding party acknowledges responsibility, the reply must indicate the steps to be taken to resolve the issue(s) and a reasonable timeframe for resolution. If the

responding party does not acknowledge responsibility, the parties must proceed with further efforts to resolve the Dispute as provided below.

The parties' Contract Managers must meet promptly, but in any event not later than ten (10) working days, following the complaining party's receipt of the responding party's reply, and exchange all relevant information reasonably necessary to resolve the issue(s). If such meeting does not result in a resolution of the Dispute, or if the responding party has acknowledged responsibility but has not taken steps to resolve the Dispute within a reasonable timeframe, then the Lottery Director and the Contractor's Site Director must meet as soon as practicable, but not later than ten (10) working days following the meeting between Contract Managers, to discuss and attempt to reach a mutually satisfactory resolution of the Dispute. If the Dispute is not resolved during the meeting between the Lottery Director and the Contractor's Site Director, or if an agreed resolution is not implemented within a reasonable timeframe thereafter, the complaining party may commence formal proceedings in a court of competent jurisdiction to resolve the Dispute, provided, however, that the complaining party must first have provided twenty (20) days written notice to the responding party of its intent to initiate such proceedings. Nothing to the contrary stated herein must preclude the parties from, alternatively, agreeing to attempt resolution of the Dispute by means of any type of alternative dispute resolution procedures, including mediation and arbitration.

Pending a final resolution of a Dispute, the Contractor must proceed diligently and in good faith with the performance of its obligations under the Contract, and the Lottery must compensate the Contractor pursuant to the terms of the Contract.

### 3.22 Cooperation of the Parties

Significance	Response Type
MANDATORY	ACCEPTANCE

The Contractor and the Lottery agree to cooperate fully, to work in good faith, and to mutually assist each other in the performance of the Contract. In this regard, the parties will meet to resolve problems associated with the Contract. Neither party will unreasonably withhold its approval of any act or request of the other to which its approval is necessary or desirable.

Should the Lottery obtain systems, equipment, materials, or processes from a source other than the Contractor, that would require the Contractor to cooperate or make changes in order to permit compatibility, then the Contractor must cooperate with the other source under the Lottery's direction. Such cooperation may include, but is not limited to, providing the necessary interfaces and platforms.

### 3.23 Equipment and Software Corrections, Changes, Upgrades, and Expansion

Significance	Response Type
MANDATORY	ACCEPTANCE

The Contractor's obligations especially for correcting, changing, upgrading, and expanding the equipment, software and functionality are further defined in the following subsections. These are in addition to related requirements stated elsewhere in this RFP.

**3.23.1 Services within Original Scope**

Significance	Response Type
MANDATORY	ACCEPTANCE

The Contractor's Services shall include:

1. All fixes to all software and hardware errors and design defects; and improved versions of the hardware and software to sustain performance or correct performance problems, to otherwise meet or continue to meet Contract-defined specifications, requirements and service levels;
2. Service and project management, installation and integration, testing, day to day operation, 2<sup>nd</sup> and 3<sup>rd</sup> line support, training and support of Lottery staff, provision of Consumables, Field Services and other Services further specified in this RFP, as well as all other Contractor services necessary for ensuring the successful and efficient implementation, operation and support of the Gaming System in its intended environment;
3. Implementing and maintaining all Infrastructure elements of the System with "supported releases" from the suppliers. This includes, but is not limited to, software for systems, networks and devices, configurations, reporting software, management systems and applications, platforms, hardware diagnostics and other standard tools. At the time the Contractor is notified by a supplier or the Lottery that a correction, fix, patch, or new security certificates exist, or a model or release is scheduled to have support dropped, it is the Contractor's obligation to acquire and install without delay the patch, certificate or an appropriate upgrade upon Lottery approval. Also, secure file transfer protocol (sftp) services or other secure information transfer platforms (subject to Lottery approval) shall be provided on an ongoing basis;
4. Equipment, communication and software changes and enhancements necessary to support increased volumes of transactions must be included in the Bidder's total Base Price;
5. The latest system software versions shall be made available at start-up. The Lottery will determine whether features and capabilities of new releases merit installation;
6. Ensuring that System is fully integrated and interoperable with any other current Lottery software or system with which it is intended to interface.

**3.23.2 Deliverables and Services Not Originally Defined**

Significance	Response Type
MANDATORY	ACCEPTANCE

Changes and enhancements to the equipment and software which exceed Contract-specified requirements (and which are not otherwise accommodated by the pricing method and Options in Section 5) such as newly available Terminal peripherals, new Terminal types, major changes to the administrative reporting software/BI/Data Lakehouse or new Retailer user interface features will be handled as follows:

1. Software changes and regular upgrades to software engineered by the Contractor or its Subcontractors and related integration is included in the Base Price, even if additional software development is required to create or adapt software for Lottery' needs. These software changes include scheduled administrative reports, ad hoc reports, BI reports, DLH updates/changes,

maintenance additions, interfaces, configuration adjustments, features required for the Lottery to manage the gaming systems, new games, and new functionality.

2. The parties will negotiate the terms and price for new capital equipment, facilities or third-party software licenses.
3. If there is conflicting information as it relates to requirements and/or Documentation, this must be resolved pursuant to the dispute resolution process set forth in Section 3.21. The Lottery and the Contractor must act reasonably and in good faith in resolving any such conflicts.

### 3.24 Liquidated Damages and Service Credit Provisions

Significance	Response Type
MANDATORY	ACCEPTANCE

The Lottery and the Contractor agree that it will be extremely impractical and difficult to determine actual damages sustained by the Lottery in the event that the Contractor fails to satisfactorily perform the requirements of the Contract as the goods or services procured herein are not readily available on the open market. The parties agree that the Liquidated Damages and Service Credits, as specified in all the sections below, are reasonable and are not greatly disproportionate to the loss likely to occur.

For Section 3.24, Liquidated Damages and Service Credits are collectively referred to as “Failure Charges.”

Failure Charges shall be in addition to, and not in lieu of, such other remedies as may be available to the Lottery. Except and to the extent expressly provided herein, the Lottery shall be entitled to recover Failure Charges under each section applicable to any given incident.

Remedies of the Lottery specified in this section or elsewhere in the Contract for breach or failure of performance by the Contractor shall in no way limit any other remedies available to the Lottery under the Contract; under any statute or regulation; or at law or in equity including, without limitation, all remedies of a buyer under the Uniform Commercial Code. All rights, powers and remedies shall be cumulative and concurrent. Any failure by the Lottery to exercise a remedy shall not be a waiver of any breach or nonperformance by the Contractor nor shall it prevent the Lottery from later exercising that or any other remedy. All assessed Failure Charges will be deducted from any monies owed the Contractor and, in the event the amount due the Contractor is not sufficient to satisfy the amount of Failure Charges, the Contractor shall pay the Lottery the balance within thirty (30) calendar days of written notification. In the event the Contractor fails to pay within the thirty (30) day calendar period, the Lottery may then make a claim for payment against the Performance Bond, with or without notice to the Contractor.

#### 3.24.1 Notification of Failure Charges

Significance	Response Type
MANDATORY	ACCEPTANCE

The Contractor is under an ongoing obligation to inform the Lottery within forty-eight hours (48) hours or any shorter period described in the Contract of any occurrence falling under any Failure Charge clause and becoming known to the Contractor. Failure to report such an occurrence is a Service Failure per occurrence, per day for each day that Contractor fails to notify the Lottery of any

Failure Charge occurrence. The Lottery may also be entitled to recover those Failure Charges for the occurrence itself, under the applicable section.

Upon determination that Liquidated Damages are to be assessed, the Lottery shall notify the Contractor of the assessment in writing. At the Executive Director's discretion, the notice may direct payment of the assessment by the Contractor in which case the Contractor will be required to pay the assessed Liquidated Damages within thirty (30) days of receipt of said notice, or in the alternative, the amount of the assessment of any Liquidated Damages may be collected by withholding the funds from any payment (or payments) due the Contractor.

Upon determination that Service Credits are to be assessed, the Lottery shall notify the Contractor pursuant to the Service Level Agreement as described below.

### 3.24.2 Severability of Individual Failure Charges

Significance	Response Type
MANDATORY	ACCEPTANCE

If any portion of the Failure Charges provisions is determined to be unenforceable in one or more applications, that portion remains in effect in all applications not determined to be invalid and is severable from the invalid applications. If any portion of the Failure Charges provisions is determined to be unenforceable, the other provision or provisions shall remain in full force and effect.

### 3.24.3 Waivers of Failure Charges

Significance	Response Type
MANDATORY	ACCEPTANCE

The waiver of any Failure Charges due to the Lottery shall constitute a waiver only as to such Failure Charges and not a waiver of any future Failure Charges. Failure to assess Failure Charges or to demand payment of Failure Charges within any period of time shall not constitute a waiver of such claim by the Lottery.

### 3.24.4 Applicability of Failure Charges

Significance	Response Type
MANDATORY	ACCEPTANCE

The Successful Bidder shall not be required to pay Failure Charges for delays solely due to matters as enumerated in the Section 3.33 (Force Majeure) or for time delays specifically due to, or approved by, the Lottery.

### 3.24.5 Conditions for Termination of Liquidated Damages

Significance	Response Type
MANDATORY	ACCEPTANCE

1. As determined appropriate by the Executive Director, the Contractor may obtain relief from the assessment of Liquidated Damages that have been imposed.
2. Except as waived in writing by the Executive Director, no Liquidated Damages imposed on the Contractor shall be terminated or suspended until the Contractor issues a written notice of correction to the Executive Director verifying the correction of the condition(s) for which Liquidated Damages were imposed, and the corrections have been subjected to Acceptance Testing or other verification at the discretion of the Executive Director.
3. The Contractor shall conduct the Quality Assurance Testing of the correction that the Executive Director or designee deems necessary. Such testing shall be developed jointly by the Lottery and the Contractor, and be approved by the Lottery, including test script, test environment and test result.
4. The documentation necessary for verification and approval of corrections shall be determined by the Executive Director or designee. The Executive Director or designee shall be the sole judge of the accuracy of any documentation provided. The Contractor's notice of correction will not be accepted until the correction has been verified by an Acceptance Test promptly conducted by the Lottery and the Lottery provides written concurrence with the test results.
5. Unless otherwise specified by the Lottery, System corrections must be sustained for a reasonable period of at least ninety (90) days from Lottery Acceptance, otherwise Liquidated Damages may be imposed without a succeeding grace period (in those cases where one is allowed) within which to correct.
6. The Contractor's use of resources to correct defects must not be allowed to cause other System problems.
7. The Contractor shall be required to certify that each defect so identified is corrected.

#### 3.24.6 Specific Clauses for Failure Charges

Significance	Response Type
MANDATORY	ACCEPTANCE

The specification of currently foreseen Failure Charges can be found in Chapter D and Chapter F. The Lottery reserves the right to amend, change or add provisions as deemed necessary based on Bidders Proposals.

#### 3.25 Ownership of Materials and Intellectual Property

Significance	Response Type
MANDATORY	ACCEPTANCE

For the purpose of this Section, the following words and phrases have the assigned definitions:

“**Documents**” are the originals of any databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes, disks, or other materials, whether in tangible or electronic forms, prepared by the Contractor, its employees, agents, or subcontractors, in the performance of this Contract.

**“Pre-Existing Intellectual Property”** means intellectual property developed prior to or outside the scope of this Contract, and any derivatives of that intellectual property.

**“Works”** means all inventions, improvements, discoveries (whether or not patentable), databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes, and disks conceived, reduced to practice, created or originated by the Contractor, its employees, agents, and subcontractors, either individually or jointly with others in the performance of this Contract. “Works” includes Documents.

**Ownership.** The Lottery owns all rights, title, and interest in all of the intellectual property rights, including copyrights, patents, trade secrets, trademarks, and service marks in the Works and Documents created and paid for under this Contract. The Documents shall be the exclusive property of the Lottery and all such Documents must be immediately returned to the Lottery by the Contractor upon completion or cancellation of this Contract. To the extent possible, those Works eligible for copyright protection under the United States Copyright Act will be deemed to be “works made for hire.” The Contractor assigns all right, title, and interest it may have in the Works and the Documents to the Lottery. The Contractor must, at the request of the Lottery, execute all papers and perform all other acts necessary to transfer or record the Lottery’s ownership interest in the Works and Documents.

**Pre-existing Intellectual Property.** Each Party shall retain ownership of its respective Pre-Existing Intellectual Property. The Contractor grants the Lottery a perpetual, irrevocable, non-exclusive, royalty free license for Contractor’s Pre-Existing Intellectual Property that are incorporated in the products, materials, equipment, deliverables, or services that are purchased through the Contract.

**Obligations.** Notification. Whenever any invention, improvement, or discovery (whether or not patentable) is made or conceived for the first time or actually or constructively reduced to practice by the Contractor, including its employees and subcontractors, in the performance of this Contract, the Contractor will immediately give the Lottery written notice thereof, and must promptly furnish the Lottery Authorized Representative with complete information and/or disclosure thereon.

**Representation.** The Contractor must perform all acts, and take all steps necessary to ensure that all intellectual property rights in the Works and Documents are the sole property of the Lottery, and that neither Contractor nor its employees, agents, or subcontractors retain any interest in and to the Works and Documents. The Contractor represents and warrants that the Works and Documents do not and will not infringe upon any intellectual property rights of other persons or entities.

### 3.26 Title to, and Use of, Third-Party and Contractor Intellectual Property Rights

Significance	Response Type
MANDATORY	ACCEPTANCE

To the extent that the Contractor utilizes or relies upon the Intellectual Property Rights of a third party in fulfilling its obligations under the Contract, the Contractor must provide the Lottery with assurance that the Lottery deems necessary that the use of such third party’s Intellectual Property Rights is permissible.

If the Lottery and the Contractor mutually agree that Intellectual Property Rights associated with any product and/or service provided by (or developed by) the Contractor under the Contract are and may remain the property of the Contractor, the Contractor must agree to grant a license to the Lottery to make use of any such Intellectual Property Rights on an indefinite basis with respect to Lottery

business activities. Compensation for the use of such licensed works, if any, must be clearly defined in the Price Proposal.

### 3.27 Patents, Copyrights, Trademarks, and Trade Secrets

Significance	Response Type
MANDATORY	ACCEPTANCE

The Contractor will take all possible measures to avoid any patent, copyright, trademark, and/or trade secret infringements during any phase developing, designing, or operating the system.

The Contractor will ensure that no violations or infringement of copyrights, patents, trademarks, and/or trade secrets are to be committed by its own employees, by any subcontractor, any of the subcontractor's employees, or generally any person acting under the control or acting by toleration of the Contractor.

The Contractor will ensure that all materials integrated in the system, including, but not limited to, software, databases, photographs, works of painting, audio and video works, music, and generally all works falling under the scope of the law protecting copyright, patents, trademarks, and/or trade secrets – are only used with the express consent of the author of the works. Lawful and correct use includes, if requested, the payment of usage or reproduction rights, the integration of the author's or producer's name, as requested for by law, and generally the respect of all the author's moral rights on the work.

The Contractor will assume all liability and will hold the Lottery harmless from any liability resulting from any infringement that occurs as the result of the Contractor's or subcontractor's actions.

### 3.28 Intellectual Property Indemnification

Significance	Response Type
MANDATORY	ACCEPTANCE

Notwithstanding any other indemnification obligations addressed within this Contract, the Contractor will indemnify; defend, to the extent permitted by the Attorney General; and hold harmless the Lottery, at the Contractor's expense, from any action or claim brought against the Lottery to the extent that it is based on a claim that all or part of the Works or Documents infringe upon the intellectual property rights of others. The Contractor will be responsible for payment of any and all such claims, demands, obligations, liabilities, costs, and damages, including but not limited to, attorney fees. If such a claim or action arises, or in the Contractor's or the Lottery's opinion is likely to arise, the Contractor must, at the Lottery's discretion, either procure for the Lottery the right or license to use the intellectual property rights at issue or replace or modify the allegedly infringing works or documents as necessary and appropriate to obviate the infringement claim. This remedy of the Lottery will be in addition to and not exclusive of other remedies provided by law.

### 3.29 Indemnification

Significance	Response Type
MANDATORY	ACCEPTANCE

The Contractor must agree to defend, to the extent permitted by the Minnesota Attorney General, indemnify, and hold harmless the Lottery and the Jurisdiction in which it operates, its agencies, officers, and employees, from any and all claims of any nature, including all costs, expenses, and attorneys' fees, which may in any manner result from or arise out of the negligent or more culpable act in the performance of its obligations under the Contract, except to the extent such claims result from or arise out of the Jurisdiction's sole negligence. The legal defense provided by the Contractor to the Lottery and the Jurisdiction under this provision must be free of any conflicts of interest, even if retention of separate legal counsel for the Jurisdiction is necessary. The Contractor also agrees to defend, to the extent permitted by the Minnesota Attorney General, indemnify, and hold the Lottery and the Jurisdiction harmless for all costs, expenses, and attorneys' fees incurred in establishing and litigating the indemnification coverage provided herein. This obligation shall continue after the termination of the Contract.

Nothing within this Contract, whether express or implied, shall be deemed to create an obligation on the part of the State to indemnify, defend, hold harmless or release the Indemnifying Party. This shall extend to all agreements related to the subject matter of this Contract, and to all terms subsequently added, without regard to order of precedence.

### 3.30 Confidential Information

Significance	Response Type
MANDATORY	ACCEPTANCE

The Contractor agrees to hold the Lottery's confidential information, including player information, in strictest confidence except as previously authorized in writing by the Lottery, and as permitted under Minnesota law.

The Contractor will agree to (i) use confidential information only in furtherance of the Contract, (ii) only to copy confidential information to the minimum extent necessary to perform the necessary tasks relating to the confidential information, and (iii) not to disclose the confidential information to any person or entity except those employees of the Contractor to whom the information has been disclosed who have a need to know the confidential information for purposes contemplated by the contract and to the extent permitted by Minnesota law. The Contractor's obligations under this section are perpetual and shall survive the conclusion of the Contract.

The Contractor is advised to also refer to the requirements in Section 1.21 (Public Records and Request for Confidentiality).

### 3.31 Taxes, Fees, and Assessments

Significance	Response Type
MANDATORY	ACCEPTANCE

The Lottery shall have no responsibility for the payment of any federal, state or local taxes which become payable by the Contractor or its Subcontractors as a result of the Contract. The Lottery reserves the right to offset any State liability against the compensation due the Contractor except for any tax liability for which an appeal is pending.

**3.32 Advertising**

Significance	Response Type
MANDATORY	ACCEPTANCE

The Contractor must not use the Lottery's name, logo, slogan, image, or any data arising or resulting from this RFP or the Contract as a part of any commercial advertising without the prior written consent of the Lottery. News releases pertaining to any service provided by the Contractor under the Contract will not be made without the prior written consent of the Lottery.

**3.33 Force Majeure/Delay of Performance**

Significance	Response Type
MANDATORY	ACCEPTANCE

A *force majeure* occurrence is an event or effect that cannot be reasonably anticipated or controlled and without the fault or negligence of the non-performing party. As herein used, *force majeure* means acts of war; terrorism; action of the elements; governmental interference; rationing; or any other cause which is beyond the control of the party affected and which, by the exercise of reasonable diligence, said party is unable to prevent delays arising as a result thereof or to predict and through advance planning avoid such delays.

Neither the Contractor nor the Lottery shall be liable to the other for any delay in or failure of performance under the Contract resulting from this RFP due to a force majeure occurrence. Any such delay in or failure of performance must not in and of itself give rise to any liability for damages; however, the Lottery may elect to terminate the Contract for convenience should its operations, in its sole judgment, be materially threatened by reason of extended delay or failure of performance. Notwithstanding the above, if the Lottery determines that the Contractor has not acted with reasonable diligence, the Lottery may terminate the Contract for cause in the event of a *force majeure* occurrence.

*Force majeure* shall extend the period for Contractor performance to such extent as reasonably determined by the Lottery or mutually agreed by the parties to be necessary to enable complete performance by the Contractor if reasonable diligence is exercised after the cause of delay or failure has been removed.

**3.34 Warranties**

Significance	Response Type
MANDATORY	ACCEPTANCE

The Contractor warrants that:

1. The Contractor is fully authorized and prepared to enter into and fully perform the terms and conditions of the Contract;
2. The Contractor has secured or will have secured all necessary rights, clearances and/or licenses with respect to all material and elements embodied in or used in connection with the performance of the Contract and any extension periods;

3. The products and services in all respects meet or exceed all of the Lottery's requirements set forth in the RFP and related documents; and
4. The Contractor will comply with all State laws, ordinances, rules and regulations applicable to its activities and obligations under the Contract.

### 3.35 Insurance

Significance	Response Type
MANDATORY	ACCEPTANCE

For the Term of the Contract, the Contractor must maintain the insurance listed below. The insurance coverage required by this Contract must be put into effect as of the effective date of this Contract and must remain in effect through the Term, as extended. Contractor shall not commence work under the Contract until it has obtained all the insurance described below and the Lottery has approved such insurance.

1. Commercial General Liability Insurance protecting them from all claims for damages for bodily injury, including sickness or disease, death, and for care and loss of services as well as from claims for property damage, including loss of which may arise from operations under the Contract whether the operations are by the Contractor, any subcontractor or by anyone directly or indirectly employed by the Contractor under the Contract, with limits of not less than \$2,000,000 per occurrence, \$2,000,000 annual aggregate, and \$2,000,000 annual aggregate – Products/Completed Operations. Such insurance shall include coverage from Premises and Operations Bodily Injury and Property Damage, Personal and Advertising Injury, Blanket Contractual Liability, and Products and Completed Operations Liability.
2. Errors and Omissions Insurance with limits of not less than \$15,000,000 with normal industry exclusions. Such insurance shall be continued for at least three (3) years after the expiration of the Contract. Errors and Omissions Insurance shall indemnify the Contractor and the Lottery for any loss which may be incurred due to any error or omission caused by the Contractor, its officers, employees or assigns, regardless of negligence. The Lottery will accept a certificate of insurance relating to the Errors and Omissions Policy in which the Lottery is named certificate holder and in which the insurance company commits itself to provide the Lottery with at least thirty (30) days prior written notice of cancellation, ~~termination or modification~~ of the policy. Any deductible will be the sole responsibility of the Contractor and may not exceed \$50,000 without the written approval of the Lottery. If the Contractor desires to have a deductible in a higher amount, the Contractor shall so request in writing, specifying the amount of the desired deductible and providing financial documentation by submitting the most current audited financial statements so that the Lottery can ascertain the ability of the Contractor to cover the deductible from its own resources.
3. Workers' Compensation Insurance: Except as provided below, Contractor must provide Workers' Compensation insurance for all its employees and, in case any work is subcontracted, Contractor will require the subcontractor to provide Workers' Compensation insurance in accordance with the statutory requirements of the State of Minnesota, including Coverage B, Employer's Liability. Insurance minimum limits are as follows:
  - a. \$100,000 – Bodily Injury by Disease per employee
  - b. \$500,000 – Bodily Injury by Disease aggregate

c. \$100,000 – Bodily Injury by Accident

If Minnesota Statute §176.041 exempts Contractor from Workers' Compensation insurance or if the Contractor has no employees in the State of Minnesota, Contractor must provide a written statement, signed by an authorized representative, indicating the qualifying exemption that excludes Contractor from the Minnesota Workers' Compensation requirements.

If during the course of the contract the Contractor becomes eligible for Workers' Compensation, the Contractor must comply with the Workers' Compensation Insurance requirements herein and provide the State of Minnesota with a certificate of insurance.

The Contractor's employees must be insured according to State law and must be covered to the full extent under Workers' Compensation.

4. Commercial Automobile Liability Insurance protecting the Contractor from claims for damages for bodily injury as well as from claims for property damage resulting from the ownership, operation, maintenance or use of all owned, hired, and non-owned autos which may arise from the operations under this Contract, and in case any work is subcontracted the Contractor will require the subcontractor to provide Commercial Automobile Liability, with Insurance minimum amounts of \$2,000,000 per occurrence -Combined Single limit for Bodily Injury and Property Damage, and including coverage for owned, hired, and non-owned automobiles.
5. Contractor shall maintain network risk and cyber liability insurance (including coverage for unauthorized access, failure of security, breach of privacy perils, as well as notification costs and regulatory defense) in an amount of not less than \$5,000,000. Such insurance shall be maintained in force at all times during the Term and for a period of two years thereafter.
6. The Contractor agrees that the Lottery will be named as an additional insured on all required insurance coverage (except Workers Compensation), and further agrees to submit to the Lottery certificates of insurance for each of the required coverage on the Effective Date.

### 3.36 Compensation Procedures and Mechanisms for Use During the Contract

Significance	Response Type
MANDATORY	ACCEPTANCE

Unless otherwise agreed to by the Parties, all payment will be made within thirty (30) days of submission of an invoice for services rendered.

In the case of Failure Charges imposed, the Lottery has the right to deduct assessed amounts from any and all payments due to the Contractor. Such deduction does not affect the Contractor's obligation to pay any amounts not deducted. If the Contractor has disputed in good faith, the Lottery's imposition of Failure Charges in accordance with Section 3.21, the Lottery will not deduct the Failure Charges assessment from payments due Contractor until any such dispute is resolved.

### 3.37 Notice

Significance	Response Type
MANDATORY	ACCEPTANCE

All notices given pursuant to the Contract shall be sufficient and deemed given upon receipt if in writing and sent by digital means with receipt acknowledged or by certified mail with receipt acknowledged. All other communications shall be sufficient if in writing and sent via electronic mail, courier or mail prepaid first class. Any such notice or communication shall be sent to the addresses of the respective parties, or such other addresses as may be designated from time to time by the parties in writing.

### 3.38 Acceptance Testing

Significance	Response Type
MANDATORY	ACCEPTANCE

The Lottery will conduct a series of acceptance tests to fully determine the passing or failing of the Contractor's installation in accordance with the specifications of this RFP and the Contractor's Proposal.

Failure of the Contractor to pass these tests may result in the Contractor having to make corrections, delay conversion, pay Liquidated Damages, or the Lottery may draw up to the full amount of the Performance Bond.

The system will be tested for each and every requirement in this RFP and for performance as stipulated in the Contractor's Proposal.

The Contractor's full and comprehensive assistance in arranging tests will be necessary.

The Lottery, at its sole discretion, will determine whether performance against the Acceptance Tests is adequate, and whether conversion can proceed as scheduled.

Passing an Acceptance Test in no way removes the obligation for the Contractor to meet and to continue to meet all requirements of the RFP and the Contract.

### 3.39 Ticket Purchase and Prize Payment Restrictions

Significance	Response Type
MANDATORY	ACCEPTANCE

No officer or employee of the Contractor or member of the immediate family of the officer or employee residing in the same household of the officer or employee may purchase a lottery ticket from the Lottery or be paid a prize from the Lottery from a game or promotion during the term of the Contract. For the purpose of this section, "immediate family member" means spouse, child, brother, sister or parent living in the same household as the officer or employee.

### 3.40 Fidelity Bond

Significance	Response Type
MANDATORY	ACCEPTANCE

The Contractor must maintain, during the Term of the Agreement and for at least one (1) year following the expiration of the Agreement, a Fidelity Bond in the amount of five million dollars (\$5,000,000) covering any loss to the Lottery due to any fraudulent or dishonest act on the part of

the Contractor, or any officer, employee, ~~subcontractor, or assignee of the Contractor~~. Contractor will require any subcontractor or assignee of the Contractor to also provide evidence of such Fidelity coverage. The bond must be in a form of a policy or certificate issued by a surety company licensed to do business in the Jurisdiction.

### 3.41 Performance Bond

Significance	Response Type
MANDATORY	ACCEPTANCE

The Contractor must provide a Performance Bond in the amount of five million dollars (\$5,000,000), which bond shall apply to the successful completing of the Contractor's obligations under the Contract. The Performance Bond may be annually renewable and/or on an industry standard form. The Performance Bond must be issued by a company authorized to do business in the State of Minnesota. In lieu of a bond, the Contractor may deposit securities or a letter of credit that meets the requirements of Minnesota Statutes §349A.07, subdivision 5.

The Lottery may make a claim against full amount of the Performance Bond ~~may be collected by the Lottery~~ if the Contractor defaults in the performance of the Agreement.

The contractual conditions shall permit the Lottery to request payment of an amount of money as compensation in respect of failure by the Contractor, or any other person acting in terms of or under the Contract for non-performance or inadequate performance. In the event of Liquidated Damages not being paid, the sum shall be set off against the Performance Bond. Inadequate funds in the Performance Bond will cause the Lottery to obtain relief from other sources of the Contractor.

### 3.42 Change of Ownership and/or Financial Condition

Significance	Response Type
MANDATORY	ACCEPTANCE

If the Contractor (or parent/holding company of the Contractor) experiences a Material Change in ownership or financial condition during the Term of the Contract, the Contractor must notify the Lottery Director in writing at the time the change occurs or is identified.

The failure to notify the Lottery Director of such a Material Change may result in the termination of the Contract. The Lottery has the right, upon notice of a Material Change, to review the suitability and qualifications of the Contractor after the Material Change. If the change is contrary to the best interests of the Lottery, the Lottery may terminate the Contract.

### 3.43 Adverse Interest

Significance	Response Type
MANDATORY	ACCEPTANCE

The Contractor shall have no interest and shall not, during the term of the Contract, acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder. The Contractor further agrees that, in the performance of the Contract, it will not knowingly employ, directly or indirectly, any person having such interest.

**3.44 Amendments or Modifications**

Significance	Response Type
MANDATORY	ACCEPTANCE

The Contract may not be modified, amended or extended unless in writing and signed by the Lottery and Contractor and any breach or default by either the Lottery or the Contractor shall not be waived or released other than in writing signed by the other party.

**3.45 Antitrust**

Significance	Response Type
MANDATORY	ACCEPTANCE

The Contractor will assign to the Lottery all claims for overcharges for goods and services provided in connection with the Contract resulting from antitrust violations that arise under the antitrust laws of the United States or the State of Minnesota.

**3.46 Immigration Certification**

Significance	Response Type
MANDATORY	ACCEPTANCE

Prior to delivery of any service, the Contractor must certify that they are in compliance with the Immigration Reform and Control Act of 1986 (8 U.S.C. 1101 et. seq.) and with Minn. Stat. §16C.075, and certify their use of the *E-Verify* system established by the Department of Homeland Security.

**3.47 Data Disclosure**

Significance	Response Type
MANDATORY	ACCEPTANCE

The Contractor must consent to disclosure of its social security number, federal employer tax identification number, and/or Minnesota tax identification number which it provides to the Lottery, to federal and state agencies, and state personnel involved in the payment of state obligations. These identification numbers may be used in the enforcement of federal and state laws which could result in action requiring the Contractor to file state tax returns, pay delinquent state tax liabilities, if any, or pay other state liabilities.

**3.48 Nondiscrimination**

Significance	Response Type
MANDATORY	ACCEPTANCE

The Contractor shall agree to comply with all Jurisdiction laws, rules and regulations involving nondiscrimination. The Contractor will agree to submit such reports of its compliance as are required

by the Lottery. The Contractor will require similar compliance by any subcontractor that will perform any of the work specified under the Contract.

### 3.49 Data Breach Event

Significance	Response Type
MANDATORY	ACCEPTANCE

The Contractor and the Lottery agree that Contractor will be the custodian of certain Lottery data, which may include “confidential”, “nonpublic”, “private”, and “protected nonpublic” data, as such terms are defined in the Minnesota Government Data Practices Act, Minn. Stat. Chapter 13 (the “MGDPA”).

The Contractor and the Lottery must comply with the MGDPA, as it applies to all data provided by the Lottery under the Contract, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Contractor under the Contract. The Contractor shall be therefore responsible for all Lottery data held by the Contractor under the Contract. The civil remedies of Minn. Stat. §13.08 apply to the release of the data governed by the Minnesota Government Data Practices Act, Minn. Stat. Chapter 13, by either the Contractor or the Lottery.

The event of a data breach as defined by applicable law, or any error or omission, negligence, misconduct, or breach that compromises or is suspected to compromise the security, confidentiality, availability, or integrity of Lottery data or the physical, technical, administrative, or organizational safeguards put in place by the Contractor that relate to the protection of the security, confidentiality, availability, or integrity of the Lottery data shall be considered a “**Data Breach Event**”.

In addition to complying with the MGDPA, the Contractor agrees to:

- a. Comply with all applicable law regarding the security of Lottery data; and
- b. Upon a Data Breach Event, as defined herein, follow the Data Breach Procedure (ref. section A7.13.3.1).

## 4 Pricing

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### 4.1 Introduction

Significance	Response Type
MANDATORY	ACCEPTANCE

This section describes the key elements of the Lottery's policy on pricing. The Bidder's Price Proposal must contain all of the information required in this chapter.

### 4.2 Price Proposal Requirements

Significance	Response Type
MANDATORY	FULL

The Price Proposal must be complete. The Lottery will reject a Price Proposal that does not provide all of the mandatory information requested. Pricing must not be included in the Technical Response.

#### 4.2.1 Pricing Format

Significance	Response Type
MANDATORY	ACCEPTANCE

The Bidder must submit pricing in the format specified in Chapter **GG** to this RFP.

#### 4.2.2 Base Price

Significance	Response Type
MANDATORY	FULL

The Base Price must be stated using the format specified in Chapter G to this RFP.

The Base Price stated by the Bidder must be for providing a system, equipment and services that at a minimum meet all of the Terms and Conditions, Technical Specifications and other requirements of the RFP.

The Base Price must include all Services, deliverables and/or features required by the RFP and/or proposed by the Bidder and/or presented by the Bidder, unless the Bidder specifically states that an item or feature will be provided as a separately priced option; see Section 4.3 (Pricing of Options).

The Base Price must include every expenditure required in this RFP and to fulfill the subsequent Contract. No other payments or reimbursements of any form are due other than those explicitly specified herein or in the Contract.

### 4.3 Pricing of Options

Significance	Response Type
IMPORTANT	ACCEPTANCE

The Bidder is encouraged to propose options regarding innovative functions, features, Services, and Solutions. The Bidder must present all optional items as separate line items in the Price Proposal. Unless identified as priced at an additional cost, all options will be considered to be included as part of the Base Price. Options are required to be deliverable products and/or services during the Term of the Contract.

#### 4.3.1 Specified Options

Significance	Response Type
MANDATORY	FULL

The Bidder must submit a price for providing Specified Options in the format specified in Chapter G to this RFP. Any item for which there is no additional fee (i.e., it is included in the Base Price) must be shown as No Charge (N/C).

The Lottery may select Specified Options at its sole discretion.

#### 4.3.2 Invited Options

Significance	Response Type
MANDATORY	ACCEPTANCE

If the Bidder includes Invited Options in the Technical Proposal, then the Bidder must also submit prices for Invited Options in the format specified in Chapter G to this RFP. Any item for which there is no additional fee (i.e., it is included in the Base Price) must be shown as No Charge (N/C).

The Lottery may select an Invited Option at its sole discretion, which may be implemented at the discretion of the Lottery over the Term of the Contract.

#### 4.3.3 Offered Options

Significance	Response Type
MANDATORY	ACCEPTANCE

If the Bidder includes Offered Options in the Technical Proposal, then the Bidder must also submit prices for Offered Options in the format specified in Chapter G to this RFP.

Any item for which there is no additional fee (i.e., it is included in the Base Price) must be shown as No Charge (N/C); see Section 1.17.4 (Pricing Information).

The Lottery reserves the right to waive the Bidder's right to request additional compensation for an Offered Option (if it is selected as the Successful Bidder and the Lottery desires the Offered Option) for failure to specifically exclude an Offered Option from the Base Price.

## 5 Proposal Evaluation

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### 5.1 Introduction

Significance	Response Type
MANDATORY	ACCEPTANCE

This section describes the Proposal Evaluation process that will be used to determine which Proposal provides the greatest overall benefits to the Lottery. The objective of the Proposal Evaluation process is to select the Bidder that can provide gaming system products and related services that best meet the needs of the Lottery as set forth in the RFP.

The ability of the Lottery to evaluate a Bidder's Proposal is dependent upon the completeness of the Proposal. The Lottery will reject the Bidder's Proposal or unfavorably evaluate the Proposal for failure of a Bidder to provide sufficient information requested by the RFP.

### 5.2 Evaluation Committee

Significance	Response Type
MANDATORY	ACCEPTANCE

The Lottery intends to conduct a comprehensive, fair, and impartial evaluation of Proposals received in response to this RFP. In making this determination, the Lottery will be represented by an Evaluation Committee. Members of the Evaluation Committee will not be identified or disclosed to the Bidder.

The Evaluation Committee will evaluate each Proposal that is properly submitted based on the information and material contained in that Proposal and make recommendations for contract award to the Lottery Executive Director. No other information, other than information in the Proposal and information obtained under Section 1.26 (Proposal Clarification Process), Section 5.3 (Information from Other Sources), or Section 5.4 (Presentations and Site Visits), will be accepted or used for evaluation by the Evaluation Committee. The Lottery Executive Director will then consider the recommendation and make a decision regarding the Evaluation Committee's recommendation.

For the sake of transparency, Bidders are advised that the Lottery may, in addition to its own staff, use QLot Consulting for supporting the evaluation of Proposals. QLot Consulting will not score any Proposals but may provide confidential opinions and information to the Evaluation Committee.

### 5.3 Information from Other Sources

Significance	Response Type
MANDATORY	ACCEPTANCE

The Lottery and the Evaluation Committee may obtain from sources other than the Bidder, information concerning the Bidder, the Bidder's capabilities, and the Bidder's performance under other contracts that the Lottery or the Evaluation Committee deems pertinent to the RFP and may consider such information in the Proposal Evaluation process. This may include, but is not limited to, the Chairperson of the Evaluation Committee engaging consultants and additional experts from

outside the Evaluation Committee to better inform the Evaluation Committee's findings, as well as references from other lotteries.

Information obtained from such sources mentioned above must be kept confidential, unless required otherwise by Jurisdictional law.

#### 5.4 Presentations and Demonstrations/Site Visits

Significance	Response Type
MANDATORY	ACCEPTANCE

During the Proposal Evaluation process, the Lottery requires the Bidder to present, discuss and demonstrate its elements of the Proposal, and to explain how its components would be applied to the specifications described in the RFP. This should help the Evaluation Committee and Lottery designated participants to better understand the proposed solutions. The process consists of two parts, the Proposal Presentation and the Demonstration/Site Visit.

##### A) Proposal Presentation

The Lottery requires that the Bidder present the Proposal offering following submission in a one (1) day presentation session with the Evaluation Committee and Lottery designated participants. Such a presentation should highlight the essence of the proposed solutions and may include demonstrations of key equipment, applications or functionality at the Bidder's discretion. The Lottery's objective is to have a good overall picture and understanding of the Proposal before starting the detailed technical evaluation.

The time for such Presentation is limited to seven (7) hours including the possibility to ask questions from the Evaluation Committee or Lottery designated participants. The Bidder may suggest the best suitable location to make such presentation in the most effective way, whether it is the Lottery Headquarter Office or in an adequate location nearby. The Bidder shall establish the agenda for that day (9-12am, 1-5pm) with some breaks, but the Lottery reserves the right to request specific presentations or information to be included in this presentation session. Bidders should note that Lottery staff are legally not permitted to accept any hospitality.

##### B) Demonstration/Site Visit

The Lottery will conduct Site Visits as described in Section 5.4.1 with Bidders whose Proposals are correctly submitted, meet all mandatory requirements, and are otherwise competitive.

The Bidder must not modify, alter, or revise its Proposal in its Presentation, Demonstration or Site Visit and must not include any pricing information. The Lottery will reject a Bidder's Proposal if any attempt is made by the Bidder to modify, alter, or revise its Proposal or to mention pricing information during this process.

The Bidder must bear all costs for any Presentation, Demonstration, Site Visits, except for all expenses of the Evaluation Committee and Lottery designated participants, which will be borne by the Lottery.

The Bidder's participation in and arrangement of any Demonstrations, Site Visits, and/or oral presentations is required, and constitutes part of the evaluation criteria. No part of the Presentation/Demonstration will serve to relieve the Bidder of any obligation as required under the Contract.

**5.4.1 Site suitable to be visited**

Significance	Response Type
MANDATORY	FULL

The Bidder shall propose three (3) sites, which may be suitable to be visited for Demonstrations (minimum one (1) located in North America) and explain why those sites are uniquely qualified for such a visit.

The Lottery strongly prefers that all proposed sites are within North America but would consider non-North American sites in exceptional circumstances, if no other suitable options are available.

**5.5 Evaluation Steps**

Significance	Response Type
MANDATORY	ACCEPTANCE

The Proposal Evaluation process and contract award process will consist of the following steps:

- Phase 1: Proposal Submission – Formal Requirements and Compliance Review
- Phase 2: Technical Proposal Evaluation, including Demonstrations and/or Site Visits
- Phase 3: Price Proposal Evaluation
- Phase 4: Determine the Best Overall Proposal
- Phase 5: Final Decision on Contract Award Recommendation

**5.6 Evaluation of Technical Proposals (or Evaluation Categories)**

Significance	Response Type
MANDATORY	ACCEPTANCE

Each of the technical (non-price) factors in the RFP will be evaluated by the Evaluation Committee. The evaluation method to be used is summarized below:

1. Review of Proposals by the Issuing Office and the Lottery's Legal and other designated representatives to assess compliance with Proposal submission requirements. Proposals that fail to meet all of the submission requirements as stated in the RFP may be rejected.
2. Review of Technical Proposals by the Evaluation Committee to assess compliance with the mandatory specifications and requirements of the Gaming System as set forth in the RFP. Proposals that fail to meet all of mandatory specifications as stated in the RFP or fail to meet all of the mandatory requirements as stated in the RFP, may be rejected.
3. A detailed evaluation by the Evaluation Committee of the proposed functions, features, services, and Solutions proposed by the Bidder in its Technical Proposal.
4. A review of the financial capability of the responding Bidders.
5. Requests for clarifications, if any, issued to responding Bidders.

6. Demonstrations and Site visits of the Bidders' proposed Solutions and services.
7. Final evaluation, review and scoring of Technical Proposals.

#### 5.6.1 Overall Scoring – Gaming System Proposals

Significance	Response Type
MANDATORY	ACCEPTANCE

The Lottery will apply the following scoring elements:

Evaluation Item	Points
Compliance with RFP	Pass/Fail
Bidder's Capability to Perform, including Financial Capability	10
Gaming System Infrastructure and Platform Services, Future Orientated	40
Communications Network	10
Application and Gaming Software, Security, Promotions, Other Systems	40
Digital Platform, Player Account Management, Flexibility, Ease of Adaptation	90
Scratch Games and Logistics Support	60
Prize Claims Management and Payments	30
Data Management and Reporting, Data Lakehouse & BI System	70
Relationship Management, Retailer Portal	50
Retail Equipment and Functionality, Future proofness	60
Governance, Service Management processes	20
Ongoing Services, Quality of Service Descriptions, Service Commitments	200
Implementation Plan, Integration and Conversion Support, Risks	50
Partnership Approach and Corporate Fit, Staffing Experience and Support	20
<b>TOTAL TECHNICAL</b>	<b>750</b>
Price	250
<b>TOTAL POINTS</b>	<b>1000</b>

#### 5.7 Evaluation of Options

Significance	Response Type
INFORMATION	NONE

The following sections provide guidance on how options will be evaluated by the Lottery.

**5.7.1 Specified Options**

Significance	Response Type
MANDATORY	ACCEPTANCE

Specified Options are defined in Section 1.1 (Terminology).

Specified Options will be evaluated as part of the Technical Proposal on the same terms as all other mandatory requirements and included in the overall evaluation.

**5.7.2 Invited Options**

Significance	Response Type
MANDATORY	ACCEPTANCE

Invited Options are defined in Section 1.1 (Terminology).

Invited Options may be given additional consideration in the evaluation of the Technical Proposals. An Invited Option may have a positive impact on the evaluation of the Bidder's Proposal but will in no circumstance have a negative impact.

The Lottery may evaluate the Proposal more favorably in general if at least some Invited Options are available.

**5.7.3 Offered Options**

Significance	Response Type
MANDATORY	ACCEPTANCE

Offered Options are defined in Section 1.1.1.1 (Marking of Additional Sections or Subsections).

Offered Options may be given additional consideration in the evaluation of the Technical Proposals. However, the appearance of strong Solutions for optional items may have a positive impact on the evaluation of the Bidder's Proposal but will in no circumstance have a negative impact.

**5.8 Evaluation of Price Proposals**

Significance	Response Type
MANDATORY	ACCEPTANCE

Evaluation of the Price Proposals will take place only after the Technical Proposal evaluation has been finalized, and will involve only Proposals that are considered acceptable based on the requirements in Section 1.14 (Responsive Proposal Submission Criteria) and are compliant with mandatory requirements.

**5.8.1 Best And Final Offer (BAFO)**

Significance	Response Type
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MANDATORY	ACCEPTANCE
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The Lottery is not planning to conduct a BAFO process but reserves the right to request a BAFO from selected Bidders if, after evaluation, the Evaluation Committee feels that material clarifications or changes to the project arising from the process should lead to cost reductions. ***The Lottery is sincere in this plan, and Bidders should propose their best price initially.***

The Lottery reserves the right to select the number of Bidders for the Best & Final offer, and/or to enter into negotiations. The evaluation scores related to pricing may be revised as a result of the Best & Final offer and/or negotiations.

## 5.9 Evaluation Committee Recommendation

Significance	Response Type
MANDATORY	ACCEPTANCE

Upon completion of the review of the Proposals, the Evaluation Committee will recommend to the Lottery Executive Director that the Lottery should begin negotiations for a contract for the lottery gaming system and related services with the Bidder that has submitted a qualifying Proposal that best meets the requirements of the RFP.

## 5.10 Negotiation and Recommendation

Significance	Response Type
MANDATORY	ACCEPTANCE

After review and approval of the recommendation of the Evaluation Committee by the Lottery Executive Director, the Lottery will begin to negotiate a Contract with the Bidder(s) that have been recommended by the Evaluation Committee. Contract negotiations will not address changes to material terms and conditions, services, products, options or pricing for performance of the Contract unless for the clear benefit of the Lottery. Bidders will be held to the terms submitted in their Proposal but may be required to reduce costs depending upon aspects of the proposed program that may be determined by the Lottery to be unnecessary or not cost effective. The Lottery will discontinue any contract award process for the Bidder's failure to meet these obligations.

First consideration will be given to the Bidder with the highest total points in the criteria listed in this RFP. In the event that contract negotiations are unsuccessful, the Bidder with the next highest number of points will be selected for consideration. Negotiations may continue at the sole option of the Lottery until a Contract is reached or all Proposals are rejected.

The final award decision will be made by the Executive Director or designee. The Executive Director may accept or reject the recommendation of the Evaluation Committee.

## A Bidder Information and Technical Specifications

Significance	Response Type
IMPORTANT	ACCEPTANCE

This section requires Bidder information and provides technical descriptions and specifications of the Systems and Services the Lottery requires. The Bidder's response to these sections shall be part of the Technical Proposal.

The Technical Proposal response to this Chapter A shall be limited to 800 pages excluding Lottery required Appendices and up to fifty (50) pages of pre-printed inserts.

Formal documents, such as financial reports, statements, certificates, etc. should be provided as attachments to the Technical Proposal. These pages do not count towards the page limitation.

### A.1 Introduction and Management Discussion

Significance	Response Type
MANDATORY	FULL

The Bidder shall provide a summary of its Technical Proposal, no longer than twenty (20) pages, including

1. Senior management statement: How the Bidder's senior management understands, and commits to, the partnership and service needs of the Lottery.
2. Understanding: How the Bidder understands the strategy of the Lottery and its objectives, i.e., how the proposed Services and Solutions support and drive the strategy of the Lottery?
3. Commitment: How is the Bidder going to provide excellent Services, help with integration challenges of the Lottery and its willingness to assume the lead and responsibility for potential future integrations into the gaming ecosystem? In this context of services as well as future integrations, the Bidder shall outline its commitment to the Lottery.
4. Superior: Why the Bidder believes its technical Solution is superior to its general market competitors (what clearly stands out?)
5. Added value: What the Bidder is offering over and above the minimum RFP requirements as part of the base offering (please list and refer to descriptions in the Proposal)
6. Evolution assessment: The envisaged evolution of the market, technology, and player base over the next 5 to 10 years in Minnesota and how the proposed Solution will meet those demands.

**A.2 Bidder Corporate Information**

Significance	Response Type
INFORMATION	NONE

**A.2.1 Introduction**

Significance	Response Type
IMPORTANT	FULL

The information requested in this section applies to the bidding entity as well as any subsidiary in any way contributing to the Proposal or to the performance of the Contract. In the case of the Bidder being a Consortium, a Joint Venture, or any other multi-member organization, the information requested in this section shall be provided for all members.

The Bidder must provide an overview and a chart of the structure of the bidding entity including the identification of all shareholders and/or partners and subcontractors.

The Bidder must submit its corporate information as part of the Technical Proposal. Corporate information must be complete. The Lottery will disqualify the Proposal if failure to provide all mandatory information has had a material impact on competition or otherwise prejudices the procurement process.

**A.2.1.1 Corporate Background Overview**

Significance	Response Type
MANDATORY	FULL

The Bidder must provide the following general information in the Technical Proposal:

1. The name and address of the Bidder submitting the Proposal
2. Type of business entity (e.g., corporation, partnership, etc.)
3. Place of incorporation, or other form of organization, if applicable
4. The name, address, telephone number, and email address of the Bidder's contact
5. Name and location of the major offices, production plants, and other facilities that relate to the Bidder's performance as proposed in its Proposal
6. The names, addresses, and functions of any and all subcontractors, associated companies, or consultants that have been or will be involved in any phase of the project
7. The name, address, telephone number, and email address (if available) of the Bidder's accounting or auditing firm
8. The name(s) of any and all law firms and/or individuals representing the Bidder within the Lottery's Jurisdiction
9. The names, addresses, and dates of birth of all persons or entities who own over five percent (5%) of the shares of the Bidder, and the names, addresses, and dates of birth of all officers and

directors; if the Bidder is a subsidiary, the Bidder must disclose the information required above for its parent and/or holding company

10. Any substantial change of ownership in the Bidder or the parent and/or holding company of the Bidder that occurred within the last year. Also, any pending changes should be disclosed to the extent permitted by Jurisdictional law and by regulatory agencies.

The Bidder is fully responsible for all aspects of the Proposal and, if applicable, the resulting Contract. In the case of the Bidder being a Consortium, a Joint Venture, or any other single- or multi-member organization, all members of such organization shall responsibly perform according to the Contract and one organization of the group shall be the responsible single point of contact.

#### **A.2.1.2 Applicable Experience**

<b>Significance</b>	<b>Response Type</b>
MANDATORY	FULL

The Bidder is required to demonstrate corporate experience, technical capability, and financial means to support the Contract.

The Bidder shall describe, in detail, its current and historical experience with lottery gaming systems and/or services; that is, descriptions and references of gaming industry engagements of comparable complexity and sensitivity that have been conducted by the Bidder over the past five (5) years.

Each experience statement shall include the following details:

1. Name of lottery or gaming enterprise(s) and estimated contract value, reflecting the estimated total revenue during the full contract period
2. Term of the contract including effective dates
3. Reason for contract end, if the contract is no longer in effect
4. Types of services directly provided by the Bidder under the contract and whether the Bidder was a prime contractor or subcontractor
5. Types and number of systems or components provided by the Bidder

The descriptions must include names, titles, addresses, and telephone numbers that may be contacted to verify qualifying experience. The Lottery may check the references with other lottery venues to ensure that the proposed products and/or services are in place and operational. If the experience is provided by a teaming partner or a subcontractor that will provide a Major Part, then experience information for that entity must be included.

#### **A.2.1.3 Contract Performance**

<b>Significance</b>	<b>Response Type</b>
MANDATORY	FULL

The Bidder must be a business in good standing with its customers and the business community. The Bidder must state whether any of the following have occurred:

1. If, during the last five (5) years, the Bidder has had a contract terminated for default or cause, the Bidder must submit full details including the other party's name, address, and telephone number.
2. If, during the last five (5) years, the Bidder, a subsidiary or intermediate company, parent company, or holding company was the subject of any order, judgment, or decree of any federal or Jurisdictional authority barring, suspending, or otherwise limiting the right or license of the Bidder to engage in any business, practice, or activity or, if trading in the stock of the company, has ever been suspended, the Bidder must submit full details along with date(s) and explanation(s).

If the experience is provided by a teaming partner or a subcontractor that will provide a Major Part, then the same performance information as above must be included for that entity.

#### **A.2.1.4 Capability to provide Proposed Equipment and Technical Infrastructure**

<b>Significance</b>	<b>Response Type</b>
MANDATORY	FULL

The Bidder must have the capacity to provide the technical hardware and equipment specified in the RFP.

1. **Manufacturing Plans.** The Bidder must describe its resources, capability, capacity, and plans for producing (through current inventory, manufacturing, purchasing, or modification) the equipment proposed to meet the requirements of the RFP. The availability of additional plants and secondary sources must be addressed.
2. **Manufacturing Quality.** The Bidder's Proposal must address manufacturing quality practices, and in particular whether the Bidder is certified under the ISO series or other recognized quality practices standards.
3. The Bidder must describe its relationships and experience with infrastructure suppliers or providers along with information about the related service agreements and guarantees.
4. The Bidder must describe its supply chain dependencies, resilience, contingencies, related risks and the steps it is undertaking to mitigate these risks for managing on-time deliveries. This requirement is particularly relevant considering potential supply chain shortages worldwide. In case of related issues, the Bidder must consider and clearly identify such in its Implementation Plan and provide suitable remedies.

#### **A.2.1.5 Software Development and Support Capabilities**

<b>Significance</b>	<b>Response Type</b>
MANDATORY	FULL

The Bidder must describe its capability to deliver by addressing the following:

1. **Software Development Lifecycle and Plans:**
  - a. The Bidder must describe its capability, capacity, and plans for developing, testing and maintaining software proposed to meet the requirements of the RFP and for the fulfilment of the Contract. This includes the approach for developing Lottery specific enhancements.

- b. The Bidder must describe, how its product roadmaps are designed and deployed at customer sites as well as how general enhancements are being introduced (along with how the Bidder ensures that existing functionality is not adversely impacted)
2. **Software Quality.** The Bidder's Proposal must address software engineering quality practices, and in particular whether the Bidder is certified under recognized quality practice standards; for example, the ISO series, CMMI, TUEV, MUSL, the NASPL Standards Initiative QA Best Practices, or similar.
3. **Software technology:** The Bidder shall describe software coding languages used for the major areas of the proposed System (including transaction engine and interfaces) and its readiness and flexibility for future changes.
4. Describe how the Bidder will meet Lottery and MUSL requirements on Software changes.
5. Describe how the Bidder will be handling changes to interfaces with existing systems and vendors (e.g. Backoffice, ICS, etc.).

#### **A.2.1.6 Research and Development Program**

<b>Significance</b>	<b>Response Type</b>
IMPORTANT	FULL

The success of the Lottery depends on the availability of new products, gaming features, and services. The Bidder must be capable of supporting the Lottery in this mission and describe its approach. In addition, the Bidder shall elaborate on the following:

1. The Bidder must describe its resources, capability, capacity, and plans for maintaining a research and development effort, specifically related to product marketing and sales.
2. The Bidder must provide at least five (5) concrete examples of such efforts and on how those have helped Bidder customers to develop its business – ideally within or close to the product portfolio currently offered by the Lottery.
3. The Bidder shall describe its tangible R&D efforts in the area of data management and analytics, its experience with artificial intelligence and machine learning as well as related deployments in the field.
4. The Contractor must also provide a report annually on research and development initiatives undertaken with Bidder customers globally and in the US.

#### **A.2.2 Bidder Certification Requirements**

<b>Significance</b>	<b>Response Type</b>
IMPORTANT	FULL

The Bidder must describe its certified technological solutions and certified best practices as available in this section. A certified solution or best practice is one that has achieved certification in the designated Certification Program.

The Bidder must submit any applicable Certification Certificate(s) as part of their Proposal. It is the responsibility of the Bidder to ensure that the Certification Certificate(s) is current and covers the

systems and best practices available, in accordance with the policies of the respective Certification Programs.

Certified Solutions and best practices in the following area(s) are considered important by the Lottery:

- Industry Standards (e.g. NASPL, WLA, MUSL Rule 2, etc.)
- Quality in Production and Development processes (e.g. ISO 9001 or similar)
- Security (e.g. ISO 27001, WLA-SCS, or similar and attached standards, such as ISO 27017, ISO 27018, NIST, or similar)
- PCI-DSS
- SSAE 18 / ISAE 3402 (e.g. of operational sites or similar)
- Responsible Gaming (e.g. of operational sites or similar)
- Corporate Social Responsibility and ESG
- Service Management (e.g. ISO 20000, ITIL®-4)
- Business Continuity Management (e.g., ISO 22301)

If a Bidder has not achieved certification, then principle corporate considerations and commitments regarding those listed areas shall be stated.

While the Lottery does not specifically require certification, the Bidder shall clearly state which certifications are proposed for the Services provided to the Lottery along with a committing timeline when such certification will be achieved.

### A.2.3 Financial Data

Significance	Response Type
MANDATORY	FULL

The Bidder must provide the following information as evidence of the Bidder's financial responsibility and stability for performance of the Contract. The Lottery reserves the right to require any additional information necessary to determine the financial integrity and responsibility of the Bidder.

1. The Annual Reports of the Bidder for the three (3) most recent years, or for as long as available if less than three (3) years.
2. The audited financial statements for the last three (3) years, or for as long as available if less than three (3) years.
3. For all publicly held companies, all financial reports filed within the past 12 months with the governmental entity regulating the stock exchange where the company's stock is traded
4. All financial reports filed within the past 12 months with a governmental entity where the Bidder is located or is conducting business

5. If the Bidder is a subsidiary of another company, the information required under paragraphs 1, 2, 3, and 4 above for the parent and/or holding company of the Bidder
6. Any quarterly reports of the Bidder or its parent/holding company to its shareholders within the past 12 months
7. If the Bidder will finance the project from internal sources, the specific resources that will be available and which resources are not available (e.g., committed to other projects, etc.)
8. If the Bidder is a subsidiary, and will rely on the financial resources of the parent/holding company to perform the requirements of the Contract, the parent/holding company's certification of the availability of its resources to the Bidder
9. If borrowing will provide any or all of the capital necessary for the Bidder to fulfill the requirements of the Contract, a Letter of Transmittal from a creditor

If the Bidder is a subsidiary of another corporation, and does not prepare separate financials, then the above information must be supplied for the parent corporation.

The Bidder should also highlight any major commitments and/or contingencies that are likely to impact, negatively or positively, upon its ability to fulfill the Contract obligations.

Members of the Bidder's firm with interests in other similar or related firms must explain in a letter to be submitted with the financial statements the extent of their investment and relationship with such firm(s).

The Lottery will disqualify a Bidder's Proposal for failure to submit the requested financial statements.

#### **A.2.3.1 Parent Corporation Resources and Subsidiaries**

<b>Significance</b>	<b>Response Type</b>
MANDATORY	FULL

If a Bidder or subcontractor is a subsidiary of a parent entity and the Bidder or subcontractor does not have its own, separate financial statements, the Bidder or subcontractor may satisfy its financial responsibility submission requirements by submitting the consolidated financial statements of its parent entity, if the consolidated financial statements include the activity of the Bidder or subcontractor. If a Bidder or subcontractor submits the consolidated financial statements of its parent, the parent must serve as financial guarantor of the Bidder or subcontractor with respect to the Contract. For the purposes of this subsection relating to consolidated financial statements, federal income tax returns must not be used as a substitute for certified financial statements.

If the Bidder is a subsidiary and will rely on the financial resources of the parent to fulfil this Contract, the parent must certify, in writing and in a form acceptable to the Lottery, the availability of its resources to the Bidder. Parent entities that serve as financial guarantors of subsidiary firms must be held accountable for all terms and conditions of the RFP and the resulting Contract and must execute the Contract as guarantor.

#### **A.2.3.2 External Funding**

<b>Significance</b>	<b>Response Type</b>
MANDATORY	FULL

The Bidder must list and provide details of all third-party financial vehicles and/or instruments that the Bidder plans to use to fulfill the Contract obligations.

#### **A.2.3.3 Bank Ratings and References**

<b>Significance</b>	<b>Response Type</b>
MANDATORY	FULL

The Bidder must provide a bank reference at the Bidder's primary banking location. The reference must include bank name, contact person, full contact details, as well as a description of the extent of the Bidder's business with the bank. If the Bidder is rated by any official rating agency, such reports must be submitted as well.

#### **A.2.4 Disclosure of Litigation and Business Relationships**

<b>Significance</b>	<b>Response Type</b>
IMPORTANT	FULL

The Lottery has a strong interest in the Bidder's current and continuing ability to produce secure, high-quality products and/or services. The Bidder must include, as part of their Technical Proposal, a complete disclosure of any pending civil or criminal litigation, administrative or regulatory proceedings, or indictment involving the Bidder that may affect the ability to produce and/or deliver the desired products and/or services for any such proceedings having commenced 2019 and later. The Bidder must also disclose any such pending litigation for any of its employees or subcontractors.

The Bidder must state whether owners (unless a public company), officers, or primary partners have ever been convicted of a criminal offense. The Bidder may also be required to identify employees or subcontractors working on their account that have been convicted of a criminal offense. The Bidder must also disclose any civil or criminal litigation or indictment involving any of its joint ventures, strategic partners, prime contractor team members, and/or subcontractors, if this subcontracting party comprises at least ten percent (10%) of the financial quotation of the Bidder's Proposal.

The Bidder must also declare any and all ongoing business relationships with any Lottery employee, director, or any other person or organization being associated with the Lottery. The Lottery will reject a Bidder's Proposal or terminate any subsequent Contract for failure to disclose any such relationship.

This is a continuing disclosure requirement. Any such matter commenced after the Bidder has submitted a Proposal in response to the RFP and with respect to the Successful Bidder after the execution of a Contract must be disclosed to the Lottery in writing within ten (10) calendar days after it has been filed or upon establishing the relationship. The Lottery will disqualify the Proposal if failure to disclose has had a material impact on competition or otherwise prejudices the procurement process.

#### **A.2.5 Subcontractors**

<b>Significance</b>	<b>Response Type</b>
MANDATORY	FULL

For any subcontractor that provides a Major Part, such Bidder must disclose all of the information required by Section A.2.1.2 (Applicable Experience) for such subcontractors as if the subcontractor itself were the Bidder.

#### A.2.6 Conflict of Interest

Significance	Response Type
MANDATORY	FULL

A conflict of interest may exist whether or not a financial interest is involved, and a conflict of interest would include, but would not be limited to, a director, officer, employee, retailer, or existing contractor of the Lottery, or any member of his/her immediate family having control or a significant influence in the Bidder and/or obtaining financial gain with the award of any Contract to the Bidder.

The Bidder must disclose in its Proposal the nature and extent of any real or apparent conflict of interest that would arise from the award of a Contract to the Bidder. The Bidder must give written notice of the cause and circumstances of any conflict of interest and indicate the portion of the services affected by the conflict of interest.

The Bidder must disclose the following information by either providing the information requested or by confirming that they have read the request and declare that it is not applicable. The Lottery will terminate the Contract or disqualify the Proposal for failure to disclose any such information.

1. List any conflict of interest with the products, promotions, and goals contemplated by the Lottery that could result from other projects in which the Bidder or any of the staff members designated to work on this project are involved.
2. The name, contact details, and current position title of any Lottery employee, director, or any other person associated with the Lottery, or any member of the Evaluation Committee (if known), having any direct or indirect affiliation with the Bidder.
3. The name, title, and affiliation with the Bidder of any Lottery employee, director, or any other person or organization being associated with the Lottery, or any member of the Evaluation Committee, and who owns, directly or indirectly, an interest of five percent (5%) or more in the Bidder's company or any of its branches or affiliates.
4. The name, title, and affiliation to the Bidder of any employee, agent, lobbyist, previous employee of the Lottery, or other person, who has received or will receive compensation of any kind in connection with this procurement.

#### A.2.7 Affirmative Action and Equal Pay

Significance	Response Type
MANDATORY	FULL

A Bidder's Proposal must include a completed Workforce and Equal Pay Declaration Page. A copy of the form is attached through Chapter H.

### A.3 Summary-Level Requirements

Significance	Response Type
INFORMATION	NONE

The sections below are intended to provide the Lottery an understanding of the overall Gaming System architecture, the approach and the related Services offered by the Bidder.

Please note: If the required information cannot be provided (e.g., due to unknown detailed cloud infrastructure), then the Bidder shall refer to such situation in the respective response but still provide as much detail as technically possible.

#### A.3.1 Overview

Significance	Response Type
MANDATORY	FULL

The Bidder shall provide an overview of the entire integrated System including its architecture principles. Such an overview should be in the range of 15 pages in total. The Bidder shall summarize how the proposed architecture (software, hardware, databases, interfaces, etc.) and its underlying principles will meet the Lottery's objectives including but not limited to:

1. Efficiency and availability/reliability of new architecture
2. Flexibility and speed of modifying current games and adding new games
3. Ability and flexibility for modifying current channels, interfaces, and third-party system integration
4. True omni-channel and single player view concept by integrating data and processes across all current and future Sales Channels
5. Environment where all data updates and transactions are processed in a preferably real-time environment and immediately available to all channels and processes once reliably committed to the System.
6. Modern state-of-the-art and proven industry-standard Solution for all elements of the technical architecture, in line with, or at least ready for, technical service concepts.
7. Bidder's Solution roadmap and end-of-life information for all major components offered (gaming system solution, terminals, vending machines, or any other relevant equipment provided).
8. Security: Secure architecture, integrity and protection of data and availability of the System
9. Integration options into the Lottery's Active Directory Domain Services (AD DS) system for ease of managing access control across the organization.
10. Segregated systems and environments, specifically production and administrative as well as test environments.

**A.3.2 Flexibility of the System**

Significance	Response Type
IMPORTANT	FULL

The Bidder should describe, supported by responses elsewhere in the Proposal, how the System is flexible and can evolve to accommodate future changes in sales technologies and sales channels, and can be tailored to the business needs and rules of the Lottery. Flexibility and adaptability are critical as the gaming environment can be expected to significantly evolve over the course of the Contract.

**A.3.3 Tested and Certified Equipment**

Significance	Response Type
MANDATORY	FULL

The Bidder must confirm that the proposed equipment has been inspected for safety and approved by a reputable testing laboratory to the extent reasonably possible, and that all proposed equipment is in compliance with regulations applicable for devices of the class proposed in the Jurisdiction of the Lottery (e.g., FCC, UL, CE, TUEV, etc.) as well as related Lottery, MUSL and WLA-SCS requirements (e.g., RNG testing). Proof of such compliance may be requested by the Lottery at any time prior signing of the Contract.

Alternatively, if the devices proposed are new, and not yet inspected and/or certified, the Bidder must commit in the Proposal that it will submit a document showing certification as of Contract signing.

The Bidder must also reference Section 4.2 (Bidder Certification Requirements) to ensure that any additional certification requirements specified in those sections are met in full.

**A.3.4 New and Unused Equipment**

Significance	Response Type
MANDATORY	ACCEPTANCE

The Bidder must commit that all proposed systems, networking equipment, retailer terminals, other POS equipment, etc. are new and unused. The equipment proposed must be compliant with current electronic technology manufacturing standards and be of current manufacture by the Bidder or its suppliers. All hardware models installed must represent the then-current equivalent or better equipment in case a proposed device is phased out or replaced.

The Bidder must also ensure that all the equipment proposed is compliant with any applicable jurisdictional and regulatory requirements and provisions in the context of electronic equipment supply.

Note: For shared infrastructure (e.g., provided through 3<sup>rd</sup> party Infrastructure-as-a-Service, Cloud, etc.), the Bidder must warrant that such equipment is new and unused. For such, the suitability, performance and other technical requirements as expressed in this RFP must be met in minimum.

**A.3.5 Architecture and Infrastructure Diagrams**

Significance	Response Type
IMPORTANT	FULL

The Bidder's Proposal should include logical drawings and/or diagrams for systems, applications, and network connections including databases and middleware illustrating all expected deliverables included in the Proposal.

The diagrams must clearly show the deliverables and the interfaces. Any areas out of scope must also be clearly identified.

The Bidder shall declare any open-source components in their solution, the license, and whether the Bidder has an agreement with any vendor to support it.

**A.3.6 System Hardware and System Software Upgrades**

Significance	Response Type
MANDATORY	FULL

All system hardware and system software must be replaceable at any time by more modern models or versions simply by means of system upgrades. All system hardware and system software must be fully supported by the respective manufacturer or supplier at all times during the Contract and for a period of 12 months thereafter.

In case support for any hardware module, component, or system software is discontinued by the manufacturer or supplier, the Contractor must replace, if required by the Lottery, the respective hardware modules, components, or system software modules at its own cost (including integration, test and acceptance) prior to the support being discontinued. The Contractor must without delay inform the Lottery of any such support discontinuation upon becoming aware of such situation.

All of the above equally applies for any related IaaS offerings and must be assured by the Contractor.

The Bidder must describe how they will ensure that the System will be upgraded or enhanced throughout the term of the Contract in order to ensure that the System and its components do not become antiquated or outdated and to ensure that the System and its components are kept as current as necessary to support the Lottery's business goals.

**A.3.7 Omni-Channel Requirements**

Significance	Response Type
IMPORTANT	FULL

One of the key improvements the Lottery is seeking to achieve is to have an integrated system for a true omni-channel Solution centered around its players and customers (even while the Lottery may not fully utilize the related potential at the time of conversion). The Bidder is required to describe how the Solution and architecture proposed allows for a true omni-channel system including but not necessarily limited to:

1. The overall Solution and architecture to integrate retail and digital channels

2. How the proposed Solution will support seamless player journeys across all channels (for example, combinations of retail play and digital second chance promotions, etc.)
3. Possibilities offered by the Solution for interacting with players at retail through digital channels (whether registered or not)
4. How the player can access and see its data and transactions through various channels, including updating frequencies
5. Player digital wallet use, including electronic payments across all channels, in particular at retail (e.g., payment of certain winnings to the digital wallet, payment for play at retail, etc.).

### A.3.8 Service Oriented Approach

Significance	Response Type
MANDATORY	FULL

The Lottery is looking for a superior partner and an effective business relationship. It has therefore structured this RFP partially based on Services to be delivered to the Lottery. Such a relationship must be governed by a strong model and well structured, professional service management principles and processes, which apply for all Services required in the RFP.

The Lottery objectives for this approach are:

- Lower operating costs due to greater efficiency
- Increase Lottery staff satisfaction due to an enhanced service experience
- Higher quality of services due to a more deterministic and transparent way of the services being provided.

The Bidder shall fully describe, by considering the related Lottery objectives, its offered governance and service model, including, but not limited to,

1. the local service delivery process and organization, including committed resources,
2. the remote supporting service organization, including committed resources,
3. policies, procedures, and governing rules,
4. meeting types and frequencies,
5. reporting processes and commitments covering in minimum the requirements of this RFP,
6. remote technical support processes, levels, and coverage; as well as
7. any required needs from the Lottery in support of the proposed model.

The Bidder should also state at least two (2) references, including contact details, where such specific service models are delivered to other Lottery clients.

Any formal certifications related to the Bidder's service management practice are highly desirable (e.g., ISO/IEC 20000-1:2018), but not mandatory.

**A.3.8.1 Service Management**

Significance	Response Type
MANDATORY	FULL

The Lottery requires professional IT Infrastructure Library (ITIL®)-based Service Management principles for the purpose of managing and delivering vendor services.

The Contractor must operate in a manner which is in support of these principles. At a minimum, the Bidder should have practices and management processes for

1. service portfolio,
2. relationships and agreements,
3. supply and demand,
4. service design,
5. build and transition (including change and release management),
6. resolution and fulfilment (including incident, service request and problem management); and
7. service assurance.

The Bidder shall describe its capabilities, processes and principles applied in this regard and provide evidence and references for such implementations.

**A) Change Management**

The Contractor must provide a Change Management Service through implementing and following standardized configuration management and change management processes. In providing such standard processes, the Contractor must use various tools in its day-to-day business, including but not limited to tools for Documentation, for change control and tracking as well as for source code management.

The services and tools along with the Contractor's documented procedures must ensure that:

1. a clear change management and approval process is established and supported by a ticketing based workflow;
2. only Lottery approved changes will be implemented;
3. changes will only be deployed after having been verified on the Lottery's QA System;
4. software version checksums will be provided into the QA System and then reapplied when moved into production; and
5. all Documentation is stored and maintained within the Contractor's documentation platforms and can be audited

**B) Incident Management**

The Contractor must provide an Incident Management Service including the following:

1. ticketing;

2. investigation process;
3. escalation process;
4. reporting; and
5. service review.

All issues and incidents related to the Gaming System and related Contractor services identified must be immediately captured and entered into the ticketing/ID system (see below requirements) by the identifying party (Contractor or Lottery). The Lottery shall be solely responsible for assigning the correct Incident Priority and the Contractor shall handle the incident accordingly.

All issues and incidents related to the Gaming System must be triaged and responded to initially by the Contractor On-Site Personnel and, if needed, be supported by the Contractor remote personnel.

High priority incidents (P1/P2) within the responsibility of the Contractor shall be managed by the Contractor Personnel according to agreed, documented processes and must include frequent status updates to the Lottery sufficient for communication and coordination purposes.

Low priority incidents (P3/P4) will be converted to problem records and investigation will be managed and prioritized by the Lottery's technical team.

Definitions of P1, P2, P3 and P4 can be found in Chapter E1 .

### **C) Problem Management**

The Contractor must provide a problem management service including the following:

1. ticketing;
2. investigation process (including comprehensive root cause analysis);
3. reporting;
4. Major Incident Reports;
5. post incident reviews for P1 incidents; and
6. service review for effectiveness of problem resolution.

Where the root cause has been identified, but the problem has not been permanently resolved, the Contractor must determine actions to reduce or eliminate the impact of the problem on the Contractor Solution.

### **D) Ticketing Tool**

The entire process must be supported by professional workflow- and ticket-based systems and tool, the Ticketing Tool, which shall be Lottery dedicated or at least have a dedicated secure instance/environment. The Bidder shall explicitly name and propose its preferred tool (which can be cloud based).

The Tool must be set-up to include and handle the following, but not limited to:

- a. all issues, problems, defects, changes, or other requests, incidents, etc. reported by the Lottery to the Contractor being captured and documented as tickets

- b. all Contractor internally identified matters including, but not limited to, issues, problems, defects, requests, incidents, breaches, Degraded Performance, related to the provided Services must be immediately captured and documented in such tool and kept up to date
- c. provide for automatic email notifications upon certain triggers (e.g., new ticket, severability, type, change, deadlines approaching / expired) to Lottery designated individuals
- d. pro-active, documented and effective root cause analysis is conducted by the Contractor for all captured incident-type or improvement-worth tickets with Solutions addressing the root causes being identified and documented in the tool
- e. full access is possible for designated Lottery staff at any given time
- f. comprehensive reporting capabilities exist within the offered tool (e.g., dashboards, various metrics and SLA reports, which will be agreed upon, detailed itemized reports, etc.);
- g. monthly reports and statistics are created documenting the service performance and support the service management meetings between the Lottery and the Contractor
- h. Lottery approval for proposed categories, types and fields to enable meaningful analysis and reporting
- i. Asset and configuration management: All assets provided by the Contractor must be captured, tracked, and managed (e.g., using a Configuration Management Data Base/CMDB or other suitable means). This shall also help identify components quickly, in case of reported vulnerabilities (e.g., log4j issue).

The Bidder shall be responsible for implementing and configuring the tool and the related functionality in line with related Lottery approvals. The Bidder shall indicate the availability of the tool in the Implementation Plan (ref. Section A.9.1.2).

#### **A.3.8.2 Service Level Agreement**

<b>Significance</b>	<b>Response Type</b>
MANDATORY	FULL

The Lottery will establish Service Level Agreements to guide the services delivered between the Contractor and the Lottery. The Lottery has provided a draft Service Level Agreement (SLA) as part of this RFP in Chapter E. The final form of this Service Level Agreement shall be incorporated into the Contract. This SLA will inherit any final, agreed Service Descriptions between the Lottery and the Successful Bidder as those are finalized during the Functional Specification phase in line with the Solution offered.

Bidders should review the provisions and are welcome to suggest improvements to the Lottery, in case the Bidder is willing to commit to better terms.

The Bidder must propose a method of checking and reporting on the respective Service Levels. Performance reports shall be provided on a weekly, monthly, quarterly, and annual basis, subject to agreed processes with the Lottery. The performance reports shall provide measurement and analysis of performance against defined Service Targets.

Bidders committing to higher levels of Service and Availability will be evaluated accordingly. The Contractor will be held to the proposed and agreed Service Levels through a Service Credit scheme and corresponding financial remedies.

**A3.8.2.1 Service Descriptions**

Significance	Response Type
MANDATORY	FULL

The Lottery requires the Bidder to describe the offered Services and provide a corresponding Service Description (where indicated in the respective requirement sections below). The Service Descriptions will become part of the overall Service-related agreements.

The Lottery has provided a draft Service Description template as part of this RFP in Chapter D for the Bidders mandatory use.

## A.4 Gaming System

Significance	Response Type
INFORMATION	NONE

The following sections describe the technical requirements of the Lottery for the Central Gaming System, which include, amongst others, services for infrastructure, system and application software and certain specific functionality.

### A.4.1 Gaming Infrastructure and Platform Services

Significance	Response Type
MANDATORY	FULL

The Contractor will be required to provide and operate the supplied hardware, software (including operating systems, application software, management software and network interfaces), applications, databases and supporting systems to run the proposed gaming, gaming related or administrative transactions as a service over the term of the Contract.

The functional objectives of the central gaming system(s) that the Bidder shall address include, but are not limited to:

1. provide continuous Gaming System availability for sales, validations, reporting on an all year 24/7 operations basis,
2. prevent compromise of the integrity or loss of any game(s), transactions or data,
3. provide for continuous, comprehensive, and professional (cyber-)security protection against external threats across all potential access points and interfaces,
4. how duties and processes are segregated, and internal security and integrity are maintained,
5. provide continuity or recovery in the shortest time in the event of System component failures or other failures leading to Degraded Performance (including, but not limited to effective back-up and restoration processes),
6. meet all statutory and regulatory requirements of the Jurisdiction, and
7. meet all relevant MUSL rules and Lottery requirements. In particular, if cloud-based environments are part of the proposed solutions, Bidders must specifically confirm and address compliance with MUSL rule 2, chapter 2.23 “Cloud Hosting”. The Proposal must further describe, in detail and for all individual sub-items listed, how the Bidder will support the requirements of subchapter 2.23.2, as applicable for the Lottery and the Contractor.

The minimum requirements to meet the general objectives stated above are that the Bidder shall provide a fault-tolerant, fully redundant Central Gaming System configuration that is capable of meeting current industry very high availability requirements as defined in Section E1 . In the event that the high availability requirements lead to significantly higher costs related to specific cloud zone configurations, etc., the Bidder may provide, through an Offered Option fully describing the solution and its alternative implications, an additional secondary offering for the Lottery’s consideration and clearly state the then related maximum overall availability guarantees (i.e., alternative proposed

General Gaming System Service Availability). The Offered Option must then also be separately priced in the Price Proposal.

The Lottery requires a highly integrated configuration capable of handling the immediate and long-term needs of the Lottery, as defined in the following sections and sub-sections. In general,

- a) The Bidder must describe how they will perform and report to the Lottery on a technology review at least every twenty-four (24) months during the term of the Contract in order to ensure to the Lottery that the System is not antiquated or outdated. The Lottery may consider technology being **outdated**, in case any of the following causes limitations:
- **Compatibility Issues:** The technology does not integrate anymore with modern hardware, software, or operating systems. It lacks support for the latest protocols, standards, or APIs required for interoperability.
  - **Performance Limitations:** The technology cannot handle current workloads or scalability requirements. It fails to meet relevant performance benchmarks, such as processing speed, storage capacity, or network throughput.
  - **Security Vulnerabilities:** The technology is susceptible to known security exploits and/or lacks modern, advanced security features. It does not comply with updated regulatory and compliance standards.
  - **Feature Deficiencies:** Missing functionalities that may be standard in newer technologies, such as automation, AI/ML integration, or cloud compatibility. Lack of support for emerging trends like Augmented or Virtual Reality, IoT, edge computing, or blockchain/decentralization.
  - **Discontinuation of Development:** The Contractor or Sub-contractor/vendor has stopped releasing new versions, updates, or patches. There is no roadmap for future enhancements or innovation.
  - **Market Trends and Industry Adoption:** The technology is no longer widely adopted or has been replaced by superior alternatives in the market. May also be related to Sustainability and Green Technologies.
  - **Inability to Meet Business Needs:** The technology does not align with evolving business strategies or digital transformation goals. It limits growth opportunities and innovation due to outdated capabilities.

The Bidder should also describe how such a process is typically addressed in other similar jurisdictions.

- b) the Lottery requires a Gaming System configuration that will meet its objectives throughout the term of the Contract. At a minimum, the configuration implemented at start-up will provide a System that fully meets the functionality and availability requirements of the Lottery. The Bidder should describe how this will evolve over time and be handled.

The entire Gaming System infrastructure service can be provided, established and implemented in the preferred way by the Bidder, provided it meets the Lottery's availability, reliability and performance requirements specified in this RFP. This may include on-premises, cloud-based, remote, hybrid, or any other configuration as deemed appropriate by the Bidder. The only limitation to the implementation is that the physical sites and all data must be located within the geographic region of

North America. For the avoidance of doubt, the Lottery will not provide any related gaming system infrastructure in its own data center.

The Bidder shall add to its response in this section a formal Service Description by using the template provided in Chapter D.

#### **A.4.1.1 Hardware and System Software Services for a Primary Site**

Significance	Response Type
MANDATORY	FULL

The Bidder must provide a complete description of the main Infrastructure Site configuration. At a minimum, the Bidder's proposed Gaming System at the Primary Site must provide for the following services:

1. Transaction Processing/Databases/Games Administration Hosts: All game, databases, player and games administration functions for mission-critical retail, scratch ticket and digital support must be supported by a protectively redundant configuration. A component or module failure in one system must not cause a failure in the other system(s).
2. Failover: Redundant system(s) must immediately assume the load in case of a failure in one system, without loss or corruption of any data and transactions received prior to the time of the failure.
3. Operations Procedures and System Switchover: Procedures for technical operations staff, especially regarding failure situations, must be straightforward. It is required that in addition to operator-prompted failover, the System can recover from failures without operator intervention ("auto-failover").
4. Secure Connections: There must be no ability to connect into the Gaming System from any remote non-Retailer Terminal without Lottery approval and knowledge. Any such capability, such as remote monitoring or diagnosis of equipment or software, must employ stringent security mechanisms. Connections to other remote systems and terminals must be protected by firewalls, encryption and/or other state-of-the-art security means. Any routers must route traffic only to addresses defined in their routing tables as valid. All remote activities performed on the Gaming System must be logged in detail and be fully auditable. The acceptability of any such security approach will be subject to Lottery approval.
5. Time Synchronizing: All systems in the configuration must have a time synchronizing mechanism to ensure consistent time recording and reporting for events and transactions and in a time format acceptable to the Lottery. The Lottery requires synchronization based on Central Daylight Time (CDT, including any Daylight-Saving Time changes) to always correctly reflect current Minnesota time.
6. Any Primary Data Center infrastructure and configurations must be MUSL, ISO 27001 and WLA-SCS compliant and meet any related, reasonable Lottery's requirements.

#### **A.4.1.2 Hardware and System Software Services for a Secondary Site**

Significance	Response Type
MANDATORY	FULL

The Bidder shall also propose a Secondary Site, mainly for fault-tolerance purposes. It is therefore assumed that such Site is geographically located in sufficient distance from the Primary Site to achieve and maintain the required availability- and performance-related Service Levels, even in adverse situations. The Bidder must provide a complete description of a Secondary Site configuration. At a minimum, the Bidder's proposed Gaming System at the Secondary Site must provide for the following:

1. **Adequate Backup Servers:** The Contractor shall provide sufficient backup systems that will take over the Primary Site systems if necessary. Data transferred to and recorded at the Secondary Site must always contain the most recent transactions and data, allowing such takeover. The Retail network must have a routing independent of the Primary Site so that the Secondary Site can be reached by data communications without the Primary Site in place.
2. **Games administration functions** must be available uninterrupted irrespective of which site or node(s) are in operation at any given time. The Contractor's staff shall demonstrate on a regular basis that the redundancy measures are fully functional by operating in production with the redundancy measures fully activated.
3. **Secondary Site Sizing:** The redundant solution(s) must provide and meet the same Service Levels as the Primary solution.
4. **Secure Connections:** All system(s) must have the same secure connectivity specifications.
5. **Time Synchronizing:** All system(s) must follow the same time-synchronization as at the Primary Site.
6. **Any Secondary Data Center infrastructure and configurations** must also be MUSL, ISO 27001 and WLA-SCS compliant and meet any related, reasonable Lottery's requirements.

#### **A.4.2 Gaming Software requirements**

<b>Significance</b>	<b>Response Type</b>
MANDATORY	ACCEPTANCE

The Lottery is looking for an integrated, modular Solution providing high flexibility, efficiency and opportunities for its various game offerings as well as marketing and promotional activities. In addition to selling and cashing tickets (and canceling select games meeting certain criteria), the System must provide particular features and functions to meet requirements for secure and efficient operation.

The proposed System, including security features, files, and related processes, must conform to existing or future applicable NASPL, WLA and/or multi-state lottery standards. The response to this RFP must include specific details explaining how the proposed system will achieve or exceed each of the requirements in the following subsections.

The Gaming System application software provided should therefore be flexible, of modern design and architecture with current programming languages and toolsets to ensure comprehensive and professional support being available throughout the Contract Term. The Lottery will require adjusting available features and functions to the Lottery's needs and business processes during the Functional Specification phase in line with the requirements and information provided in this RFP. The Bidder shall describe its offering in addressing those requirements.

**A.4.2.1 Application & Gaming Software**

Significance	Response Type
MANDATORY	FULL

The Contractor's Gaming System must support the current as well as future set of Lottery game offerings through retail and digital<sup>1</sup> channels in a highly integrated manner and provide flexibility for growth into new games, game features and play types required to meet the Lottery's sales and profitability objectives.

The Contractor must include and provide all games and related features being offered by the Lottery at the time the new Lottery Gaming System is to be implemented. This includes the retail sales part as well as the digital offerings and functions. The functionality of offering draw-based games through the digital channel must be included, while for the time being not being activated.

Throughout the term of the Contract, the Contractor shall provide enhancements / improvements to games currently offered by the Lottery including software development for add-on games developed by third parties. This applies to games offered at retail, or potentially digital as well.

The Bidder shall describe the capabilities and processes concerning the Application Software, including but not limited to the ease of game management, game parametrization, etc.

**A4.2.1.1 Game Support**

Significance	Response Type
MANDATORY	FULL

More specifically, the Gaming System offered must provide at least the following through retail and digital channels (as relevant):

1. **Supported Games and Play Types:** The Bidder must include all games being offered by the Lottery as well as subscription/scheduled play functionality (i.e., scheduled auto wagering for a period of up to one (1) year) being available through relevant channels. Explicitly excluded are, however, electronic instant tickets or similar, non-draw-based games, through the digital channel. The System shall also support changes and new features.
  - a. As described, the digital platform offered shall be fully prepared to support draw-based games sales and validations (iLottery) and include all necessary functionality. The Bidder shall describe the process and state the duration for fully enabling draw-based games sales and validations through the digital channel, upon decision of the Lottery to activate such. For the avoidance of doubt, such related digital draw-based games functionality as well as all activities for enabling, must be included in the Base Price, irrespective if enabled or not.
2. **Additional Games and Play Types from the Bidder:** The Lottery may add games, game features, play types, and promotions for start-up, or at any time later in the Contract. Emerging game types must be available to the Lottery. Response Note: The Bidder's Proposal must address its games library and the ability and commitment to expand beyond traditional games and play options and whether the delivery of such games is included in the offering or not.
3. **Promotional or Promotion type Games, 2<sup>nd</sup> Chance Games and similar:** The Gaming System must support the complete configuration and set-up of such game types or promotions, including

<sup>1</sup> As permissible by the Lottery Statutes and deemed acceptable by the Executive Director

prizes, prizes levels/tiers, financial value for such prizes, etc. Please note that prizes may be cash, non-cash/merchandise or combinations thereof. This should allow the Lottery tracking of each prize claim through the prize claim processes as well as enable financial and inventory reconciliation.

4. **Multi-State/Joint Games:** Currently, the Lottery is for example a member of the Lotto America, Powerball and Mega Millions groups. The Bidder must support any such games the Lottery is or may become affiliated with, in particular considering the MUSL product development initiatives and timeline. The Bidder must describe its capability, experience, and commitment to the Lottery in doing so.
5. **Third-Party or External Games:** The Lottery may identify games or game concepts, not from the Contractor's library, or from a third party, that could be productive if made available in the Jurisdiction. As the Lottery directs in such a case, the Contractor is obligated to implement a version or variation of such a game, or if needed to acquire rights and/or software and any other mechanisms on behalf of the Lottery to put up such a game, assuming it could be effectively supported on the Contractor's System. In the event that the Lottery adds games or game concepts that require the Lottery and/or the Contractor to integrate with a third party's system or software, the Contractor shall accommodate the Lottery's request as per timeline reasonably defined by the Lottery. Any additional licensing or brand costs would be subject to negotiation.

#### **A4.2.1.2 Gaming System Application Software Security and Control Functions**

Significance	Response Type
IMPORTANT	FULL

The Bidder shall describe the offering as well as related processes to meet the following across the Gaming System:

1. **Logging:** All log-on, game processing and finance-related activities are to be securely and irrevocably recorded immediately on electronic media on multiple hosts. Such game processing activities, at a minimum, include sales, cancels, pay-outs, validation attempts, and all play related transactions, activations, adjustments, any other Retailer Terminal commands, error conditions, operating system entries, job console entries and any changes using the games management applications. Audit logs, security logs and other relevant information must also be provided daily to a secure Lottery system.
2. **System Auditing:** The Gaming System, including outages and recovery events, can be audited, and checked for appropriate usage and freedom from error. There must be a strict relationship between all financial-related transactions, including tickets printed and tickets registered in the log files and financial / ticket transactions provided to the Lottery's Internal Control Systems (ICS) and Back Office Systems.
3. **Transaction Research:** Authorized Lottery personnel shall be able to research transactions and operations when required. The transaction log must include all detailed records including but not limited to sales, validations, cancelled Terminal tickets, rejected validation inquiries, Terminal outages, System events (e.g., takeovers by a back-up system). Reports on transaction log entries must allow standard queries and sorts. The Lottery must be able to research transactions generated throughout the life of the Contract in line with legal and regulatory obligations.
4. **Other general Security features** shall include, but are not limited to, the following:

- a. **Integrity:** The transaction logging process must include periodic integrity checks (e.g., hash values or checkpoints with totals and amounts or similar) for all games and must be in compliance with security standards that apply to the Lottery (e.g., MUSL rules).
- b. **Real-time Transaction Transfers:** The Lottery requires a (near) real-time feed of the transactions to the Lottery's Internal Control Systems (ICS) and other data management platforms. A final audit file or similar must be available to the Lottery immediately after close of the Lottery Gaming System draws and, if applicable, after the close of each day.
- c. **Record Decryption:** The Contractor must provide the Lottery with any software necessary to interpret or decrypt any proprietary or unique record formats.
- d. **Unique Transaction Number:** The serial number assignment method used by the Bidder must account for the fact that transactions may reside for extended periods in the System (e.g., due to subscriptions, etc.). It is required that the ticket serial numbers and identification be unique over the term of the Contract and all extensions.
- e. **Transactions Protected:** The System must ensure that no part of any transactions can be corrupted, altered or manipulated, including but not limited to the log files and validation files. The Lottery reserves the right to review any and/or all System narratives, source program listings and operational procedures to ensure data and System integrity. The Proposal must provide evidence of the Bidder's methods and procedures to prevent tampering with transactions.
- f. **Transactions Delivery Assured:** All transactions between Systems must have assured delivery. Any transactions not delivered must be processed as an error and reported.
- g. **Tickets Not Duplicated:** Tickets must not be able to be validly duplicated on Terminal equipment or any other device beyond any specified ticket reprinting functions.
- h. **Liability Levels:** The System shall provide for game liability management functionality in case a game or game type requires such. Such should include alert related to warning levels. The System, through a games management application, must provide a payoff figure and a payoff liability, whenever requested by the Lottery. The System shall automatically suspend sales of any number when the liability limit is reached, although the Lottery shall have the ability to override the suspension. Liability limits should be easily configurable to enable the Lottery to respond to market trends.
- i. **Retailer Spoofing:** The System must ensure integrity wherein no action, either by external agents or insiders, can permit duplicate or unauthorized Terminals to be established. In all cases correct Terminal identification must be ensured.
- j. **One-Time Payment:** A winning ticket must not be able to be cashed more than once.
- k. **Flexible Payment at Retail:** Winning tickets must be validated based on prize levels in accordance with the Lottery's business rules and the Retailer's cashing requirements. Cashing rules must be configurable by Retailer or Retailer Terminal. Also, prize payment to digital wallets of registered players should be possible.
- l. **Software Integrity:** The Contractor shall ensure integrity of executable programs on the gaming host systems, front-end processors, network equipment, administrative systems and Retailer terminals and provide evidence of correct, unchanged software versions for auditing purposes. This requirement applies also to test/QA systems. Such evidence shall be provided to the Lottery upon request through the service management meetings. The Contractor must

maintain control of software distribution such that Systems and Terminals are not able, inadvertently, to run inappropriate versions of the software. That would include any cloud-based systems and applications.

- m. **Transaction Storage Redundancy:** Every transaction through any Sales Channel must be received and recorded on all redundant Systems before authorization to print or confirm a ticket or participation in a game.
- n. **Game Monitoring:** Real-time monitoring of Gaming Transaction traffic and system utilization must be provided. The Contractor must maintain these tools to correspond with the latest Gaming System changes and with industry-available improvements. The Lottery shall receive immediate notification of abnormal System operations and their causes, such as validation problems, communication difficulties or computer downtime through the designated service channels. Also, corresponding incident tickets must be created to fully document the situation.
- o. **Transaction Simulation:** A transaction simulator program shall be supplied by the Contractor to generate all types and volumes of transactions (Terminal and System) in optional percentages for use in testing software quality and performance and System fault tolerance. The program must allow manually entered transactions, including Scratch Ticket transactions, to mix with the program generated transactions. The simulator must be able to inject transactions external to the transaction processing hosts, front-end processors, firewalls, and switches of the System. The simulator may be used to test communications throughput and system failover.
- p. **Secure Redundant Storage:** The Contractor must provide secure redundant storage services of critical files, software, and back-up data, subject to approval of the Lottery. Data and media stored in archives as well as back-ups must be checked and/or exercised periodically as part of the service in monthly cycles, to ensure usability. At the Lottery's direction, the Contractor may be requested to restore a backup file to a test system to ensure viability.
- q. **Dynamic Pools:** For all matrix-type games, the Contractor must maintain dynamic pools for the current draw and dollar summaries for all plays for all future draws on sale. The Contractor must also maintain dynamic pools for the current draw and future draws for the numbers-type games. The total dollars played by game by play type must be maintained for all future draws. The current day's pools must include all current day's sales as well as advance day sales for that draw. It is desirable that the Contractor be able to provide a pool file with one hundred percent (100%) integrity that can be used to determine the official number of winners.
- r. **Restoration of Files and Configurations:** The Contractor must use operational practices through report balancing and reconciliation to ensure that current data files and archived backup copies are valid. This is particularly important for validation files and future plays files where recovery by reprocessing large volumes of aged transactions may be impractical. The Contractor must also maintain configuration management files that allow System configurations to be restored. The Contractor must also describe controls which prevent the unauthorized use of production data on test systems.
- s. **Ticket Stock Security:** The Bidder shall provide, and describe in detail, its ticket stock securing system that must be in compliance with multi-jurisdictional and Lottery security standards that apply to the Lottery (i.e., MUSL rules,). The objective is to ensure that only legible and valid Lotto game tickets are produced. The Contractor must provide any hardware and software necessary to the Lottery security team to manage, maintain, inquire of or

interpret ticket security information. There must be a backup for this capability at the secondary site.

- t. **Error Condition Reporting:** The System must display and report any conditions that may indicate operational problems or attempts at fraud. This capability must include, but is not limited to, the ability to report a Terminal with anomalous and excessive transactions (such as sales, cancels, validations, and log-in attempts), attempted cashes of stolen tickets, unusual system log entries, unusual transaction journal entries and systemic events such as no sales for a game scheduled to be operational. The Contractor must provide a record of these events to the Lottery through the ticketing system. The System should have the capability of allowing the Lottery to set individual threshold limits for each anomalous condition. Reports or reporting information shall be delivered daily or as agreed otherwise with the Lottery.
- u. **Amber Alert:** As a specific requirement, the System shall support Amber Alert functionality to be distributed across the retail network.

#### **A.4.2.1.2.1 Lottery Gaming System Dashboard**

Significance	Response Type
IMPORTANT	FULL

The Lottery is interested in a dashboard application providing the Lottery Retailer and Customer services team or Lottery operations staff real-time insights into certain Gaming System occurrences and/or problems related to retail. This would help with more pro-active management of the Lottery business. Needed functionality may include, but not be limited to:

1. A back-end screen for management to define the occurrences and/or problems needing to be monitored.
2. Status and inventory information for scratch ticket packs on Retailer level (e.g., show packs needing to be settled, Retailers not selling a defined number and type of games, identify the number of days of stock left in a game at that retailer, schedule packs for return, etc.).
3. Show daily/weekly issues at Retail and allow pack management functions (e.g., scheduling, settling, activating) for Retailers.
4. Show scratch ticket pack statuses in real time as well as shipment status.
5. Service ticket status (e.g., tasks for LSRs to perform activities or technical Service tickets) and updates to these, as needed.

The Bidder is required to propose available Solutions to achieve such.

#### **A4.2.1.3 Player Account Management**

Significance	Response Type
IMPORTANT	FULL

As one of the key requirements for the new Gaming System is to obtain an integrated Player Account Management (PAM) solution, which places the Player at the center of the Gaming ecosystem providing for a true omni-channel solution. This must include all Player activities in the digital, but also in the physical/retail world (as eventually technically realized). The current solution, which maintains over 650,000 registered Lottery customers (as of Nov 2024), is not fully integrated with the current central gaming system. The future solution, however, must be fully integrated and serve as the single point of reference and data for all player and customer information (which is expected to be integrated with a CRM solution).

The proposed PAM must be an administrative central platform for all player related administrative information and data (master data), be game independent and cover the entire Player lifecycle in the Gaming System.

The PAM Solution offered by the Bidder shall include, but not be limited to, the following features, which are largely Player facing:

1. Player Account Management
2. Wager Management (deactivated at the start)
3. Play and Finance history (as applicable and used. Should include 2<sup>nd</sup> chance participations and giveaway entry history as well)
4. Prize claim and payment handling, depending on tiers and related tax withholdings, W2-Gs in line with administrative processes
5. Player Personalization
6. Platform messaging functionality, including various types of player communication options (e.g., mail, email, short message service, push notifications, other messenger services, etc.)
7. Bonus and promotional features
8. Subscription/Scheduled Play management
9. Player Protection and Responsible Gaming management.
10. Wallet including security and fraud management

In addition, the Lottery administrative functions should include:

- a. General Player Administration
- b. Player Wallet Administration
- c. Player Protection and Responsible Gaming Administration
- d. Know-Your-Customer (KYC integration)
- e. Management Reporting functions

The PAM must be integrated with payment services providers to directly handle the financial transactions for loading funds into the wallet or transferring funds back to the Player's financial source or account. The Solution must be capable of handling debit cards (incl. Visa and Mastercard debit) and automated clearing house (ACH) bank transfers amongst other funding methods (e.g., coupons, prepaid cards, etc.). Also, it should be possible to perform annuity payments for winners through ACH and EFT. All account funding options shall be approved by the Lottery.

The PAM must have the ability to provide functionality based on different access or permitted features. For example, if a player account is suspended and, depending on the suspension reason, the player should still be able to login and conduct an administrative task (e.g., ID Verification or wallet pay-out transaction, etc.).

The PAM offering must also include a set of standard security features, such as avoiding duplicate accounts being created, professional and secure session and password management, alerting and

monitoring in case of suspicious activities happening on accounts, secure high-prize winner handling, etc. and ensure that the Solution always meets MUSL, WLA-SCS or related requirements.

#### **A) Campaign Management**

For Player Campaign management, the Lottery is currently setting up promotions in its digital Solution (ref. “Game-On” from Pollard), which is largely manual. The Lottery wishes to explore a more integrated solution which would allow for more internal control and flexibility.

The new CRM-based campaign and communication tool must derive Player's marketing preferences directly from the PAM to ensure Players only receive communication they have opted in for. Features may include, based on an integrated Player profile, targeted segmentation, cross-channel campaign orchestration, marketing automation (workflows, etc.), personalization and real-time interaction, analysis and reporting as well as the related integrations (e.g., into the Data Lakehouse, microsites or other data sources).

The Bidder shall describe its offering to provide for an effective, professional, and reliable Campaign management, preferably based on real-time data.

#### **B) Player Protection and Responsible Gaming**

The proposed System in general and the PAM in particular must provide support for Player Protection and Responsible Gaming, as appropriate to the functionality offered. In case the Lottery would enable digital sales of legally permitted games, such responsible gaming functionality must be available at no additional cost to the Lottery as well. The Bidder shall describe all included Responsible Gaming tools/functionality for the Gaming System (covering all sales channels).

#### **C) Data Protection**

The PAM must provide for comprehensive data protection features, including but not limited to standard settings for obtaining permissions (e.g., default opt-out), supporting data subject requests, permitting different deletion rules or pseudonymization of data (to the extent legally possible), retention period for data (e.g., following termination of a Player account, which may be different for each termination reason), provide for data minimization features (i.e., only capture what is needed and retain what is mandated), encryption and secure storage and transmission of data, and other appropriate technical and organizational measures in line with the data protection regulations.

#### **D) Player Services at Retail**

The System shall provide for the integrated Player services also at physical points of sale. Player identification could be through the mobile app, a barcode identifying the player or through other suitable means. The Bidder shall describe available digital services at retail and related customer journeys. The Lottery is in particular interested in services making prize payments easier by using the digital wallet of registered players (e.g., payment through wallet, prize claim/transfer to wallet up to certain amounts, easier handling of high tier prizes, etc.)

The Bidder shall also describe offered player services through the mobile app (e.g., check tickets, prepare tickets and play via the terminal, store preferred tickets, etc.)

The Bidder shall comprehensively describe its Solution to all of the above and integration into the retained portion of the current Lottery environment.

#### **A4.2.1.4 Draw- and Wager-related Requirements**

Significance	Response Type
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IMPORTANT	FULL
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The following draw- and wager-related requirements apply and must be supported by the offered Solution. One of the important objectives of the Lottery in this regard is the effective and smooth balancing process between the Gaming System and the Internal Control System (ICS).

Bidders shall describe its capabilities and offered functionality for the following:

1. The Contractor must support the current as well as future set of Lottery game offerings and provide flexibility for various game status changes – either automatically (e.g. game close) or by manual intervention as determined by the Lottery. This may also include the suspension of sales and validations (pays) for a game.
2. All changes related to game status must be fully and securely logged, date/time stamped and traceable (e.g., from initial configuration/set-up, open, close, draw process status changes, payout phase, reconciled, to final archiving and all steps in between).
3. The System must maintain full integrity and control of all transactions underway at game close time across all Sales Channels so that all transactions before the game close time apply to the active drawing and all transactions after the game close time shall apply to the following drawing.
4. The System must allow for a step-down feature on wagers placed for advance play on future drawings for respective games. This will facilitate matrix changes, changes in the number of plays allowed in a week or help during Transition.
5. It is important for the Lottery to minimize the time window between close of the games, drawings and the ability to pay winning tickets. However, it should be possible to define draw-break or cool-off time windows, where sales are not permitted, for each game. The System shall comply with the time window specifications established by the Lottery for each game, regardless of the Sales Channel.
6. After a game closes, the System must provide game related standard information (totals, sums, status, etc.). After a game closes, the Gaming System must produce a draw seal (calculated hash value of all wagers and cancellations participating in the draw) or a comparable secure mechanism to seal a drawing. Such seal must be usable for comparison and integrity verification with the ICS. For Scratch Tickets seals would be expected to be provided for each daybreak.
7. All balancing of the relevant data with the ICS (irrespective if after game close or at day end, weekly, monthly, or yearly) must be straightforward to permit a fast, fully automatic completion of this process. The Contractor shall work with the ICS provider to ensure such process being effectively implemented.
8. Automatic (through interfaces) or manual entry of drawn winning numbers, prize and jackpot amounts must be supported with secondary manual confirmation (e.g. through technically providing for a 4-eye principle). All attempts, successful or not, must be logged. Unsuccessful attempts will require restarting from the beginning. Reports of entries made may be required as determined by the Lottery.
9. Prior to the drawing, the System should provide all files necessary for ensuring integrity of the game and operation (e.g. pool files). The types of files and content may vary from game to game and will be determined by the Lottery during specification phase.

10. The System must securely interface to the Lottery's existing Random Number Generator technology for various games and promotional offerings. The Lottery may use such for second chance, promotional or other drawings.
11. Provide for the ability to reverse elements of the draw-process to go back to a previous status in case of errors.

**A4.2.1.5 Scratch Games and Logistics Support**

Significance	Response Type
MANDATORY	FULL

The Lottery requires the delivery of a comprehensive, state-of-the-art (physical) scratch ticket game management and logistics system.

The Bidder shall support all existing and future Scratch Ticket games including related quantities and active sales / validation periods. For information and basic calculation purposes, the following is provided:

- Active games at one time: at least 400 games should be possible
- Approx. tickets per game: could range from 120,000 to 10 million
- Approx. number of games launched per year: 48 (new, successor and extensions)
- Game number of the latest game launched: 02040, 5-digit game numbers are required
- Prize claim period is one (1) year after game end date
- Game active time: Multi-years, could be anything from 6 to 24 months
- In 2024, a total of over 123 million tickets were ordered from three (3) different suppliers.

The System must accommodate new Scratch Ticket products that may be of different sizes and shapes, bar code qualities, pack quantities, prize structures and price points, from those described as current products and those that are required to meet NASPL standards. The System shall also inherently and simultaneously support and integrate products from the main Scratch Ticket vendors (Scientific Games, IGT, Pollard). In case a product from such vendor is integrated upon Lottery request, such must be possible without additional costs.

The System will be required to track and support the entire Scratch Ticket game lifecycle including the warehouse, the Retailer Terminal, the Player as well as handling all ticket prize claims and validations. Also, Scratch Ticket prize inquiry transactions should be possible through the digital channels (e.g., check by scanning the correct barcode with the mobile app).

The Gaming System functionality for Scratch Tickets must include secure configuration and loading of games, while meeting all related security and integrity requirements (e.g., as may be set out by WLA-SCS or other relevant associations).

The System shall be able to handle different logistical items (e.g., box, carton/bag, pallet) and granularity (e.g., pack, partial pack and down to single tickets) as well as logistical locations (e.g., warehouse, trunk, retailer, etc.) and different status situations (e.g., active, inactive, stolen, lost, paid, in-transit, destroyed, archived, etc.).

In terms of business functionality, the Scratch Ticket management system must include in minimum, but not be limited to, the following functionality:

**A) Product Management**

1. The System must allow new Scratch Ticket Games to be loaded, configured, and verified.
2. The System must allow pack and ticket statuses to change in accordance with the Lottery's business rules. Pack and ticket status must be tracked in real-time throughout the life of a game and throughout all locations. Single ticket activation shall be possible, subject to the Lottery's choice.
3. The System must support a wide variety of Scratch Ticket inquiries including for example full pack history, shipped and pending orders, etc.
4. The System must support various settlement options, flexibly defined (single retailer, group, chain, region, etc.) as per Lottery business needs. This includes, for example, settlement of full consignments, settle x-days after activation, settle at a certain % of redemptions, settle upon activation, greater than or equal to a specific ticket number, less than or equal to a specific ticket number, etc. The Bidder shall also describe additional available options.

**B) Inventory Control**

1. The user interface for administering Scratch Ticket inventory must support the work of warehouse staff in an efficient and accurate manner.
2. The System must accommodate return of full packs, partial packs and single tickets and allow returned tickets to be placed back into available inventory. It must also allow inventory to be transferred from one location to another (e.g., retailer to retailer, change of ownership, etc.)
3. The System shall support inventory audits, game close, and ticket destruction by providing various reports and status changes.
4. The System shall support Retailers in determining and securing inventory (e.g., technology supported inventory count/determination and locking features at end of day).

**C) Order Management**

1. The System must support order generation processes to allow orders to be created – manually or automatically.
2. The System must be able to develop and generate initial allocations of Scratch Ticket Games for retailers. For developing initial allocations, the System must be able to consider scratch sales (activations, etc.) from at least the past 24-months for batch generation of new initial orders.
3. The System must be able to develop and generate orders for shipment based on rates of sales and inventory levels at the retailer locations (Predictive ordering) to optimize shipping efficiency. Based on period and game, it should also be possible to manage shipments automatically based on financial considerations and decisions. The ordering functionality shall also include an automated reorder system for Scratch games driven for example, by 26-week average, number of games, defined game type and dispensers based on various cycles (weekly, bi-weekly, monthly, etc.) and sales over a certain period. If there are artificial intelligence (AI) modules available for optimizing the predictive ordering process, Bidders shall state such.
4. Reorders set up configuration must allow permitting only certain games.

5. Auto-order parameters must be able to be cancelled or adjusted by Lottery staff.
6. Transfer of an adjustable period (e.g., 26-weeks) Scratch game average for reorder purposes from an old Retailer to a new Retailer (change of ownership). Also, such calculated averages should be able to be modified/adjusted by Lottery staff.
7. The System must allow for Retailer ordering through the Terminal (ticket stock, consumables, and other products available for ordering) or the Retailer Extranet for that order to be consolidated with the next order generated automatically and pushed to the warehouse for fulfilment. Such functionality must driven by parameters (enable, disable, products, etc.). Retailer orders must be subject to verification against specific permissions for each retailer, e.g., cannot order more than X or less than Y, no more than Z orders per period, etc.
8. The System must accommodate special orders, such as emergency orders, walk-in orders from retailers and orders from Lottery Staff.

#### **D) Logistics and Warehousing**

1. The System shall provide for a complete pick & pack functionality to fully support the warehousing process and warehouse staff in a System-integrated manner (e.g., order capture & fetch, precise scanning of product for fulfilment, error handling, packing labels for track & trace, dispatch and balancing inventory using manifest at shift/day end, full-pack and partial returns, etc.). This same system requirement applies equally for the warehouses run by Lottery staff (mainly for scratch tickets) and the warehouse run by the Contractor (mainly for consumables).
2. The Lottery will require three (3) pick & pack stations for use by its staff, readily installed at the Lottery warehouses as designated by the Lottery. Each station shall be fully track- and traceable per unique packer user-id in terms of goods handled, performance, time, etc. Related analysis reports must be available, e.g. through the Data Lakehouse.
3. The Lottery requires full support of inventory, distribution and return functionality by the System. The Bidder shall describe how the proposed System will facilitate the management and control of stock (i.e., Scratch Ticket packs and/or consumables such as play slips, ticket stock, and any other consumables) as required below. Specific areas to be addressed include:
  - a. How the System(s) will manage loading stock details specific to each game, warehousing, ordering, order filing, dispatch and delivery, receipt at Retailers and how the processes can be adjusted to Lottery specific needs
  - b. Provisioning of stock, e.g. how many packs are scheduled to be processed for sending, or how many packs are scheduled to be returned along with related verifications – all in a given time period
  - c. The System must monitor and record changes in the status of stock (complete chain of custody is required along with multiple detailed statuses) and provide for full traceability of Scratch Tickets and Packs. Each custody change must be reflected through a correct status, user and time-stamp (Example: if a Retailer returns a pack, the status must fully reflect the various custodians correctly linked to the handover time: Retailer > courier > warehouse)
  - d. security and reporting features in relation to stolen, missing or undelivered stock
  - e. special features such as return of stock (e.g., full pack, partial packs, broken/damaged tickets, change of ownership, etc.) and handling of incorrect returns (e.g., return shipment is incomplete and completed through another delivery or returns containing more products than expected, etc.)

- f. re-assigning of stock to other retailers
- g. end of games features such as return of stock, balancing, mass auto-settlement of all outstanding packs assigned to retailers, etc.
- h. how stock items will be distributed to the respective end user
- i. manual management and override in case of exceptional logistical situations
- j. available reports, such as daily stock inventory balancing, shipping manifests, delivery related reports (such as deliveries or non-deliveries within a designated delivery window, etc.) and other logistic related reports

The Bidder shall describe its integrated, end-to-end Scratch Ticket and logistics system offering and the available features beyond those listed to support the Lottery business and warehousing processes and address the functionality available for the retail channel but also for the digital channels. The Lottery will require adjusting the available features and functions to the Lottery's needs and business processes during the Functional Specification phase.

#### **A4.2.1.6 Prize and Claims Management, Payments**

Significance	Response Type
IMPORTANT	FULL

The Bidder shall describe its Solution for prize management and the accurate processing and recording of all activities related to prize claims or payments. This includes, for example, those necessary to issue a check, execute an electronic funds transfer as payment, or issue other prize payment methods, as well as process non-cash merchandise prizes (e.g. promotional items or giveaways won at the State Fair).

All and every claim detail must be recorded and maintained regardless of disposition (e.g., voided, cleared, replaced, reprinted, abandoned, etc.). The Lottery assumes that the Claims management is closely linked to or integrated within the Player Management functions and the CRM.

The Lottery requires full access to and control of the Prize and Claims Management functions to make changes and updates as deemed necessary.

The offered Prize and Claims management function must be able to, but not be limited to the following:

1. Flexibility to set up cash, non-cash, merchandise or other prizes in the Gaming System for games or promotions run in addition to the standard game offerings (e.g., a game including a draw at the State Fair for the award of 10 merchandise prizes, etc.).
2. Flexibility for adjustments to prize values and prize types. Such as prize adjustment and modifications to satisfy certain situations related to prize value and debt set-off or prize availability, change of merchandise value to financial values, etc.
3. Create a unique claim for every type of prize award made and provide for full tracking and accounting of any such claim. Important: Such may be a financial or non-cash prize winning or combinations thereof.
4. Account for every check, in sequence, on the check register and the status of the check.

5. Capture and retain all claimant information including name, address, telephone number, SSN, and citizenship status, for prizes with a value of \$600 or greater including merchandise or combined merchandise/cash prizes.
6. Allow debt set-off from prize payments or prize awards for certain debts owed to State agencies. Related data may have to be imported through APIs or other Lottery designated means.
7. Allow automatic prize-winning reporting above certain thresholds through an interface to other State agencies.
8. Allow checks to be printed individually or in batches (ref. Section A.4.3.9).
9. Provide functionality for annuity payments via checks.
10. Allow for the recording and reporting of prize payments made via electronic fund transfer (ACH), digital payments, or other payment options that may be available.
11. Allow for modifications to existing claims in the event of input errors and authorized Lottery staff to modify check status.
12. Allow checks to be voided or voided and reissued in the event of input errors.
13. Process checks as cleared to reconcile the Lottery's bank data based on various integrity check fields to confirm the correctness (e.g. check number and name, etc.).
14. Process checks as abandoned, if not cleared within a Lottery determined timeframe in accordance with Lottery specifications.
15. Allow for claim entry for other types of payments (e.g., digital winnings requests, high-tier winners, etc.).
16. The Solution must be able to interface with the Lottery ERP and provide data or files in agreed format or structures (e.g. suitable for ERP import, IRS required formats, etc.). Bidders shall also list and briefly describe existing ERP integrations with other (non-JDE) solutions at other clients for similar operational lottery purposes (e.g. in table format).
17. Integrate identity verification solutions (KYC) within the prize claim process.

#### **A4.2.1.7 Taxation and related Reporting**

Significance	Response Type
IMPORTANT	FULL

The Lottery's prize winners as well as retailer tax reporting processes and related management thereof are currently consuming significant labor resources, which must be easier and highly automated in the future. The Lottery therefore requires the Gaming System to provide for correct tax reporting and tax management features and reporting. This includes, but is not limited to, tax reporting related to prize claims or prize winnings as well as year-end tax reporting for retailers.

More specifically, the Gaming System must at least

1. Accurately establish, record and apply any tax withholdings as required by applicable laws.
2. Create a TIN file, in an IRS required format, to verify that the TIN and name of all high tier winners match IRS records for a selected time period.

3. Have the ability to provide an IRS Forms W2-G, 1099-MISC, and 1042-S for winners (US resident and non-US resident) in line with taxation requirements.
4. Have the ability to handle various other IRS Forms as different operational situations may arise (e.g., multiple claimants sharing a single prize claim, etc.).
5. Provide annual 1099-NEC statements and reports for Retail partners (single retailer, chain, etc.). Such statements/reports are required to be compiled within January of each year for the entire preceding year and be provided to the Retail partners through the Retailer Portal.

The details for the related processes and requirements will be agreed upon between the Contractor and the Lottery during the Functional Specification phase.

#### **A4.2.1.8 Promotions**

<b>Significance</b>	<b>Response Type</b>
MANDATORY	FULL

The Lottery extensively uses events and promotions within its business and across all Sales Channels. The proposed solution must

- be highly integrated across the entire Gaming System to provide maximum flexibility
- be capable of providing a broad range of promotional features, related information and analysis
- include a promotions generator capability
- be capable of managing promotions for events, digital participation, for retail participation, combinations thereof, or as a subset of the Retailer database (e.g. group of retailers, chain, single retailer, region, etc.) as desired by the Lottery
- holding and managing all promotion entries for all types of promotions (Lotto game related, scratch game related, etc.)

Tracking and reporting of all promotion and promotion entries is required. In particular, it must be possible to enter promotional (financial) values into the set-up to allow related financial automatic reporting into the Lottery Back-office system. All promotions must be dynamic and must be able to activate seamlessly with the full System and ICS tracking across all related offerings and channels.

The System must support traditional retail promotions (e.g., coupons, buy-one-get-one, buy-x-get-one, etc.), non-traditional promotions (i.e. subscriptions, internet/web, mobile app, player loyalty based, second chance retail, second chance digital across app and web, etc.), annual promotion tickets and others. The promotion granularity may be for example game, transaction cost, plays, draw duration, bonus or play type, daytime, product combinations, web-code, specific validation numbers, etc. The majority of promotion entries are related to scratch game second chance promotions.

Describe the capability including, but not limited to, the following:

1. CRM integration for Retail as well as all registered customers and options based on such (e.g., grouping options, combining groups, etc.) to enable for example promotions across regional retail networks for certain types of (registered) players
2. Interface with digital drawing systems for generating promotional draw results and subsequent winner determination
3. Setting up events (e.g. State fair) along with dedicated promotions in a highly digitalized manner (e.g. all event data, financial prizes, give aways/promotional items linked to and reserve

warehouse inventory, related financial values, draw integration, CRM integration for registered players, closing and financial balancing, reporting on event and promotion statistics, success, etc. – ideally through the Data Lakehouse)

4. Ability to start a promotion on same day entered
5. Ability to start a promotion on day one of a new game launch
6. Auto start/end based on data input
7. Ability to disable a promotion on demand (prior to schedule end date)
8. Ability to change/update a promotion while running
9. Ensure that FREE Lotto tickets cannot be cancelled
10. Ability to run promotions based on Play Slip, Quick Pick, etc.
11. Allow text, special fonts, symbols, logos, etc. on purchase/ticket, free ticket, web-code, coupon, etc.
12. Ability to copy and paste promotions
13. Ability to copy and paste text from one promotion to another
14. System must support a min. of 1,000 promotions to run at one time
15. System must support a minimum of 250 unique coupon promotions
16. Ability to “flush” (reset) the promotion numbering system
17. Contractor assistance in entering bulk promotions/verification
18. Ability to select option for “promo” ticket to print separately, or directly on purchased ticket
19. Ability to prioritize promotions
20. Ability to run all promotions simultaneously. If there are limitations, the Bidder shall describe such.
21. Ability to generate a unique second chance entry number on lotto game tickets

Sample Types of Promotions/Promotions Capability could include, but are not limited to, the following:

- a. Single Use Coupons (Free Ticket)
- b. Single Use Coupons (Buy and Get)
- c. Web-Code (Lotto Games)
- d. Nth \$
- e. Nth Ticket
- f. Cross promotions, buy X get Y
- g. Day Specific

- h. Time Specific
- i. Statewide Promo (all devices)
- j. Retailer Specific (Terminal only and/or all devices)
- k. Group Specific
- l. Geographic/Regional Specific
- m. QR Codes
- n. Text codes
- o. Serialized coupons
- p. Various barcoded coupons
- q. Email coupons
- r. Multi-draw (buy and get)
- s. Prioritized Promo levels
- t. Promos based on “add-on” (i.e. Power Play, All Star Bonus, etc.)
- u. Jackpot and/or Lotto Game Bundles

#### **A.4.2.2 Internal Control System (ICS)**

Significance	Response Type
IMPORTANT	FULL

All computer hardware and software services for the ICS shall be the responsibility of the Lottery. The location of the ICS may be either in the Lottery’s primary and secondary data centers or in the cloud. The Contractor must supply and implement data communications to provide network connectivity to all designated ICS locations.

The Lottery is currently using an externally supplied Internal Control System (ICS), which has been provided by Spectra and is operated by Lottery staff. The Lottery, however, is planning to procure a new ICS system/platform and expects implementation parallel with the Gaming System implementation phase. The Contractor must integrate with the future ICS vendor as per lottery industry standards. As mentioned earlier, the Lottery places high emphasis on the Contractor ensuring that the game closing and balancing process with the ICS is secure, fast, smooth and effective.

The ICS is expected to follow standard internal control principles and to connect itself to the Gaming System. The Contractor must provide all necessary data to the ICS in near real-time as will be agreed during the Functional Specification phase.

That design will be in-line with transaction auditing best practice. The ICS establishes the connection and specifies what data needs to be transmitted. Control of receiving data remains usually with the ICS, the system accepts no incoming network connections to pass data.

More specifically, the ICS does not have a push interface as it is designed to be a client collecting data from the host Gaming System. That interface format and structure must be provided by the Contractor and will be implemented by the ICS vendor so that the data can be successfully obtained.

Functional data requirements are as follows:

1. The data that the Gaming System sends should cover all transactions needed by the System itself to be able to process every aspect of the Lottery.
2. A 'transaction' is the "raw" event taking place within the System in real time as securely and initially stored, not data that has undergone any further processing on the Gaming System.

The list of data would typically include financially relevant information or integrity related information (across all Sales Channels), for example:

- Lotto Games: sales, cancellations, validations, internal commands like draw break, draw seals, winning numbers, draw calculation results, checkpoint balancing figures, etc.
- Scratch Tickets: game definitions, orders, pack movements, settlements, validations.
- Retail accounting: retailer adjustments, bonuses, retailer definitions.
- Player accounting: registrations, money movements, purchases, validations.

The ICS will independently implement the processing of the raw data to mirror the results produced by the Gaming System.

The Contractor is required to provide the interface, the data, required technical assistance and technical information to successfully implement the System. The Bidder shall describe its experience with implementing and interfacing to an ICS and the proposed approach.

#### **A4.2.2.1 Internal Control System (ICS) - Alternatives**

Significance	Response Type
INVITED OPTION	FULL

The Lottery is interested in preparing its future System for alternative internal control and integrity safeguarding measures. Such could mean securing single transactions or financially relevant information through secure digital signatures or similar hardware/software based secure concepts.

The Bidder is invited to propose alternative Solutions available regarding alternative ICS functionality and outline the potential benefits (commercially, economically, technologically) thereof.

#### **A.4.2.3 Gaming System Management / User Interface**

Significance	Response Type
IMPORTANT	FULL

1. The System shall provide for a range of features and capabilities including, but not limited to, game control and monitoring, management reporting, retailer accounting support and adjustments, retailer terminal management and messaging, high-prize winner handling, etc. Entries made by Lottery staff shall be subject to entry plausibility validation. The Lottery requires

a very high level of configuration settings and capabilities to adjust the Gaming System to its business needs.

2. The Contractor must provide an interface, browser based preferred, for the Lottery to access the Gaming System for all functions requiring access by the Lottery staff described throughout the RFP. The Contractor shall also provide the possibility to show tickets from the previous' vendor system.
3. All Gaming System access, as well as access to all tools/applications provided, must be based on a hierarchical role-based access control (RBAC) to allow the Lottery specific configuration of access rights on a highly granular level.

Capabilities for Microsoft Active Directory access control integration would be welcomed by the Lottery and the Bidder should state if such is available or not. If available, the Lottery expects corresponding integration with the Lottery AD for easing role and group-based access management.

4. The Lottery requires that Lottery staff have access to the CRM(s), or the Contractor's game management applications, for performing and controlling functions such as managing Retailer master data, configuring games and game settings, managing Retailer terminals, performing Retailer accounting functions, sending individual messages or mails to Retailer terminals or information to the Retailer Portal, and accessing management and Retailer reports. Similar management and control functions are expected by the Lottery to manage, monitor and control the digital player activities.
5. If multiple application platforms are proposed, the Bidder shall provide a transparent overview (e.g. table) of all various controlling and managing user interfaces (i.e., if those for the Gaming System, PAM, CRM, etc. are all different platforms). The objective is for the Lottery to understand all various points of user interface interaction with the entire gaming ecosystem.

The Bidder must provide a detailed description of the user interface design, functionality, security, options etc., and in particular address the Lottery's requirements above.

#### **A.4.2.4 Data Management and Reporting**

<b>Significance</b>	<b>Response Type</b>
IMPORTANT	FULL

The Lottery is seeking a Solution with provides for the best possible, highly centralized gaming and business data management, access and control. Thereby the integrity of data and the related data processing, analysis and reporting can be better maintained, especially with the expectation of current and future AI-based analysis tools.

The Lottery expects that during the next Contract period, highly effective management and analysis of data and information will be absolutely crucial to remain relevant as a business. The Lottery therefore places a significant emphasis on the related requirements and offerings.

The following general requirements for data management and reporting apply:

1. The Lottery requires accurate and timely information to manage its business. Pre-defined, standard reports will be required to be produced by the Contractor and delivered to the Lottery as per the Lottery's requirements, determined during the specification process.

2. The Lottery fully owns, and requires unlimited access to, all Lottery-related gaming information and data collected by the Contractor, including but not limited to Retailer data, sales records, player data, analytical data, maintenance data, any and all transactional data, and all reports and conclusion information derived therefrom.
3. The Lottery requires that Retailers have access to their full and detailed sales history per Accounting Week. The Bidder shall describe its concept for offering more recent information online through the Terminal and the Retailer Extranet Portal as well as older transaction details and records through the Retailer Extranet Portal system.
4. Reports generated by the Gaming System must be exportable to all common data formats (such as XML, formatted PDF, text and delimited text) as well as Microsoft Excel file formats.
5. Ad-hoc query functionality and query access must be available and provided. At a minimum, the Contractor must meet the following requirements and provide the respective information in the most convenient and effective way (e.g., either as standard Gaming System report or as BI based report from the Data Lakehouse):
  - a. Gaming System Reports: Financial liability, sales, validations and system balancing reports must be provided on a daily, weekly, and drawing basis as appropriate.
  - b. Sales Reports: Sales reports typically show static information with details per game, channel, summaries, or all depending on the purpose of the reports. Sales reports assist LSRs, corporate account professionals, and sales management staff to understand the composition of sales.
  - c. Retailer Reports: Reports shall be provided to the Retailers through the Terminal for sales, prizes, commission, net due and transaction information. The Contractor's Solution should allow for reports to be derived either from the Terminal (Terminal report) or the Retailer Extranet.
  - d. Security Reporting: The Bidder's operational practices must include reporting on compliance and potential fraud. The Lottery expects that the Contractor will consider and use AI based tools to support identification of potential compliance violations. This may include, but is not limited to, the following to support security of Lottery operations:
    - Excessive cancellations or validations after store opening hours.
    - Investigational Information. The Contractor and the System must provide the Lottery's staff various reports and displays to support investigations, as needed.
    - Anomalous Condition Reporting: The System must be capable of displaying and reporting anomalous conditions indicating possible operational problems or attempts at fraud. This capability must include, but is not limited to, the ability to report a Terminal with anomalous and excessive transactions (such as sales, cancels, and log-in attempts), attempted validations of stolen tickets, unusual console log entries, unusual transaction journal entries, and systemic events such as no sales for a game scheduled to be operational. The Lottery shall have the ability to set the reporting threshold, preferably at the Retailer level. The Contractor must provide the Lottery with an electronic copy of required reports.

The Bidder shall address how AI will help with ensuring compliance and security and describe its proposed Solutions.

e. For further guidance, a sample List of Report types to be supported (not exhaustive) follows:

- Hourly Sales Reports (per Game)
- Sales Reports (per Game)
- Daily Sales Reports for all products (w/add-on Sales)
- Winner Summary (per Game)
- Share Calculation Reports (per Game)
- Daily Activity Report (per Game)
- Close Report (recapping all Games)
- Pick 3 Pool Report (listing all bet types)
- Daily Sales Summary (list all retailers, sales, cancels, etc.)
- Week to Date Sales Summary
- Liability Report (per Game)
- Progressive Print-N-Play Un-cashed Purged Ticket Report
- Daily Cancel Report
- Paid Claims Report
- System Sales Report
- Cash Flow Analysis Report
- Scanner/Reader Reliability Report
- Canceled Winners Report
- System Transaction Report
- Daily Adjustments Report
- Jackpot Bundle Report (each product)
- Scratch Ticket / Stub Validation – Free Ticket Report
- Promotions game Sales Report
- Statistics Report (per game for all products)
- Promotion Detail Report

f. The Contractor must provide some reference examples of reports that can be provided.

More specific requirements for data management can be found in Section A.4.3.4 and other sections below.

#### **A.4.2.5 Interfaces**

<b>Significance</b>	<b>Response Type</b>
IMPORTANT	ACCEPT

The Lottery is planning to continue to use certain systems, infrastructure and applications. The Contractor will be required to interface with these and exchange information as the case may be. These interfaces are largely addressed within this RFP, but may also include, but not be limited to the following:

- Existing telephone system (“Nice”) used by the player and retailer services (hotline): The system may need a feed from the CRMs for players and retailers to show caller information or other data in order to enable better service.
- A Solution for call ticket capturing and exchanging for retailer hotline calls as the responsibility shifts back and forth between the Lottery (from 8 am to 4:30 pm, Central Time) and the Contractor (all other hours)
- Billboards: Certain digital standard data feeds/widgets through an API will be necessary

- Lottery Gavia system (internal, Lottery inhouse developed platform used to manipulate data for administrative purposes): Data feeds from the Gaming System and/or Data Lakehouse
- Various data feeds to the digital front-end environments
- Game data, reports and other information is sent daily to Retail partners

The Lottery and the Contractor will specify and agree on the interface specifications during the Functional Specification phase.

#### A.4.3 Other Gaming-related Systems and Services

Significance	Response Type
INFORMATION	NONE

The Lottery also requires various other services for the provision of system environments, which may consist of dedicated hardware and software or could be just a platform or application modules operating on shared hardware. Those technical and functional requirements are described in the sections below.

##### A.4.3.1 Test Systems

Significance	Response Type
IMPORTANT	FULL

The Lottery requires dedicated testing environments, physically separated from the production environments for tests of new releases, new functionality, changes, fixes, etc. and for ensuring integration with other systems. These test environments shall reasonably encompass all systems, applications and functionality proposed by the Bidder permitting proper testing activities, including consideration for parallel testing on different environments at the same time. All Lottery test systems must be accessible through the Lottery head office infrastructure and may be offered through virtualized environments. Through such environments, the Lottery wishes to have flexibility in set-ups and use. All such configurations must meet all applicable MUSL requirements.

Further specific requirements in relation to the test systems are:

1. One dedicated environment to perform formal Customer Acceptance Testing of any changes. This could include digital only changes, Gaming System only changes or a combination. That test system should also connect to the ICS test system as directed by the Lottery.
2. One dedicated environment to perform controlled financial and balancing testing (so that only known wagering and financial transactions are made via retail and digital channels, and these can be “followed through” and validated against ICS and other financial reports).
3. One dedicated environment that mirrors the production system (same code level, same patch levels, same parameters, same configuration, etc.) is required to allow for correct troubleshooting of production problems.
4. One dedicated environment for testing digital and other 3<sup>rd</sup> party channels. New developments on digital (web, mobile) or interfaces will require an environment that the respective development teams can use for module and integration testing.
5. Flexibility to add additional temporary test environments for specific test situations.

6. The ability to test predictive ordering of scratch games and run various simulations (including a transaction generator to simulate purchases, reset/rerun functionality, etc.). Ideally, the simulations would be able to use order and logistics information from the Data Lakehouse.
7. One non-functional test environment that can be used to test and certify failover, capacity, and performance. This environment will need to contain sufficient data to ensure that performance and load testing reflects production behavior.
8. Each testing environment must be capable of holding an appropriate data set for effectively conducting the respective tests. Any data set based on production data must be fully anonymized prior to upload and use in any test environment.
9. Test equipment. In minimum, the following must be available for testing in the test system environment provided and installed by the Contractor in the Lottery's own, secured test area and connected to the various test systems as needed (unless otherwise stated):
  - a. Seven (7) POS terminals of each type (complete Retailer Terminal Set-up) planned to be in operation
  - b. One (1) Digital Display, one (1) of each Jackpot sign type, one (1) of each vending machine type
  - c. For urgent production related testing, there shall be one (1) dedicated Retailer Terminal (complete set-up), one (1) dedicated Digital Display and one (1) dedicated, large model FSVM. These shall remain with the production mirroring test system.
  - d. The Lottery may provide additional devices (e.g., own Jackpot signs) to be installed and used for testing as well.
  - e. One (1) pick & pack test station and needed equipment as well as test printers for warehouse labels and delivery notes.
  - f. One (1) test check writer/printer for check functionality testing.
  - g. All necessary supplies and consumables for all test equipment.
10. At least three (3) Management PCs for Lottery staff must be available providing access to the test system environments along with other Management PCs to be used by Contractor staff for testing. These terminals must be equipped with all systems and tools for performing all tests on all related systems (including load generator tools for performance testing).
11. The Contractor shall be responsible for maintaining all test environments to the necessary installation levels, patch levels, release versions, etc. in close coordination with and subject to approvals by the Lottery to align with Lottery test cycles.

Bidders must describe how the test environments will be established and maintained, and the level of flexibility should additional or different set-ups be required in specific cases.

In addition, Bidders shall describe additional test environments located at their respective software development or operation location hubs and the availability of similar configuration set-ups as installed for the Lottery for Contractor staff use and Lottery support.

#### **A.4.3.2 Download Environment**

Significance	Response Type
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IMPORTANT	FULL
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The Lottery requires an appropriate environment or functionality to ensure and facilitate the independent download of software and content to all connected retail equipment. This may be a download server, a separate system or a similar infrastructure to achieve the same objective. The following requirements apply, and the Bidder shall describe the related offerings in this regard, in particular:

1. How the download service of software and content is going to be provided (infrastructure, tools, etc.) and how this is being maintained. The service shall include all tools needed for performing the updates and controlling the process. The Bidder shall provide for and support updates for the applications as well as for the infrastructure software (OS, security patches, etc.).
2. Software download shall be performed in a way to allow all retail equipment to stay online and enable sales. No degraded System performance may occur during or in conjunction with such downloads. The software or the changes downloaded (e.g. graphics, etc.) shall be able to be activated through centrally managed parameters when determined by the Lottery. There must also be a fallback option in case the changes fail.
3. The Bidder shall describe the various ways of performing the update (i.e., stand alone, full update, partial update, application updates, infrastructure update, emergency, etc.) as well as how the application ensures the integrity of the downloaded Terminal software. The Bidder shall also describe error handling and resolution of non-standard situations, e.g., forced download, etc.
4. The Bidder shall elaborate on the total length of time, a complete retail terminal software download will take considering the terminal quantities and the proposed communications network.
5. The Bidder shall describe the preferred distribution method considering Operating Hours.
6. The Bidder shall describe any impact on the existing telecommunication network for the various software distributions, considering the offered network infrastructure.
7. The Download Environment, or any other suitable environment proposed by the Bidder, shall also support certain broadcasting functionality (e.g. for files to be distributed to Terminals, progressive jackpot information, etc.) based upon a trigger from the central side or upon request for single transfer from the Terminal.

The Download Environment may also be seamlessly usable for distributing multi-media related content to the Terminal or Retail environment as provided through a multi-media Content Management System (CMS) unless the Bidder proposes an alternative concept.

#### **A.4.3.3 POS Multi-Media System and CMS**

Significance	Response Type
IMPORTANT	FULL

The Lottery currently uses the IGT ESMM platform for providing and controlling multi-media content across 3052 retail stores. The current screen size is 19.5 inches, is situated near the Terminal facing the customers and runs advertising sequences, provides jackpot information, static information, etc. Content is produced externally, imported and converted for the IGT ESMM system and manually pushed out to the retail devices as part of a standalone environment through the current

existing retail communications network (no separate network). This environment does also receive information from the Gaming System (e.g., Jackpot information for the Jackpot displays).

The Lottery has plans for establishing a wider digital presence at retail through new displays (ref. section A.6.1.3.1.9 “Customer Displays”) as well as Digital Displays (ref. section A6.1.5.3, also known as “digital menu boards”) and is looking for a state-of-the-art, easier to use, modern solution.

The Lottery requires a professional, flexible and effective multi-media and content management Solution to manage and drive content on screens at the POS in an interactive and efficient manner. There may also be multiple screens available at many points of sale. This Solution also needs to interface with the Gaming System (e.g., for transactional or player information or jackpot data) and be able to retrieve data fed from the Data Lakehouse system (e.g., for supporting information, regional winner information, etc.). There shall also be no download limitations in any given period.

1. The Bidder should describe its Solution and, in addition, address the following criteria:
  - a. State-of-the-art file sizes for modern multi-media content must be doable
  - b. Functionality to remotely manage storage space for multi-media content at the POS to avoid lack of space situations
  - c. Agile solution, allowing quick and effective downloads to the POS, even in high-jackpot situations without impacting sales
  - d. Full flexibility in targeting content to single retailers, groups, chains, regions, territory, zip codes, Terminal type, display, etc.
  - e. Full flexibility to combine distribution with date and time coded content (from-to)
  - f. Ability to run full or split screen content
  - g. Display transaction banner
  - h. Ability to end current content and return to a default screen (to be defined), in case of issues with the current content
  - i. Ability to update current Progressive Print-N-Play jackpot information with every sale (5-10 minutes – minimum), without stressing the System
  - j. Flexibility on content management- creating content, downloading and managing it (which should also be doable by Lottery staff without Contractor support)
  - k. Show content and Lottery information on environments, such as a digital menu board displays or other promotional displays
  - l. Display Amber Alerts
2. The Bidder shall include POS multi-media related infrastructure / hardware and software maintenance, update, and operational services throughout the Contract duration. In case the Solution offered has limitations in managing, preparing, or handling content (i.e., if this cannot be done by Lottery staff), the Bidder must propose and include readily available content development resources to be available to the Lottery at any given time during a Working Day.
3. The Bidder shall also provide for integration of this functionality into the test environment, so that the Lottery can test content and campaigns before going live.

**A.4.3.4 Data Lakehouse / Business Information System**

Significance	Response Type
IMPORTANT	FULL

The Lottery currently uses a data warehouse provided by its current gaming system vendor. Access to the information is managed through Power BI.

The Lottery's goals and objectives for its data management are to

- centralize and integrate data from various sources,
- enable reliable, consistent data access for analytics and reporting; and
- support data-driven decision-making across departments.

To achieve this, it will be important

- to integrate and consolidate data from multiple sources into a single, reliable repository,
- to facilitate efficient data processing for analysis and reporting,
- to monitor, constantly optimize and tune the platform to ensure high performance,
- to ensure data accuracy, data reliability, consistency, and integrity, as support real-time or near-real-time data updates; and
- to be independent of the active Gaming Systems, preventing any negative impact on production operations or gaming response time while obtaining reports on retailers and sales or conducting various analysis.

The Bidder must propose a management information system based on a Data Lakehouse, data warehouse and/or data lake or similar state-of-the-art concepts, as per the Bidders capabilities, to achieve the Lottery's goals and objectives and provide for the functionality and flexibility. For ease of use, reference is made to the platform as "Data Lakehouse", short "DLH" throughout this RFP.

**A) Technical Requirements**

The Lottery requires a technical Solution or platform service that meets the service levels in terms of availability, performance, accessibility, integrity and data quality. It shall provide for full integration and consolidation of all gaming and related business and marketing information (across all channels and platforms) as well as any other data, as desired by the Lottery, within a centralized Data Lakehouse for reporting, statistics, promotional, marketing, sales force and other analysis purposes. The Lottery requires fifty (50) concurrent licenses for its staff.

1. The proposed Gaming System shall feed all relevant gaming, retail and player transactions passing through any System into the Data Lakehouse on a regular and near real-time basis.
2. Data should be available within **15 minutes** of the occurrence, preferably quicker (in real time).
3. The platform should allow easy changes or additions to data sources, schemas, and transformations.
4. Historical data shall be migrated and imported from the Lottery's current data warehouse to provide continuous availability and access.

The Bidder shall describe the technology and management tools for the offered, dedicated Data Lakehouse system, databases, storage, related access, update/refresh times and analysis tools and full Documentation (including data structures) as deliverable, independent of the production environment.

The DLH platform must be configured in a redundant manner and location for allowing continuous access by the Lottery through an easy-to-use graphical user interface or professional tool. The DLH and related tools shall be highly available in line with Gaming System availability requirements.

The platform proposed shall also provide for effective backup Solutions as well as disaster recovery in line with Gaming System requirements.

## **B) Functional Requirements**

The proposed offering shall be future proof, and the Contractor shall be responsible for providing the ongoing evolution and development of such platform to always meet the Lottery's business needs. As such, the following functional requirements should be considered in the offering:

### **1. Data ingestion and integration**

The Data Lakehouse architecture and structure should support diverse data sources, ingestion methods, and data integration capabilities, more specifically including, but not limited to:

- a. support various data source formats including the ability to handle structured, semi-structured, and unstructured data (e.g. JSON, CSV, XML, images, files, etc.).
- b. provide for pre-built connectors or native integration. Such could include, but is not limited to, for example,
  - relational databases (e.g., SQL Server, MySQL, Oracle)
  - cloud storage (e.g., AWS S3, Azure Blob, Google Cloud Storage)
  - real-time data streams (e.g., Kafka, Kinesis)
  - business applications (e.g., CRM or ERP systems); and
  - APIs and third-party data sources.
- c. support scheduled and large-scale batch as well as real-time data ingestion and processing to support near-instant data availability for analytics.
- d. support Change Data Capture (CDC) to capture and load only changes from source systems, improving data freshness and load-speed.
- e. provide flexible workflows for ETL (Extract, Transform, Load) and ELT (Extract, Load, Transform) processing.

### **2. Data Storage and Management**

The Data Lakehouse should offer scalable (vertical and horizontal), optimized storage Solutions with advanced data management capabilities for high-performance.

### **3. Data Security and Compliance**

The Data Lakehouse platform should provide robust security and governance controls for data protection and compliance. This includes, but is not limited to

- a. Access Control: Role-based access control (RBAC) to ensure that users have appropriate access to data based on their roles.
- b. Data Encryption: Encryption at rest and in transit to secure data, with support for industry-standard encryption algorithms.

- c. Compliance: The platform should comply with relevant data privacy and security regulations (e.g., MGDPA, GDPR, HIPAA, CCPA) and provide adequate segmentation.
- d. Audit Logging: Ability to track user activity (access, modifications) and access logs, with reports on user activity for compliance.
- e. Data Lineage: Detailed data lineage tracking, showing data origin, transformations, and dependencies to help with understanding the data flow and support compliance and auditing needs.

#### 4. Data Processing and Transformation

The Data Lakehouse should enable efficient data transformation, processing, and analytics. In particular for real-time processing and analytics, such could include machine-learning (ML) integrations (e.g. support ML workflows, model training, ML framework integrations, etc.) and data-quality management (e.g., automated data validation and anomaly detection to flag inconsistent, duplicate, or missing data and data cleansing).

#### 5. Analytics and Query Capabilities

The Data Lakehouse should offer capabilities for fast, scalable analytics and support a wide range of query support. This could include, but is not limited to

- a. Data access: Users should be able to access data through various means, including SQL querying, dashboards, and BI tools.
- b. Capability for BI tools to query the DLH data directly without intermediate processing or extraction.
- c. Pre-built analytical functions, which could include common analytical functions (e.g., window functions, aggregations, joins) for statistical and analytical queries or user-defined functions.
- d. Data export: Ability to export data for external reporting, sharing, or integration with other systems.
- e. Regular, at least annual updates of analytical capabilities and functionality utilizing latest AI capabilities and related technologies.

The Bidder shall describe its offering, architecture, concepts for the above and how it is proposing to ensure that the Solution meets future needs.

### C) Process

The Bidder must describe how to collect and manage data in the Data Lakehouse including accumulating as well as rolling up mass data, such as transaction and sales data. The Lottery requires individual gaming or financial transactions as related to the gaming operation available in the DLH for as long as possible to also support balancing processes in addition to detailed analysis and management reporting activities. Overall, the Lottery requires granular data available for statutory purposes for seven (7) years and desires to have historical aggregated, product, sales and retail related data since inception available in appropriate form (see also Section A.9.1.1).

The Data Lakehouse shall also be fed with operational, static and administrative information necessary to derive meaningful reports from the platform. This includes but is not limited to retailer master and inventory data, retailer transaction data, game data, draw data, promotional data, digital

player data, subscription data, vending machine information and other information, which might be useful in the future for further analysis and business needs.

For interfaces to obtain information and data from other systems and environments, the Contractor will be required to implement such to ensure the DLH will be the central point of data for all reporting and analysis purposes.

Data from the Data Lakehouse will also be used to feed data and information to other Gaming System applications (e.g., the Retailer Extranet environment for historic reporting, player history reports, sales force reports, Lottery Back-Office systems, etc.). The Contractor will be required to facilitate such in line with business needs at the discretion of the Lottery.

#### **D) Access / BI tool**

For accessing the information, the Bidder is required to propose a comprehensive, easy-to-use reporting tool set permitting thorough but flexible analysis (e.g. Business Intelligence tools) and role-based user access for security. This tool must provide for enabling standard, pre-defined reports and standard BI Cubes as well as flexible ad-hoc reporting through individual selection of fields and parameters. The tool must also support data exports in all common formats such as XLS, XML, PDF, text, and others. The Contractor will be required to suggest and provide the initial standard set of reports based on Lottery demands, which will be defined during the Functional Specification process.

The Contractor must provide adequate licenses to meet Lottery business needs. The number of licenses will vary depending on the system capability. The Contractor will also provide all training and upgrades to this utility to keep it current.

#### **A.4.3.5 Relationship Management**

<b>Significance</b>	<b>Response Type</b>
IMPORTANT	FULL

The Lottery maintains relationships with its retail partners (B2B) and customers/players and endeavors to manage these professionally. The Lottery therefore requires professional CRM-type systems or platforms to manage these relationships that must be part of the proposed System. Such could also be an integrated platform covering both retail (B2B) and player (B2C) CRM functionality, if the Bidder sees such as advantage and proposes such.

The CRM systems may act as central administrative points of reference for data and be highly integrated into corresponding systems (i.e., retail, digital, sales support, loyalty programs, campaigns, customer and retail hotline services, financial information, etc.).

For players, the Lottery assumes that such CRM functionality is in essence combined administratively with the Player Account Management environment, which is assumed to provide more functionality (e.g., player protection, KYC, wallet administration, etc.). For further PAM details and requirements, please refer to Section A4.2.1.3.

The CRM platform(s) for retailer and customer information must be intuitive, easy to use and also be usable by the Lottery's call center staff to capture relevant contacts (e.g., made via phone, email, ...). If the Bidder has no suitable solution, a professional "helpdesk" type application providing for all the necessary integrations with the other applications may also be proposed.

Changes and mutations in the System regarding customer and retailer data must be logged automatically and on-demand visible for the front and back-office user.

As workflow management is essential for increasing service levels, the CRM Solutions should be linked to a ticketing-based tool for triggering actions, internal approval chains or tracking issues. Such a Ticketing Tool is desired to be highly integrated with minimal manual transfer of information by the user (to avoid media breaks if possible). This tool must also be highly intuitive and easy to use by Lottery staff.

The Bidder shall describe its proposed concept.

#### **A4.3.5.1 Retailer Management**

Significance	Response Type
IMPORTANT	FULL

The Gaming System must provide for central technical Retailer master data management and administration as well as retailer license/contract management. All related documents and records (including historical) shall also be stored and kept at a single central repository. Functionality shall include, but not be limited to the following:

1. Retailer management must allow for the set-up of a Retail agent in the Gaming System to include all data related to that Retailer for the purposes of mapping transactions through a unique ID and feeding downstream systems such as the Lottery ERP, Scratch Ticket management, ordering systems, Data Lakehouse, Sales Force Automation, and other systems where needed.
2. Retailer Master data fields will include all information required to manage the Retailer account including but not limited to, retailer trading details, address, location, operating status, financial information, license validity, licensing fees, classification, game range profile, limits, graphics and logos, POS equipment etc. It should also be possible to enable selected Retailers high-prize claim functionality.
3. To categorize and identify parent – child retail relationships. In this context, for example, set-up must be possible for single Retailers, groups, or (corporate) chains, which may be linked to regions, territory, zip codes, Terminal types, etc. Also, related Lottery staff must be assignable to each entity (such as a LSR, Field Sales representative, Customer Service representative, etc.).
4. The System must be able to track each single POS regardless of ownership.
5. A complete asset register for all equipment at retail and it must be possible to report on the assets and quantities per store or chain, for example, facings, digital scanners, type of terminal, types of vending machines, types of dispensers, network devices, digital displays, etc.
6. Availability of the lifecycle-management of an agent, from application to termination including the annual license renewal process.
7. Compliance management through a points system or scores for capturing breaches, penalties and associated sanctions.

The Bidder shall describe its approach for managing Retailer Master data, the relationship management, and the offering in this regard. The Solution is expected to be highly integrated with the (B2B) CRM and Sales Force Automation System as required below.

#### **A4.3.5.2 Sales Force Automation (SFA) System**

Significance	Response Type
IMPORTANT	FULL

As a subset of or integrated with the retail CRM, the Lottery requires a comprehensive Sales Force Automation Solution provided by the Bidder. The SFA system shall be fully integrated with other systems and consume data from the Data Lakehouse, the Gaming System, from call center activities and other systems where possible. The SFA must also be able to fully reflect the Lottery's sales and support organization (regions, regional offices, sales reps, corporate accounts, assigned lottery support staff, etc. and various linkages, such as for example one or many retail account(s) are linked to a sales rep, linked to a regional office, linked to a region) as well as the entire retail ecosystem (including vending). Such configuration must be possible individually per retail account, but also per group, global, zip-code, chain, etc.

One of the key functionalities the Lottery requires is a fully digital and automated support of the retailer license application as well as statute-mandated annual retailer license renewal process. This process is currently largely manual and consumes significant Lottery resources on an ongoing basis. The Lottery envisages that such offered function significantly addresses today's challenges and

1. is workflow-based and ticketing-tool driven,
2. is highly automated (e.g., automatically triggering the annual renewals, deadlines, etc.),
3. can be integrated/linked with the Retailer Extranet Portal (e.g., to obtain documents through the portal, etc.),
4. provides for tasks to be pre-configured in the workflow or assigned as part of the renewal process (e.g., security and background checks),
5. provides for linking evidence, records and documents (e.g., which may also be physically stored in the CRM or another appropriate platform),
6. provides for secured signature approval processes (e.g., integration with docu-sign or similar tools) and 4-eyes principle approvals
7. provides for a license renewal "enforcing" functionality, so that deadlines for renewal must not be missed (e.g., staged pre-warning process) and are enforceable, e.g., by automatically switching off terminal functionality, etc.
8. offers automated ways (e.g., through standard interfaces) to receive results from the background/security and credit checks to avoid manually entering the results.

The Bidder must describe in detail its proposed SFA Solution and modules, specifically including the retailer licensing and renewals process.

The SFA Solution and application must be suitable for the operation on mobile equipment (laptop, tablet, or similar), which provides the sales representatives with all relevant information about the retailer at the time of the visit. This application must use high secure remote connectivity and include, but not limited to, functionality such as

- a. Full access to all retailer data in real-time (with some built-in resilience, buffering or storage, in case the connection is weak/lost)
- b. Access to the Application/License/Certificate
- c. Capability to run on a mobile device, irrespective of the operating system
- d. Show business data, such as sales, active games, promotions, etc.
- e. Show order data (current, past, future), activations

- f. Provide statistics
- g. Retailer data on specific product performance
- h. Manage and provide information for corporate accounts (e.g. detailed reports)
- i. Financial information
- j. Custom reports
- k. Complaints and issues
- l. Call and contact history
- m. Benchmark and performance information
- n. Survey and forms capabilities with central saving and automatic analysis to reduce paperwork
- o. Retailer master and complete inventory data
- p. Planograms
- q. Access all Retailer documentation, manuals, reference cards, training material, etc. directly through the SFA
- r. LSR administration for performance and workload management, such as LSR visit scheduling, result evaluation, weekly achievements, related reports and statistics, etc.

The Solution offered must be easy to maintain and adapt for creating changes as needed.

The Contractor must also provide software support and security services to ensure ongoing availability and security of the application. Any native (mobile) application must be able to be controlled by the Lottery's or the Contractor's mobile device management (MDM) software – including the ability to remotely wipe any software or data. It must be possible to configure Multi Factor Authentication for users of the native (mobile) application.

The Lottery will provide all the necessary mobile equipment for its LSRs.

#### **A.4.3.6 Retailer Portal System**

Significance	Response Type
IMPORTANT	FULL

The Bidder shall propose an Extranet-type system platform through a Retailer Portal (web-based), which must enable Retailers to self-service their activities and the Lottery to communicate with the Retailer, including providing relevant data and reports. The Retailer Extranet application (app) and web-based service must be provided through a separate server from the Gaming System hosts. Access from Retailers should be web-browser and (web-)app based (responsive design), highly secured and access controlled (individual access, role based). The Gaming System must be protected by firewall or other approved means from the Retailer website server to ensure protection against cybersecurity incidents or related issues.

The platform must be easy to find, informative, intuitive and easy to use by Retailer staff to ensure maximum acceptance and a good user experience. The Lottery will measure such across its retail network.

The website must provide for Digital Accessibility in line with Jurisdiction regulations and be compatible with the top five (5) web browsers<sup>2</sup> on the last three released versions. New web browser releases should be accommodated as soon as possible. For app versions, in addition, the Samsung Internet browser must be equally supported.

The Bidder shall fully describe the proposed system and solution, including the related information available on the Extranet, the processes for keeping the information up to date, the Lottery interaction with it and how overall management and maintenance of the site is foreseen. The proposed System must be highly automated with little to no manual intervention and receive data from various applications, including the CRM and Data Lakehouse.

If any additional environments are necessary or can be used (e.g., the Content Management System), the Bidder may propose a fully integrated solution.

The functionality of the platform shall include, but is not limited to:

- Personal home page
- Communications/ Messaging
- Sales information and flexible sales comparisons with other retailers
- Loyalty/promotion/incentives
- General information/FAQ (Q&A)
- Manuals (Operations, Training, etc.)
- Invoices and reports, including historical billing information (at least 24 months)
- Prize winner information
- Statistics
- Correspondence/communication with the Lottery
- Orders (visibility of suggested order, order history, status, placement/amendment of orders, etc. within parameters set by administrator)
- Returns
- Inquiry form with related forwarding into the CRM
- Game and Terminal information
- Training area for each user including tracking functions (e.g., videos, webinars, etc.). Preference is that this be linked to or integrated with the e-Learning solution through an easy, hassle-free process for the user. Bidders shall describe convenient options.
- Access for Corporate Accounts (e.g., any or all sites)
- Multi Factor Authentication function, password self-service and resets
- Media
- Retail license authorization (annual process to obtain a license to act as retailer)
- Central administrative functionality for Lottery staff (e.g. changes, central password resets, manual uploads of information/documents, messaging, etc.)
- WCAG compliance

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<sup>2</sup> Google Chrome, Apple Safari, Firefox, Microsoft Edge, Opera

The functions available must be linked to the access role and privileges assigned. The assigning should be by delegated hierarchy (national, regional groups of stores) for business functions, enabling distributed access role management so that a national or regional manager can manage the users and roles for their group of retailers.

**Innovative ideas:** The Lottery is also interested in hearing and understanding new concepts related to Live Chat support or AI based automated response systems (Chatbots, etc.). The Bidders are invited to share experience and related offerings.

#### **A.4.3.7 Digital Platform**

<b>Significance</b>	<b>Response Type</b>
IMPORTANT	FULL

The Lottery is currently offering digital services to players and customers in the form of various information, number checkers, promotions, 2<sup>nd</sup> chance draws, digital play slips, retailer locator and more. Players can register and use various administrative functions. No sales are however offered or generated via this digital platform, which is currently provided by mkodo (Pollard Digital Solutions).

The objective of the Lottery is to obtain a solution, which provides for

- Performance: Provide fast service, real-time results and ticket validation.
- Security: Comply with gaming regulations and prevent fraud.
- Compliance: Ensure adherence to laws and regulations (e.g., geofencing, age verification, data protection, State rules and regulations) and industry specific standards (MUSL Rule 2, WLA-SCS, PCI DSS, etc.).
- Transparency: Provide a fair and auditable system for players and customers.
- Flexibility and Scalability: Handle traffic surges, especially during large jackpot draws and ensure high availability.
- Appealing appearance: Modern, current look-and-feel, optimized customer journey, latest platforms and functionality.

#### **A) Technical Requirements**

The Bidder shall propose all necessary infrastructure for a redundant, complete and integrated digital platform (a complete solution), available 24/7, including, but not limited to the following:

1. All necessary Web- and Application Servers, databases, storage, etc., including IT infrastructure for the hosting of Lottery web-based and digital services (e.g., website, CMS, etc.)
2. Content Delivery Network (CDN)
3. Security applications, devices and features such as Web Application Firewalls (WAF), encryption (data in transit and at rest, where at risk), Identity and Access Management (IAM), DDoS attack prevention, Monitoring and Alerts, etc. and other necessary security applications and devices to ensure overall end-to-end cyber security.
4. Audit trails, secure log files and monitoring for transparency and to prevent tampering, e.g., ELK Stack (Elasticsearch, Logstash, Kibana) or similar tools

5. Any necessary middleware for integration with the PAM, central gaming system, payment providers, ID Verification/KYC and Geolocation providers, etc.
6. All related network components for connectivity and load balancing
7. Highly automated Backup processes
8. Highly redundant including auto-scaling and auto-failover options
9. Separate environments for staging/testing and production to ensure smooth deployment and testing

The Hosting environment is at the Bidder's discretion (e.g., cloud based, hybrid [cloud and on-premises] or entirely on-premises) in line with the overall infrastructure service provision approach.

The Bidder shall describe its proposed Solution and provide a diagram of the digital platform with all components and applications showing also the flow of information to and from the Gaming Systems, the front ends as well as any third-party systems.

## **B) Functional Requirements**

The Lottery requires an integrated digital solution, based on a modern architecture, to be provided by the Contractor, which shall include, but not be limited to:

1. **The mobile application, Mobile App.** Such may be a Progressive Web App (PWA), web, hybrid or a native application. The Bidder shall describe its proposed approach and the reasoning for its choice.
  - a. The Mobile App must be secure, efficient, and intuitive.
  - b. Such a Mobile App must work across multiple platforms (e.g. iOS, Android) and be available in the corresponding app stores, if applicable and ADA/WCAG compliant. If browser based, the same browser requirements as for the Retailer Portal System (ref. Section A.4.3.6) apply.
  - c. The functionality available shall include today's digital functions, gaming functions required in this RFP (as applicable), new functions in line with other System capabilities as well as the (future) playing of draw-based games (only).
  - d. The functionality shall also provide for customer journeys offering financial processes for the convenience of retail players (e.g., digital prize claim forms in app or web, payment via wallet at retail, cashing prize winnings into wallet – up to a certain amount, etc.) significantly simplifying the financial process offerings for all parties involved (Player, Retailer, Lottery). The Bidder shall specifically describe its Solutions and address additional useful use cases.
  - e. It shall be possible to enable or disable the live gaming functions.
  - f. The Mobile App shall go through regular refresh cycles to ensure an appealing appearance, latest OS/technology/security, etc. and most effective customer journeys. Such customer journey review & improvement cycle shall be done annually, while a Mobile App re-design and refresh shall be done every approximately 3 to 3.5 years or earlier if deemed mutually beneficial by the Lottery and the Contractor.
2. **The website/web-front end functionality** is limited to the provision of plug-in modules/widgets, APIs and interfaces for the provision of PAM and gaming functionality as well

as information/data feeds. **The Lottery will source and contract the front-end (i.e., website) software development and the related Content Management System (CMS) separately outside of this RFP.** The Contractor will be required to work with the designated, front-end software development specialized vendor, fully integrate the external software on its IT infrastructure (e.g., website code, CMS, etc.), provide modules/widgets for CGS related functionality, provide comprehensive data-feeds and take in data entries. The Lottery will work with the separately sourced website CMS and be fully responsible for the content of the website.

3. Provision and integration of reliable payment solutions and payment service provider(s) (PSPs). The Contractor shall ensure PCI DSS compliance for handling payment data and adequate fraud prevention. The Contractor shall contract the payment service provider(s) directly and net-charge the Lottery the cost for transactions on a monthly basis. The Lottery requires the Contractor to regularly re-negotiate rates with the PSPs to ensure that those are highly competitive. The Lottery wishes to participate in these negotiations.
4. The Bidder shall propose a Chatbot integration, which shall be linked to the digital back-end systems for customer support (e.g. create tickets automatically).
5. The identity verification and Know Your Customer (KYC) process to ensure that a person registering for digital services is 18 years of age, or older.
6. The geolocation service to ensure all registered customers are accessing the Lottery's digital services only from within boundaries of the State of Minnesota (e.g. IP and GPS based).
7. The integration layers, in particular with the player account management functions (ref. Section A4.2.1.3), CRM integration, and the respective game functionality to process the various draw-based games as may be offered through these channels.
8. The draw-based game features are expected to be inactive upon go-live but shall be ready to be turned on at any given time, should the Lottery so decide. For the avoidance of doubt, electronic instant games or similar are legally not permitted to be offered by the Lottery.
9. Modern APIs (e.g. RESTful, gateways, xml, etc.): To allow effective and easily adaptable data streams in all directions (e.g. to/from Data Lakehouse), easy integrations and flexible changes. This should effectively enable information provisioning to digital users (e.g., finding selectable product offerings in certain regions, 24/7 prize inquiries, etc.)
10. Interfacing with the Lottery's existing external Random Number Generator for draw results, e.g. for promotional or 2<sup>nd</sup> chance drawings.
11. Analytics to track customer behavior and real-time monitoring features to identify anomalies.

The Bidder shall describe its proposed solution, applications, functionality, update cycles, and in addition address the items listed above.

#### **A.4.3.8 E-learning Platform**

<b>Significance</b>	<b>Response Type</b>
IMPORTANT	FULL

The Lottery requires a state-of-the-art e-Learning platform to conduct training for retailers, lottery staff and others, as required in addition to face-to-face training sessions.

1. **Technical:** The platform may be cloud-based, and the Solution should be based on responsive design to support various devices (mobile, tablet, desktop).

The platform should be of a modular design, to allow for easy updates and new feature integration. It should support third-party integrations through APIs and be scalable to cater for various usage and performance needs. In terms of security, end-to-end encryption (SSL/TLS) and role-based access control (RBAC) should be supported. Compliance with relevant data protection standards is expected as well.

It is desirable to integrate the platform into the Retailer Portal System and use the same retailer access credentials for ease of use.

2. **Functional:** The platform should support and provide for

- initial and ongoing retailer training (e.g., use of equipment, sales training, responsible gaming matters, compliance, etc.)
- initial and ongoing training for Lottery staff (e.g. compliance, application use, etc.)
- personalized learning paths
- training effectiveness assessment tools, e.g., quizzes, tests, and automated grading.
- progress tracking and ensuring course completion: Visual dashboards for both students and instructors, notification, escalations.

This implies that essential basic functionality is provided as well. Such may include, but is not limited to

- a. User management (e.g., registration, authentication, SSO, 2FA, user roles and access levels, user groups and profiles, etc.)
- b. Content management (e.g., course creation and support of various formats, content versioning, multimedia integration, etc.)
- c. Communication tools (e.g., live classes via integration with video conferencing platforms, messaging, notifications and alerts for assignments, incomplete courses, deadlines, updates)
- d. Analytics and reporting (e.g. learner analytics, instructor reports, dashboards, etc.)
- e. Accessibility and support, which may include multilanguage features, accessibility standards (e.g., WCAG compliance), links to help desk and/or knowledge Documentation

The Bidder shall describe the proposed solution, technically as well as from a functional point of view.

#### **A.4.3.9 Check Production**

Significance	Response Type
IMPORTANT	FULL

Further to the Prize Claims Management and Payment functionality required (ref. Section A4.2.1.6), the Lottery requires eight (8) (3 Headquarters, 1 Test, 3 Regional Offices, 1 Accounting) Check Writing Printers. The printers must be fully integrated with the Prize Claims Management and Payment processes.

The cost to update and operate the check writing printers, including ink/toner/micr, shall be the responsibility of the Contractor. Checks must be printed on Lottery provided check stock.

The Bidder shall describe its Solution for printing checks.

#### A.4.4 Gaming Quantitative Performance Criteria

Significance	Response Type
IMPORTANT	FULL

The Bidder must propose a System that meets or exceeds current as well as reasonably foreseeable future business needs and consider all such in its Proposal. As outlined, the following minimum performance quantities and requirements shall be considered. The Bidder should describe its proposed System capabilities:

##### 1. Capacity:

- a. The System as delivered should be designed in a scalable manner and must accommodate the quantity of games, Terminals, digital players and other devices as stated herein with sufficient spare capacity for capturing historical data and any for future expansion (i.e., future-proof environment). Reference is made to the games and product information provided in this RFP.
- b. The system must have the as-delivered capacity in all hardware and software aspects to accommodate at a minimum
  - i. Four hundred (400) concurrent physical Scratch games being in any status (e.g., loaded, distributed, settled, activated, disabled, returned),
  - ii. fifty (50) concurrent Lotto Games or other games,
  - iii. Game Sales per day of at least one-hundred million USD (\$100,000,000),
  - iv. Game jackpot amounts up to ninety-nine billion dollars (\$99,999,999,999.99); and
  - v. Registration of technically up to four (4) million named customers / players.
  - vi. detailed transactional and financially relevant data for all Sales Channels for at least 18 months (rolling), which must be directly accessible and retrievable.

##### 2. Throughput Performance:

- a. The System as delivered must be capable of handling up to fifty thousand (50,000) sales transactions per minute across all channels on a continuous basis.
- b. The System as delivered must be capable of processing up to two thousand (2,000) combined cash (validations) and cancel transactions per minute, while selling at the rate above and in addition to any prize inquiry and digital verification/validation transactions.

- c. Each single play (single panel) printed ticket at Retailer shall be produced in no more than four (4) seconds from completion of data entry ("Send" is pressed or Play Slip is inserted) to availability of the completed ticket at the Retailer Terminal. Faster response time is desirable.
- d. Variable length, multi-play (up to ten (10) boards) printed tickets at Retailer shall be produced in no more than six (6) seconds after completion of data entry ("Send" is pressed or Play Slip is inserted) to availability of the completed ticket at the Retailer Terminal. Faster response time is desirable.
- e. All other transactions within the Contractor's System (e.g., winning ticket validations, cancels and brief Lotto Games and Scratch Ticket reports, etc.) shall be produced in no more than five (5) seconds after completion of data entry ("Send" is pressed) to availability of the ticket or report to the Retailer. Faster response time is desirable.

If the needed performance requirements are not being met, such may be considered as Degraded Performance.

### 3. Digital Performance:

The Lottery's objective is to offer an excellent experience to its customers using digital Lottery services with fast response times. The Contractor must meet this objective and propose a Solution which will flexibly and economically meet the growing needs of the Lottery, over the term of the Contract.

### 4. Recovery Speed

The Primary and Secondary Site Systems shall be operated in auto-failover mode. In case of a fail-over from either site to the other, all Gaming Transactions must be continuously maintained. This includes the ability to fully service the Retailer Terminals, exchanging transactions with the Lottery's system, serving digital customers, and permitting full Management PC functions. In case System functionality must be switched and recovered, this shall be accomplished in no more than two (2) minutes. A faster recovery time is desirable.

The Bidder shall describe how they will demonstrate system recovery processes and results during acceptance testing.

#### A.4.5 Operating Hours of the Gaming System

Significance	Response Type
IMPORTANT	FULL

Twenty-four (24) hours-a-day, 7 days a week, all year, Gaming System operations are required by the Lottery, especially due to the digital service offerings. The Bidder shall describe its approach and solution. In particular, any necessary System interruptions or similar, which are part of the daily operations must be stated (e.g., day breaks, etc.).

#### A.4.6 Maintenance Requirements for all Hardware and System Software

Significance	Response Type
IMPORTANT	FULL

A maintenance plan must be provided that describes the Bidder's best practices for upgrades and patches based on level of severity or impact on supported feature needs. This applies to all System infrastructure including Gaming System components, Contractor supplied, and vendor supported network equipment, communication equipment or any system components utilizing software to provide the proposed Solution to the Lottery.

**A.4.6.1 Lottery System Failover Scenarios for Operations**

Significance	Response Type
IMPORTANT	FULL

The Proposal must discuss typical failure scenarios, describe the procedures that operators would use for corrections to complete a takeover to the redundant/secondary system. Additionally, the Proposal must describe the procedures that operators would use to restore the system to standard configuration, and the amount of time required for the various steps and in total for the entire failover to complete.

## A.5 Communications Network

Significance	Response Type
MANDATORY	FULL

The current communications network of the Lottery is briefly described in Section 2.10.

### 1. Communication Network Requirements:

The Bidder must propose a concept and design for the communications network to serve the Lottery and the points-of-sale. The Lottery requires a redundant communications network that provides sufficient bandwidth to meet the gaming, download and multimedia/data requirements of modern Lottery distribution channels with no Gaming System performance impact even in high Jackpot situations. The retail network is assumed to be wireless (e.g., LTE/5G) and IP-based, but the Bidder must propose the ideal set-up for the Jurisdiction (which may include wired connectivity as well).

The overall network must meet in minimum the General Gaming System Service Availability, as defined, with sufficient bandwidth to ensure relevant performance criteria and business requirements are effectively met.

The Contractor is responsible for ensuring that the design is implemented and operated in compliance with RFP specifications, including the responsibility for network management, monitoring, and reporting on the provided network components.

Other designated communications networks related to and required by the Solution offered by the Bidder must be described and included in the Proposal, for example, links to cloud infrastructure, links between data centers, links to technical support offices, etc.

The Contractor will be primarily responsible for all its network costs and network management functions. The Lottery places no restrictions on Bidders contacting communications carriers with any network questions. Please note however the invited option in the following section.

Any such network must have SLA compliant availability with sufficient bandwidth to ensure relevant performance criteria and business requirements are met effectively.

The Contractor must have capabilities in place to monitor the network in real time and whenever possible proactively route data traffic to avoid outages or slowdowns in the data traffic as this could possibly lead to Unavailability, Unplanned Downtime or Degraded Performance.

The Contractor shall provide the Lottery access to all such monitoring data, and proactively provide the Lottery with information on an ongoing basis, such that the Lottery effectively can manage and support its Retailers.

### 2. Network Design and Implementation:

In the Proposal, the Bidder must provide a concept and design for the related network to be implemented and provided by the Contractor for the components in scope as applicable and relevant. A schematic network architecture diagram identifying key components must be provided.

The network proposal must include all WAN & LAN networking components to deliver the entire System, including connectivity to the Lottery HQ and the ICS. It must also include access to web-based services (such as web servers and mobile application back-end connectivity) and provide remote users with sufficient access bandwidth.

It must include the Wide Area Network (WAN) to connect the Bidder's infrastructure sites to each other and to the Lottery sites, as well as connectivity to all retail equipment installed or to be installed, as required. If connectivity is not available, the Contractor shall be responsible for establishing such.

The Contractor shall also provide a dashboard, overview or similar application to the Lottery showing the status of the retail network. Such should help the Lottery Retailer Hotline to quickly understand if there is a problem related to communications.

The implemented Solution must provide network connections between each of the data centers or infrastructure service site combinations, allowing for no single point of failure to impact the ability to make connections to any remaining data centers or infrastructure service sites. The Bidder must provide details on the design and implementation of the Local Area Network (LAN), used to operate the Bidder's data center or infrastructure and associated services.

### 3. Network Design Features:

Communications facilities must be designed with monitoring, redundancy, diversity, and security features to reduce the possibility that a disruption could impact the network and the Gaming System.

- a. **Fault tolerance:** The Proposal must contain a resilient network design and avoid single points of failure.
- b. **Fault notification:** The System must be able to notify the Bidder's technical operations team of significant transmission failures or outages as soon as possible after occurrence.
- c. **Incomplete transaction protocol:** On incomplete or unresolved transactions between the Gaming Systems and the Retailer terminals or digital customers, there must be mechanisms for reconciliation. These may include retries, logging for reporting, and error messages to the Retailer, customer, the operations team, and the Lottery.
- d. **Non-responding or failing retail devices:** If the Gaming System identifies a retail device that is not responding within a set number of re-tries or within a reasonable time window, the device shall be logged as not responding. Non-responding / failing terminals shall be apparent to a network monitoring application and such issues shall be escalated to the respective Retailer Hotline service on duty and captured in the Issue Tracking Tool.

### 4. Network Security

The Bidder must include a detailed plan on Network security and transaction integrity for all network components and traffic required for the Bidder's Solution. This includes network and transaction traffic for the ICS.

In addition, the Contractor will be required to adhere to the following principles. The Bidder shall describe its approach to the following:

- a. **Principles of Least Privilege and Zero-trust:** All networks related to the Gaming System Operations must be designed with these principles in mind. Network access controls must be utilized to allow only the required network services needed by specific hosts or networks to be routed. Unneeded administrative protocols, services and ports shall be unavailable. The Bidder must document permitted ports, services and protocols and assume full responsibility for proper and secure management.
- b. **Strong Security:** The Bidder must provide any additional information on network segmentation, security components and controls, including firewall and intrusion detection/prevention systems, network access controls, network device hardening, login and

password controls including Multi Factor Authentication, network device log management and other relevant factors as relevant and needed.

- c. **Secure external transmissions:** All data communications external to secured facilities must be encrypted and secured. All data must be encrypted from the point of transmission to point of receipt, including any data transmitted directly from the Gaming System to a cloud system, a back-up system, to Contractor or Lottery Site locations and other remote locations.
- d. **Firewalls:** Any data center and external communications networks as well as any transmission that occurs between systems of different providers, shall be secured through firewalls or other appropriate means.
- e. **Connection to Systems and Networks not dedicated/private:** Any connection made between the System that processes games transactions and any other systems or networks that are not private and/or dedicated to Lottery Gaming Transaction processing (such as the Lottery administrative systems and the Contractor's administrative support system and development/QA system), must be effected through devices that secure, detect and block or filter out unnecessary and unauthorized traffic, and be approved by the Lottery.
- f. **Software transfers must be secured:** The Bidder must describe how the System will ensure that any such connections are not vulnerable to unauthorized access, viruses, malware, denial of service attacks and similar security threats.

## A.6 Retail Equipment and Functionality

Significance	Response Type
MANDATORY	FULL

The Contractor shall provide Terminals and related peripherals for each current and future POS as designated by the Lottery, and the Contractor must be able to deliver, install, and support additional such Terminals, peripheral equipment, and base retailer configuration components as requested by the Lottery over the life of the Contract as part of the base cost.

The Bidder shall describe how they will provide, deliver, install and keep fully functional with no Degraded Performance all Terminals and all relevant supporting equipment to the Lottery.

The term “provide, deliver, install and keep fully functional” shall be provided as a Service to the Lottery and be understood as the obligation to deliver, install, make fully functional and maintain as fully functional such equipment, including but not limited to any and all associated cost such as staffing, transportation, installation tools, mounts, cables, spare parts, software, services, etc. This Service will be monitored and measured as part of the Service Management process.

### A.6.1 Point-Of-Sale Terminals

Significance	Response Type
MANDATORY	FULL

The Bidder must provide new Terminals as a unified main selling and validating tool. The Lottery requires different terminal types as per the below sub-sections.

As an overview of its existing installations, the Bidder shall provide a table, stating for each proposed Terminal type, the number of existing installations and number of terminals, the date of first installation, the lottery name and country.

The technology and performance of the proposed Terminal Solutions shall meet all typical, reasonable lottery business needs at retail at Contract start, even in peak jackpot situations (e.g. jackpots >\$1B) or other administrative or transactional cases. In case of insufficient performance, flexibility or expandability, the Contractor shall be required and responsible for upgrading all necessary components to ensure that these reasonable needs are being met at the satisfaction of the Lottery.

#### A.6.1.1 Quantities

Significance	Response Type
MANDATORY	NONE

As summary, the Lottery is requiring the following retail equipment quantities. The related specifications and further requirements are stated in the subsequent sections.

RFP section	Item / Component	Required Quantities				Optional Increments	Notes
		Go-Live	Start yr 2	Start yr 3	Total		
A.6.1.3	Retail locations	3052	n/a	n/a	n/a	n/a	as of 03/2025
A.6.1.3.1.9	Retail Terminals	3250	n/a	n/a	3250	n/a	= Set-ups
A.6.1.3.1.9	Customer Displays	2850	n/a	n/a	2850	n/a	~ 19"
A.6.1.4	FSVM, large	150	n/a	n/a	150	n/a	9.25" Walmart
A.6.1.4	FSVM, medium	600	200	200	1000	100	25-30 bins
A6.1.4.1	Scratch vending	100	n/a	n/a	100	n/a	Walmart spec.
A6.1.4.2	Lotto vending	50	75	75	200	100	Invited Option
A6.1.5.1	Ticket Checker	50	150	150	350	100	Invited Option
A6.1.5.2	6-game JP signs	2700	n/a	n/a	2700	100	
A6.1.5.2	3-game JP signs	2500	n/a	n/a	2500	n/a	
A6.1.5.2	2-game JP signs	existing, Lottery owned, integration required					75 units
A6.1.5.3	Digital Displays	300	n/a	n/a	300	n/a	
		400	n/a	n/a	400	n/a	32" DMBs

Table 1 - POS related Quantities

**A.6.1.2 General Requirements**

Significance	Response Type
INFORMATION	NONE

The Terminals proposed shall follow the principles below. The Bidder shall state its responses by addressing these general requirements and per Terminal type/model offered (if there are differences).

**A6.1.2.1 User Friendly Operation**

Significance	Response Type
IMPORTANT	FULL

The Terminal UI (User Interface) must be easy to operate and should provide the user with a 'Help' option. The Bidder shall specify the mechanism and provide capabilities for the following:

1. Retailer Help function, which may include on-screen videos or graphic help screens. Additional up-to-date knowledge/training material and support information should be supported through the Retailer Portal.
2. One physical quick reference card per Terminal Set-up describing essentials to get started for all relevant equipment. It should also include information about accessing the Retailer Portal and how to contact the Lottery hotline
3. The operating and control screens
4. Alert indications of the Terminal notifying the user about various events or failures in the Terminal and in Communication. All messages must be clear to indicate the type of problem
5. Clear messages received from the Gaming System (e.g., instructions or error messages). Bidders shall also address how easily any error messages can be updated or changed for each POS equipment, preferably directly by Lottery staff

6. No or at least routine, basic maintenance procedures for retail staff
7. Dynamic UI configuration: The Bidder shall describe UI flexibility and dynamic configuration options for the Lottery and the Retailer to flexibly and rapidly adjust the user interface in line with business needs
8. ADA/WCAG compliance (as applicable)
9. Multi-language for retail and vending devices, which can be easily switched (e.g., English, Spanish).

#### **A6.1.2.2 Reliability**

Significance	Response Type
IMPORTANT	FULL

The Terminals must be highly reliable and robust to withstand various demanding retailer environments such as heat, cold (in line with Jurisdiction weather conditions), light, moisture, dust, grease, spilled liquids and operator/user abuse, to ensure minimal on-site service action and Terminal downtime.

All of the Terminal components, especially printers and scanners, as well as all vending components must be highly reliable. The Bidder shall specify the level of reliability for each of the following components (in terms of Mean Time Between Failures / MTBF) per Terminal type offered and as applicable.

1. Overall MTBF of the complete standard Retailer Terminal set-up proposed (as per Section A6.1.3.2)
2. Printer
3. Image Scanner
4. Barcode/NFC/RFID scanner(s)/reader
5. Operator Screen
6. Overall MTBF of each complete Vending Machine model proposed (as per Section A.6.1.4) and in addition:
  - a. Separately stated for the Bill Acceptor
  - b. Separately stated for Burster units

The Bidder shall substantiate all MTBF statements and clearly describe, if the given MTBF values are assuming preventive maintenance cycles to be completed.

#### **A6.1.2.3 Flexibility & Expandability**

Significance	Response Type
IMPORTANT	FULL

The Terminal must be based on an open Hardware & Software architecture, with flexibility allowing future growth and expansion.

The Bidder shall describe the Terminal's capability and efficiency, per Terminal type/model offered and as applicable, in the following:

1. Development of new games, expansion of existing games and easy maintenance thereafter.
2. Deployment of new games.
3. Addition of new peripheral equipment.
4. Addition of standard expansion boards (video & sound boards, interfaces, etc.).
5. Central monitoring of the Terminal (SNMP) and peripherals
6. Interfaces for standard equipment, including:
  - a. Graphic displays
  - b. Jackpot signs
  - c. Standard interfaces
  - d. Wireless connectivity

The Bidder shall describe the possibilities and available expansion options of the offered Terminal types/models and be responsible for upgrading the Terminal or devices, if required by the introduction of new gaming or digitalization functionality currently not foreseen.

#### **A6.1.2.4 Ergonomics**

Significance	Response Type
IMPORTANT	FULL

The Terminals must be easy to operate by the Retailer, easy changing and loading of paper rolls or stock, easy to resolve any malfunctions or errors such as paper jams etc.

The Terminal must comply with standard human engineering requirements, which will ensure easy access to internal components and peripheral devices, such as touch screen, scanner, bar code reader, printer, etc.

All display devices such as touch screen; customer facing or other advertising displays must be clear and bright, adjustable, easy to see from different viewing angles and in a wide range of light. All mounted screens must also be adjustable on tilt and swivel (Operator Touch screen only tilt adjustable).

Additional requirements for the Terminal are:

1. Ability to operate the Terminal both by right-handed and left-handed users.
2. Responsive screen set-up as well as the ability to control the size of screen fonts and blinking by user settings in the Terminal.
3. Capability of multiple position adjustment of the touch screen.

**A6.1.2.5 Marking and Identification**

Significance	Response Type
IMPORTANT	FULL

Each Terminal, peripheral and each sub-assembly unit shall have inventory identification per component. Each Terminal, peripheral and each sub-assembly must be identified by a tag with a bar code, through RFID or similar technology representing its inventory identification.

**A.6.1.3 Main Retailer Terminal**

Significance	Response Type
IMPORTANT	FULL

The Retailer Terminal is a multipurpose tool for performing Lottery Transactions and fits all the needs of the Lottery as well as for the Retailer for the new Contract period. The Retailer Terminals shall be modern, state-of-the-art and equipped with current technology. This main selling unit typically installed at the retail points-of-sales must be capable of easily, quickly and efficiently handling all lottery transactions, generating reports for retailers and interacting with the Gaming System even in peak jackpot situations. The footprint should be minimized where possible while meeting the requirements stated in this RFP. The stated Quantity is as per section A.6.1.1 and includes units for Lottery events as well as a few spares for future expansion.

The current Terminal (footprint without printer) has the following dimensions:

- Base Width: 10in
- Total Depth: 19in
- Total Height: 15in
- Screen width: 12in

The Bidder shall provide a general description of the benefits of the proposed retail terminal solution. The description shall specifically include considerations for its future-proofness and how the proposed retail terminal will support future Lottery sales processes at retail without significant modification.

**A6.1.3.1 Hardware Specification**

Significance	Response Type
IMPORTANT	FULL

The Solution shall use industry standard hardware elements wherever possible. In case of using proprietary elements, the Bidder shall describe the element and benefits of using it.

**A.6.1.3.1.1 Technology, Interfaces, Storage**

Significance	Response Type
IMPORTANT	FULL

The Bidder shall describe the manufacturer, type, technical specifications, and the characteristics of the terminal technology as well as the available interfaces and storage. Also, the Bidder shall describe how the proposed configuration will support technical progress, evolution, and digitalization at retail.

Minimum, integrated requirements include:

1. State-of-the-art powerful processor, suitable for the term of the Contract
2. Drive the components within the Terminal configuration set-up (Displays, scanner, printer, etc.)
3. Stable network interface
4. Ideally, power all or most of the components directly via USB (e.g., printer)
5. Audio speakers, to be configured via the technician menu or centrally by the Lottery (on/off/use for winner, etc.)
6. Graphics card / digital output device to support various types of screens.
7. HDMI interface(s) or similar
8. USB ports
  - a. Preferably 3.0, with at least two (2) ports free to use.
  - b. Describe options for USB type C ports.
9. Wi-Fi & Bluetooth capabilities offering the latest or suitable standards
10. Storage: Software and data encryption as well as other security features to meet at least Lottery industry standard security requirements

The Bidder shall provide a detailed technical description of the proposed retail terminal, including all components, interfaces, storage, memory, etc. information.

**A.6.1.3.1.2 Power Supply**

Significance	Response Type
IMPORTANT	FULL

The power supply must be modular and easily accessible without the need to dismantle other units. The Bidder shall describe the proposed power supply, which shall be suitable to the power grids and electrical circuits available in the Jurisdiction and preferably integrated within the Terminal. The power supply shall be protected against power surges.

Consideration shall also be given that certain additional devices may be powered by the Terminal (in case USB powering is offered).

The standard delivery shall include a power cable, at a minimum fifteen (15) feet in length, with a three-prong grounded plug. The Contractor shall have available shorter or longer cables depending on specific situations at specific retailers to allow for professional installations.

**A.6.1.3.1.3 Communication**

Significance	Response Type
IMPORTANT	FULL

The Terminals must effectively and economically operate through the communication networks proposed by the Bidder and support the following technical communication needs:

1. TCP/IP protocol
2. Static and dynamic IP address (IPv4 is required)
  - a. The Bidder shall address any potential IPv6 readiness and efforts for implementation as this could be a requirement in the future
3. IP/VPN network
4. Mobile network connectivity (e.g., for Terminals used at fairs in a mobile set-up)
5. Local wireless network (at retail, either integrated in the Terminal or not) for possibly connecting to other devices as offered in the Bidder's Solution (e.g. bar code scanner, Ticket Checker, etc.).

The Bidder shall describe the related communication approach, the devices and network layout at retail.

**A.6.1.3.1.4 Scanner**

Significance	Response Type
IMPORTANT	FULL

The Scanner will be used to read Play Slips and Tickets as well as may be used to read forms, coupons and other material for various purposes. The Lottery has no preference whether the technology is image or CCD based.

The Scanner must ensure reliable reading of the current and standard size Lottery Play Slips and Tickets (including existing receipts issued by the previous terminals).

The Scanner should meet the following functional requirements where applicable:

1. Ability to read used, wrinkled, and previously folded Play Slips and Tickets
2. Ability to read multi-color slips (considering blind colors)
3. Use of various slip sizes depending on scanner capability and options proposed by the Bidder
4. Fast reading of the Play slip. At least 20 play slips must be scannable per minute.
5. The Image scanner must be extremely reliable, at least 99.5% of success in the first reading.
6. Successful reading indication
7. Enable the retailer to clean the transport path and reader head surface with standard cleaning products (if necessary and applicable)
8. Enable the retailer to deal with malfunctions such as paper jam, without requiring a technician (if applicable)

9. Output Stacker (if applicable): A minimum of 20 play slips shall be held. The Bidder shall specify the quantity of Play Slips that can be held by the stacker.
10. Ability to read current Lottery Receipts.
11. The play slip or the Ticket will be pulled automatically when inserted into the scanner (if applicable).
12. Play slip shall be readable without decreased performance irrespective of the angle of feeding or placing into the scanner.
13. Flexible design of the marking spaces, in terms of shape, size and colors.
14. No limitations in reading and processing various fonts.
15. Branding: The Lottery is currently using branding features and expects those to continue with the new Terminal. If such requirement, however, prevents a Bidder offering new or alternative scanning technology, the Bidder is welcome to offer comparable security features or functionality (especially for cancellation transactions).

The Bidder shall describe the offered solution and options for each of the requirements above.

#### **A.6.1.3.1.5 External Bar Code Scanner**

Significance	Response Type
IMPORTANT	FULL

The scanner shall comfortably support both sales and validation transactions, digital play and interaction, as well as the administration of logistics (received shipments, etc.). The requirements for the bar code scanner are as follows:

1. Wireless for inventory purposes, but solidly held when placed at the Terminal, with charging while docked. There should also be a clear indication that the scanner is actually and successfully docked and actually charging.
2. Fast and reliable reading (high first read rate)
3. Automatic reading or reading via a touch screen command.
4. Supports a variety of linear codes including but not limited to Interleaved 2 of 5, Code 3 of 9, 2D/PDF417 and UPC. Specifically, the I2of5 barcodes on the existing tickets as well as Scratch Ticket vendor client standards must be readable.
5. Supports reading and processing of Quick Response (QR) codes (this includes alternatively shaped).

The Bidder shall comply with Lottery standards and state the related offerings in the Proposal.

#### **A.6.1.3.1.6 Reader/Device for digital interactions**

Significance	Response Type
IMPORTANT	FULL

The Lottery is looking to offer certain digital processes complementing the standard retail operations. In particular, the Lottery is interested in easing payment processes at retail (e.g., pay for tickets, prize

payment up to a certain amount) and for such, potentially using a digital wallet for players willing to register with the Lottery. Such a process will need some form of interaction between the Terminal and the Player, likely by using a smartphone.

Ideally, this reader unit or device offers NFC and possibly RFID reading and writing capabilities in an integrated manner for enabling digital interaction with the player at retail (e.g., through the mobile app for read and push data, through the technology supported by the proposed app). Bidders are expected to propose practical and effective Solutions to support existing and future Retail customer journeys and omni-channel activity.

This scanning unit shall comfortably support both sales and validation transactions as well as provide for future digital play and ticket or funds/wallet transfer capabilities (both ways), for example from and into the Lottery app.

The requirements for the bar code scanner / card reader are as follows:

1. Secure connection to the Terminal (e.g., USB based or wireless)
2. Fast and reliable reading (high first read rate) and writing
3. Automatic reading or reading/writing via a touch screen command.
4. Supports a variety of linear codes including but not limited to Interleaved 2 of 5, 2D/PDF417 and EAN/UPC.
5. Supports reading and processing of Quick Response (QR) codes (this includes alternatively shaped).
6. Supports capability to push message/data to external device (e.g., digital ticket to phone/App)

The Bidder shall comply with the current Lottery barcodes used and state the related offerings in the Proposal.

#### **A.6.1.3.1.7 Printer**

<b>Significance</b>	<b>Response Type</b>
IMPORTANT	FULL

The printer shall be thermal based and are mainly used to print the Tickets. In addition, the printers are used to produce reports and receipts. The produced tickets must have a high first read rate and be long-lived under ordinary consumer use (e.g., ticket folding, fade resistant, UV resistance, hot and cold weather, rain, etc.). At all times the ticket and report printer and its stock must be in compliance with security standards that apply to the Lottery (e.g., MUSL rules). Ticket stock currently used has a Roll diameter of 6" and a Roll width of 3.25".

The Bidder shall describe the printer proposed, which shall include:

1. The printer specifications such as: life expectancy, manufacturer, printer type, printer dimensions, printer speed, printer quality, max printing width and paper width
2. No. of overall installations of such printer model.
3. The date of first installation of such printer model.

4. Paper dimensions and max. length of the roll. Sensors and operation alerts for printer open, paper jam, paper disconnection, power failure, paper low, cutter issues and other malfunctions of the printer.
5. Preventative maintenance requirements and replacement plan(s), if needed.
6. Paper certifications, limitations and if the printer would work with the current Lottery printer paper

The Bidder shall describe the following properties for each printer as applicable:

- a) Printing of special characters.
- b) Quiet, fast (minimum 7 inches/second printing speed) and reliable printer.
- c) Ticket layout will match the Lottery's requirements, and the barcode must be readable by the current terminal and vice versa.
- d) Print all standard linear and 2D/PDF417/QR (this includes alternatively shaped) /Code 128/Code 39/ and any additional bar codes, including the current I2of5. The Bidder shall specify all other bar code types that can be printed.
- e) Paper cutter for various paper lengths
- f) The Printer must include a paper stacker, which shall hold in minimum 50 Tickets. The Bidder shall specify the quantity of Tickets that can be stored in the stacker.
- g) Horizontal and vertical printing (content/text/banners as well as bar codes)
- h) Easy unloading and loading of paper roll by the Retailer (clamshell preferred).
- i) Paper-out detection, preventing further terminal wager transactions until paper is replaced.
- j) Minimum amount of mechanical tuning and handling.
- k) Self-diagnostics
- l) Different fonts, font sizes and font styles (such as: bold, italic, etc.), presentation file/ play styles, logos, and symbols without affecting the printer's speed.
- m) Powered by the Terminal

The Bidder shall also describe the quality and characteristics of the ticket stock that is proposed for use. The Lottery requires that ticket stock maintain its eligibility and ability to validate a minimum of one (1) year after the drawing. The Bidder must provide the exact specifications in the Proposal.

#### **A.6.1.3.1.8 Operator's Touch Screen**

Significance	Response Type
IMPORTANT	FULL

The Terminal shall include a modern and state-of-the-art Operator Touch Screen. The Bidder shall describe the touch screen of the proposed Terminals, and the technology used.

The description shall at least include, but not be limited to:

1. Sealing against humidity
2. Heat resistance and static capacitance
3. Contrast and brightness control
4. Stand-by mode after not being in use for a while and fast wake up response
5. Reliability – the touch screen must be extremely durable and resistant to scratches.
6. Resistance against screen burning
7. The Bidder shall specify the proposed (best) screen resolution
8. The touch screen shall be 15" in size at least. The Bidder shall specify the size of the proposed screen.
9. Ability of auto-calibration the screen and saving of the setup.
10. Ability to adjust screen touch sensitivity.

#### **A.6.1.3.1.9 Customer Display**

<b>Significance</b>	<b>Response Type</b>
IMPORTANT	FULL

The Lottery is currently using IGT's "LottoVision®" at retail locations for the purpose of providing information to players, managed through the IGT ESMM platform. The displays are installed next to the Terminal and fed with content through the Terminal.

The Terminal shall allow in principle a wide variety of customer-facing displays that will enable the Player to see, inter alia, sales and prize information, customer session/transaction information, winning numbers, jackpot, advertisements, amber alerts, and/or sales promotion information. All information must be manageable centrally by Lottery staff through easy-to-use and intuitive tools (i.e., the POS Multi-media system).

The Bidder shall specify the features, dimensions and the resolution of the proposed customer facing display, considering the following requirements:

1. Visible from different viewing angles (degrees) and wide range of light conditions
2. Contrast and brightness control (to be done directly by the retailer)
3. Desired standard size of 19 inches (possible to offer slightly smaller or larger versions, if commercially beneficial for the Lottery). Ability to split the screen in sections for different content. In addition, a small quantity with screen size of 9.25" shall be provided for special situations installation.
4. High resolution for excellent readability
5. Flexible mounting, permitting different installations (e.g. pole, wall, saddle, back of terminal, etc.) and should be VESA-FDMI (Video Electronics Standards Association - Flat Display Mounting Interface) compatible
6. Flexible set-up capabilities near the Terminal, but it must be possible to extend the distance between the Terminal and the Customer Display

7. Power is preferred to be received directly from the Terminal

The Bidder shall include such Customer Display in the required Quantity (ref. section A.6.1.1) for Terminal installations (note: not all retailers can fit such screen) and describe its proposed solution, which must include related support and maintenance. The description must also include how the Lottery can maintain and update display content (if not managed through the POS Multi-media solution).

**A6.1.3.2 Terminal Set-up and Installation**

Significance	Response Type
MANDATORY	FULL

One standard Retailer Terminal Set-up shall include, but not be limited to, a Main unit, Operator Touch screen, Image Scanner, Printer incl. placement options, External/wireless bar-code scanner, Digital interaction “Card/NFC/RFID/Barcode” reader/writing device, Customer Display, media unit (if needed), Ticket Checker and 6-game Jackpot-Sign as well as initial physical documentation (manual, reference card, etc. as agreed with the Lottery). The standard Set-up also includes all cables and network connectivity.

Required quantities to be included for Lottery business needs are as stated in section A.6.1.1, Quantities. Any additional spare units needed to maintain field services and overall operational availability are the responsibility of the Contractor to supply and include.

In the context of set-up, the Bidder shall describe the following:

1. The proposed complete setup, the operating system and its capabilities
2. Footprint: While a compact terminal footprint is desirable, it shall not compromise functionality. The Bidder shall discuss the related approach for the proposed Terminal and in addition:
  - a. The Bidder shall specify the dimensions, footprint and weight of the proposed Terminal.
  - b. The Bidder must supply pictures of the terminal and of all peripherals from all 6 sides.
  - c. The Bidder shall describe and have available options for flexible printer placement on counter, on top of terminals, through additional saddles, etc. to address various counterspace issues and needs during installation.
3. External Design and Cables:
  - a. The Lottery does have specific Terminal color requirements and will advise a specific color during specification. The Bidder shall describe options available for applying colors or color fragments. The material shall accept stickers, which shall be easily removable after use. It shall, throughout the duration of the Contract, be the Contractor’s responsibility to produce, apply, maintain/replace and remove any and all such stickers as directed by the Lottery.
  - b. The color must be durable for at least ten (10) years.
  - c. The Bidder shall describe any means that are used to provide physical security and protection against unauthorized access or use of the Terminals.
  - d. The power switches of the Terminals shall be reasonably accessible. Such power switches shall however be protected to avoid accidental power switching.

- e. All Cable connectors shall be color coded, comply with UL and FCC standards as well as any other applicable laws or regulation. In addition, any cabling attached to the devices shall not be easily removable and protected. Preference is given to configurations with a minimum number of cables required.
- f. The Contractor shall provide all necessary cables and connectors in variable lengths to support the various physical installation options at retail for all retail and POS equipment, with the aim of avoiding excessive cabling (on-demand and professional installation).

**A6.1.3.3 Terminal Software**

Significance	Response Type
IMPORTANT	FULL

The Bidder shall comprehensively describe the proposed application software for the Terminal including the architecture and its flexibility to make changes to the modules, the user interface, the implementation of other interfaces, etc. Parameters provided from the Central Gaming System shall be used for controlling Terminal behavior and functionality.

In addition, the following specific Terminal software requirements of the Lottery apply and shall be addressed:

1. The Terminal must support all existing games and Lottery offerings
2. The Terminal must allow for manual number selection entry, quick picks, and digital play options as required (via mobile app, e.g. by scanning a QR code or accepting a NFC transfer, etc.).
3. The Terminal must be able to read and process all current play slips, barcodes, QR codes, and tickets. This includes tickets presented digitally via QR code as well.
4. The Terminal must support the transactions offered through the various protocols.
5. The Terminal shall be able to handle Scratch Tickets sales (either on single ticket or pack level through activation, subject to the Lottery's choice) and ticket validation
6. The Terminal shall be able to handle Scratch Tickets logistics such as ordering, package receiving/activation/transfers/status/pack, returns/partial returns, certain sales representative menu functions, inventory and financial reports, etc.
7. The Terminal must have a true random number generator and must be able to generate partial or complete random wagers wherever applicable. The Contractor shall have the random number generator independently tested by a qualified test entity (to be proposed by the Bidder) to confirm the randomness. The Contractor shall deliver the resulting randomness certification to the Lottery prior to Go-live.
8. The embedded software must have error correction features (e.g., to enable the retailer clerk to edit play slips).
9. The Terminal shall allow buffering of transactions.
10. The Software shall enable the Retailer to generate requests for reports and view and/or print such reports. Reports may however also be provided through the Retailer Extranet Portal. The Lottery will agree with the Contractor during the Functional Specification period, which report must be available through which channel.

11. The Terminal shall provide the possibility to receive and view PDF and JPEG files on the screen.
12. The Terminal shall be able to receive messages from the Central Gaming System and have the capability to display it on various output display devices as well as sending suitable messages or mails to the printer.
13. Terminal shall have the ability to act in standalone training mode. See related requirements below.
14. Clock synchronization with the Central Gaming System.
15. The Terminal shall have the ability to self-configure upon installation without the need for manual input.
16. The Terminal shall have self-diagnostic process of major components and peripherals. Proactive maintenance capabilities, enabling preventive maintenance, are desired.
17. The System should support remote Terminal management, enabling remote technician support and maintenance.
18. The Terminal shall support a wide range of service functions (such as mail, forced mail, messages (including descriptive error messaging), ordering, statistics, results, reports, invoices, reprints, etc.). Any such messages and mails must be easy to modify by Lottery staff without Contractor involvement.
19. The Terminal shall support different user accounts and related access privileges (individual functions for certain privileged users, such as retailer manager, clerk, sales representative, technician, etc.), based on user ID and passwords.
20. The Gaming System shall support printing localized texts on Lotto Games tickets (e.g., local winner or good cause information, etc.)
21. The Terminal shall support the Amber Alert functionality.

**A.6.1.3.3.1 Training Mode**

Significance	Response Type
IMPORTANT	FULL

The Terminal shall feature a full training mode, realistically permitting all real functions in training mode. The Bidder shall describe the Terminal's capability in training mode, including but not limited to:

1. Simulation of sales
2. Pay-outs depending on winning numbers
3. Corresponding reports
4. Messages
5. Play information entered (by play slip, manual, player favorites, or any other method applicable in real life)
6. Digital interactions with players and related use cases (how to accept play via a simulation or QR code, how to pay a prize, etc.)

#### 7. Training videos for audio or visual training sessions

All Tickets and Reports printed in Training mode shall be clearly marked as such to avoid such Tickets or Reports being considered as real. Such marking may be “Training Ticket - Not for Sale” or similar.

The training mode can also be combined with the Retailer Portal and related training offerings therein (e.g., compliance trainings, responsible gaming trainings, etc.).

**Terminal screen simulation:** In addition, the Lottery requires a POS Terminal software/screen simulator or adequate digital illustrations permitting Lottery Retailer Hotline staff to simulate/replay terminal screen sequences for better servicing retailers in case of issues. (E.g. allowing clicking through screen sequences, showing menu screens, etc.). This should provide for immediate good quality retail hotline service, as a training or test terminal may not be available/accessible at all times to simulate issues.

#### **A.6.1.3.3.2 Security**

Significance	Response Type
IMPORTANT	FULL

The proposed Terminals must incorporate mechanisms, player application, data security and systems ability for the prevention and detection of fraud or fraud attempts by means of traceable log entries for all activities and similar measures. There must also be no possibility whatsoever to gain access to the Central Gaming System through a Terminal (e.g., by hacking into browser sessions, or similar) other than the approved Terminal Software functionality. The software must also be compliant with any lottery industry security standard requirements (e.g. encryption).

The Bidder must describe the general concept for all security measures. In addition, the Bidder shall specify all the mechanisms provided by the Terminal to ensure that the Terminal operates in a proper manner and without the ability of fraudulent activities, including but not limited to:

1. Data encryption (transactions, storage, etc.)
2. Software integrity measures (vital files, applications, time synchronization, etc.)
3. Event logs including information about the type and level of detail
4. Terminal Access Security - The Bidder shall specify all services and measures taken to obtain access security, aiming to prevent unauthorized access to the Terminal for operation, service and maintenance purposes, including but not limited to e.g., UEFI<sup>3</sup> secure boot, accessing the native operating system, booting from a different device, etc.
5. The Bidder shall specify the authorization management mechanism in the Terminal for various types of users.
6. Measures and concepts to protect players.
7. Mechanism and detection of fraud attempts, including retailer fraud attempts.

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<sup>3</sup> Unified Extensible Firmware Interface

**A.6.1.3.3.3 Ticket Security Number**

Significance	Response Type
IMPORTANT	FULL

The Lottery requires a ticket dual security number or code feature to be built into the Terminal application. The Bidder shall describe its capabilities of integrating a security number concept within the Terminal software to secure printed physical tickets independently from the Central Gaming System.

The Retailer Terminal must generate a hashed number or code, aside from the System-logged transaction serial number, that can be used to link winning physical tickets to selling Terminals. It must not be possible to regenerate a complete ticket with information stored centrally in the Central Gaming System. This "dual security" approach must be acceptable to any multi-jurisdictional association (e.g., MUSL) of which the Lottery is a member or becomes a member.

This application must be under the physical and operational control of the Lottery. The Contractor must provide any hardware and software necessary for the Lottery to decrypt dual security numbers. The methodology must preclude any Contractor staff from decrypting the dual security number. The use of modern and secure encryption, PKI or similar accepted techniques is required.

If seed numbers are necessary to be sent regularly to the Terminals, then such seed numbers must be issued and controlled solely by the Lottery.

**A.6.1.3.3.4 Software Development**

Significance	Response Type
IMPORTANT	FULL

The Contractor shall develop or shall have developed, provide and implement all software for the Terminals and the systems, which will be delivered and installed centrally at the Lottery (e.g., download server, security number application, etc.) as per the Lottery's requirements at any given time, hence maintaining full responsibility.

**A.6.1.4 Full-Service Vending Machines**

Significance	Response Type
IMPORTANT	FULL

The Bidder must propose state-of-the-art Full-Service Vending Machine (FSVM) Solutions that allow player self-service. The Lottery requires two different set-ups, and these Solutions must include all equipment and associated services. Quantities as per section A.6.1.1.

Initially, large size FSVMs with twenty-five (25) to thirty (30) bins in the required Quantity must be foreseen, delivered to and installed at Lottery-designated locations in sub-quantities as requested by the Lottery. At the beginning of year 2 and year 3 each, the Lottery plans to add units in the specified Quantities as part of the Base Price.

Also, medium size FSVMs, approved and suitable for use in Walmart stores, in the required Quantity must be foreseen, delivered to, installed and maintained at Lottery designated locations in sub-quantities as requested by the Lottery. The Lottery considers approximately 20-25 bins sufficient, provided the units fit Walmart specifications.

**1. General Requirements**

The Bidder must describe its vending machine capabilities of the following features:

- a. Sales of scratch tickets and Lotto Games (Quick pick and/or app/QR code).
- b. Scratch and Lotto Games validation within the Lottery's existing systems.
- c. Integration for registered Players (e.g., identify via NFC/mobile app, QR code, etc. and link purchases to account)
- d. Payment through cash, debit cards (EMV-compliant) and, if possible, mobile app/digital wallet.
- e. Web-Code printing and cashing, and, if possible, payment to mobile app/digital wallet
- f. Acceptance of web-codes into machines as credit.
- g. Vending refund slips that can be validated or comparable error correction methods for handling issues related to financials (e.g. a ticket gets stuck, FSVM issues refund slip, printer gets stuck, which can then be cashed at a Retailer).
- h. Connect to and exchange data across the Retailer Communication Network and the central Gaming System.
- i. Ensure all FSVM related data is stored in the Data Lakehouse to support comprehensive analysis (e.g., AI supported).
- j. Manage and report on Sales (all games) and inventory data pertaining to Scratch Ticket sales through the FSVMs (and, if applicable, through the Retailer Portal)
- k. Capability of validating tickets via an external barcode reader easily accessible by consumers.
- l. If available, AI/machine learning for predictive order support (estimate empty bin times, etc.) and demand forecasting

For the below sections, the Bidder must state its ability to meet the following requirements or otherwise note the exception:

**2. External Features:**

- a. The FSVMs must have digital touch screens for selection of games and to guide user operation.
- b. The FSVMs should provide interactive tutorials or guides to educate users on game rules, odds, and how to play.
- c. The FSVM must have a segmented screen to separate scratch games from lotto games and from information or advertising information.
- d. The planograms of the FSVMs should be adjustable by the Lottery centrally or by the Retailer, as permitted by the Lottery.
- e. The FSVMs must be capable at a minimum of dispensing all existing Lottery Scratch Tickets (up to 4" x 12" sized ticket).
- f. The FSVMs must be able to easily convey the availability of tickets to the players.

- g. Each game must be highly visible to the player, clearly identifying the individual games.
- h. The FSVMs must be able to read and process all available State of Minnesota government-issued forms of identification (ID cards, driver's license, etc.). This excludes non-government issued ID's. The Lottery is interested in verifying as many players, with as many government-issued ID's (e.g., US and Canadian passports, other states, REAL ID's, etc.), as possible. The Bidder shall describe its capabilities.
- i. Bidders must advise of features (could be hardware, software, etc.) that are specifically tailored to impede play by underage individuals.
- j. The FSVMs must be a free-standing unit with a lockable and hidden storage area.
- k. The FSVMs must be of sufficient weight and balance to prevent tipping and theft of the vending machine.
- l. Any special flooring, location requirements, security and/or wall space requirements must be stated.
- m. All surfaces must be easy to maintain and clean with standard over-the-counter cleaners.
- n. The FSVMs must operate on standard 110-volt AC power, must be internally fused, have a surge protector and meet all regulatory and professional electrical requirements. The Contractor will be responsible to provide sufficient power cords with different lengths as needed at the POS.
- o. The FSVMs must include two (2) external outlet plugs for the Lottery to add peripheral equipment such as a moving or lighted sign and must have one (1) internal outlet. Tickets or cash must not be accessible from the electrical plug area.
- p. The FSVM should provide for an option to connect an external digital screen for advertising purposes (along with cabling and power supply of such). Such screen should be controllable and fed through the central POS multi-media system.
- q. The entire machine including doors, locks, cash box and dispenser trays must provide high security and protective features and alarms to resist all types of tampering, theft, prying, unauthorized access, etc. The Bidder shall describe features and alarms as well as how access is managed (including lost or broken keys, etc. as applicable). Any necessary replacement locks or keys shall be the responsibility of the Contractor.
- r. The cash box shall have a separate lock, and money shall not be accessible to personnel doing technical maintenance or reloading.
- s. The FSVM must provide for a remote shut-off capability to be shut down by a retailer clerk or by Lottery staff remotely.
- t. The FSVMs must be designed to prevent liquids from entering the machine.
- u. The FSVMs must be available in PMS colors or colors and graphics which are acceptable to the Lottery and constructed so that the vending machine is eye catching and communicates the availability of tickets. Use of labels, stickers and foils is accepted for this purpose, but it is the responsibility of the Contractor to ensure that all equipment is in excellent and representative status at all times. Use of materials susceptible to damage or wear may require more intensive maintenance.

- v. The Lottery logo and other approved verbiage provided by the Lottery may appear on the front and both sides of the FSVMs as deemed appropriate by the Lottery. The Contractor must bear all costs associated with providing the labels and signage.
- w. Bidders must provide images from 6 sides of the proposed FSVMs as well as a color chart.
- x. Bidders shall propose both standard and additional signage options for the FSVMs. This should include, but not limited, to the following:
  - i. Electronic Point-of-Sale (POS)
  - ii. Static Point-of-Sale (POS)
  - iii. Graphic Options
- y. The FSVM should be able to communicate with and drive jackpot signs.

### **3. Ticket Dispensers:**

- a. Each bin must be capable of dispensing current sizes and types of tickets (e.g. 2" to 12" in length with a standard width of 4" with thickness ranging from ten (10) points to twelve (12) points) as well as die cut tickets.
- b. Each bin must be capable of storing and dispensing at minimum 4" wide x 12" long fan-folded tickets. Multiple ticket packs must be able to be joined together with perforated tape for the purpose of continuous, uninterrupted feed when loading more than one pack in a bin. The Contractor shall provide tape for the purpose of joining packs. The Contractor must further describe capability to dispense large tickets.
- c. Each bin must be easily adjustable and require minimum loading time. Bidders shall describe the method of loading tickets and approximate loading time for a single pack.
- d. Each ticket must be dispensed by a selector button or by an alternative device that is easily activated by the player. Out of stock bins should be automatically deactivated.
- e. Each ticket dispenser must provide a smooth dispensing action to ensure tickets are cleanly burst, cut or torn in a consistent manner. Bidder's Proposal must describe the method of ticket disbursement and separation.
- f. Each ticket dispenser must have an automatic or semi-automatic jam resistant ticket loading mechanism that will not scratch the ticket latex or damage the appearance of the ticket.
- g. Each ticket dispenser must be able to dispense foil, biodegradable or dual play (both sides) tickets without damage to the product.
- h. The FSVMs must not be able to release tickets from the outside of the machine without prior completed payment.
- i. The FSVM should have automated stock monitoring with early alerts to reduce out-of-stock situations
- j. Each ticket dispenser must alert players of any out-of-stock condition of a bin before money is inserted. The same applies for potential out of paper ticket stock for Lotto Game tickets. The Bidder must describe the method of notification of out-of-stock games.

- k. For multiple dollar purchases, the player must be able to exhaust credits with selection of any single, or all available games. Only the number of tickets requested and paid for shall be dispensed from the machine.

#### **4. Bill Acceptor and Payment:**

- a. The bill acceptor must be programmable to accept all bill denominations from one dollar (\$1) to one hundred dollar (\$100).
- b. The bill acceptor must meet or exceed current industry standards for rejecting counterfeit or altered currency.
- c. The acceptor must only accept genuine United States currency, both current and future redesigned or modernized currency from the U.S. Treasury Department. In the event that the U.S. Treasury Department issues modified or new currency, the Contractor shall ensure that the Lottery receives all updates or modifications within thirty (30) days of such issuance. The Contractor shall bear all costs associated with this modification during the initial term of the Contract or any renewals thereof.
- d. The bill acceptor and holder must be jam resistant.
- e. The bill acceptor must notify the player when cash can be accepted and when all credits have been used.
- f. There must be a visible reading of a player's credit balance at all times.
- g. Each player must be able to use all of their credits. When a bin is sold out before a transaction is completed or there is a power failure, the bill acceptor must indicate the remaining credits available for play, hold the credit for the player and allow the player to utilize the credit for another game, until the bin has been reloaded or power has been restored.
- h. The currency holder must hold a minimum of one thousand (1,000) bills, regardless of the denomination.
- i. Payment through debit card should be offered and included. The Bidder shall describe a possible Solution in this regard including a detailed description of the security features (for example to protect against all types of card fraud such as skimmers and fake cards).
- j. Payment through the mobile app, the digital wallet, and other forms of digital payment (as permissible) should be possible. The Bidder shall describe possible Solutions and related use cases.

#### **5. Reporting and Accounting Functions:**

- a. The integrity of the selling and accounting processes is of paramount importance to the Retailer and the Lottery. To ensure such integrity, the Lottery requires that the FSVMs contain on-demand, real-time and historical reporting capabilities. Reports should be printed on quality thermal paper and must be easily produced and legible. Retailers should be able to easily and accurately balance the contents of the currency collector including, but not limited to the following sales reports produced by the FSVM whenever they so desire:
  - i. Current day sales, including sales by bin.
  - ii. Shift report, including sales by bin.

- iii. Current (accounting) week sales, including sales by bin.
- iv. Previous (accounting) week sales, including sales by bin.
- v. Previous day sales report, including sales by bin (for each of the past seven (7) days).
- vi. Ticket inventory by bin, including number of tickets, game number and dollar amount of inventory.
- vii. Activity history report that shows all activity at least for the last fifty (50) events.
- viii. Transaction history report that shows daily real-time information generated by the FSVM.
- ix. Security report showing when the FSVM was accessed and by whom.
- x. Current settings report that shows information relevant to machine and bin parameters.

In addition, selected reports may also be available through the Retailer Portal instead of being printed directly at the FSVM. The Lottery will specify its desired set-up during the Functional Specification phase.

- b. Each machine must be able to print reports that are easily accessed at any time without clearing or affecting stored data in any way.
- c. Information in these reports must be able to be broken down by each ticket bin with respective totals.
- d. Each report should identify unique bins by bin number, by game number and by price point of tickets sold within the respective bin.
- e. Each machine must store data for a minimum of twenty-six (26) weeks.
- f. Each machine must have a backup power supply for the express purpose of saving information during power loss.
- g. The backup must be designed to store data for a minimum of forty-eight (48) hours and ensure that if a transaction is in progress during the power failure, the transaction will be recorded. Information recorded by the machine must include, but is not limited to player credit, inventories, and sales.
- h. Bidders must describe additional reporting functions and related flexibility (e.g. date/time range selections for reports, etc.).

## **6. FSVM software**

- a. Bidders must describe the safeguards used to prevent unauthorized changing of the software and how updates to the software will be transferred to the FSVMs.
- b. Software changes and any associated cost are the responsibility of the Contractor. All software changes must be approved by the Lottery prior to implementation at retail locations.
- c. Ticket dispenser performance and efficiency must be maintained with software changes and updates. The Contractor shall bear all costs associated with these changes and updates during the initial term of the Contract and any renewals thereof.

## **7. Other requirements**

- a. The Bidder must describe testing and diagnostic features, which should not impact real sales or inventory data.
- b. All proposed vending machines must comply with the requirements of ADA/WCAG (as applicable).
- c. The Bidder shall fully describe any preventive maintenance (if necessary), related schedules and activities.
- d. The Contractor must store, deliver and install machines to the Lottery upon ordering, need and/or retailer expansion at locations and quantities determined by the Lottery. The Bidder shall describe its proposed approach for delivering and/or removing vending machines throughout the term of the Contract.
- e. The Contractor must supply its own machines for testing, replacements, etc.

#### **A6.1.4.1 Small Scratch (and Lotto) vending machine**

Significance	Response Type
INVITED OPTION	FULL

The Lottery may be interested in adding smaller footprint vending machines to different types of retail locations capable of offering a limited quantity of Scratch tickets. Such a machine may provide for approximately four (4) to eight (8) bins. If possible, Lotto game functionality would be desirable, but is not mandatory.

The smaller footprint unit should provide for on-counter, floor, or wall-mount installation options.

The small vending machine should otherwise provide for most of the functionality and features like the large ones described above. Bidders shall state deviations and differences, as applicable.

The Lottery is interested in Quantities as per section A.6.1.1. The Lottery reserves the option to add more of such units later (in batches as stated).

The Bidder shall describe any available offering and options for the Lottery's consideration.

#### **A6.1.4.2 Small Lotto-only vending machine**

Significance	Response Type
INVITED OPTION	FULL

The Lottery may be interested in expanding its sales channels into places like bars or other points of sales through equally small footprint, but lotto games only vending machines. Those self-service machines should offer the entire range of lotto games offered by the Lottery and feature advertising capabilities through one or two screens (either integrated or attached).

The machines should provide for the similar features and functionality as the standard vending solutions (except the Scratch ticket-related ones), including security, payment options, digital player interaction, reporting, ADA/WCAG compliance, etc. Bidders shall state deviations and differences, as applicable.

The Lottery would prefer to use the same ticket stock as at standard retail locations for those machines as well.

The Lottery is interested in Quantities as per section A.6.1.1. The Lottery reserves the option to add more of such units later (in batches as stated).

The Bidder shall describe any available offering and options for the Lottery's consideration.

#### **A.6.1.5 Other Peripherals**

<b>Significance</b>	<b>Response Type</b>
INFORMATION	NONE

The Bidder shall integrate or offer the following peripherals.

##### **A6.1.5.1 Ticket Checker**

<b>Significance</b>	<b>Response Type</b>
IMPORTANT	FULL

The Lottery requires the provision of Ticket Checker devices for most retail locations including all connectivity (power, data as well as cables) to serve all various installations at retail. The Quantity is as per section A.6.1.1. The Lottery reserves the option to add more of such units later (in batches as stated).

These devices must allow customers to verify their lotto tickets and scratch tickets if they have won and have a screen. If that screen offers touch technology, please describe related use-cases for why such would be of advantage.

Since these devices are intended for self-service, it must be fast, intuitive and easy to operate by an inexperienced user. The Bidder shall fully describe available Solutions including, size and features.

Ticket Checker devices must utilize the communication link of the Terminals in the POS. The Bidder shall provide connectivity either via a secured wireless or cable connection. The Lottery can select the type of connection at the time of installation.

The Bidder shall describe in addition

1. sound options (to be enabled and disabled)
2. any specific communication requirements between these devices and the Terminals as well as the security of such communication
3. the maximum distance between Ticket Checker device and the Terminal.

##### **A6.1.5.2 Jackpot Signs**

<b>Significance</b>	<b>Response Type</b>
IMPORTANT	FULL

The Lottery currently has 2433 Jackpot signs installed in the field. Those are offering jackpot information for up to 6 games and are installed in different set-ups (interior or outward facing).

The Lottery owns 75 new Jackpot signs manufactured and delivered by CM Global featuring 3 games each and the Contractor will have to support the wireless interface with those existing signs for the provision of jackpot information. The Contractor shall also be responsible for providing field service and maintenance for these displays as part of the overall field service process.

In addition, the Lottery requires 2-game jackpot signs (interior, stand alone or mount). Those could be arranged horizontally or vertically and are to be updated through terminal or vending machine.

Also required are new, outward-facing 6-game jackpot signs. Those must be installed at the majority of retailers through a complete replacement of the existing signs. The Lottery prefers a combination of 3 separate face plates showing 2 games each to make up one 6-game unit for easing any face-changing efforts. The alternative is one (1) integrated sign with 6 games, if no other option is available. The backside of this jackpot sign must be able to be fitted with a replaceable backer or sign. The Lottery produces these display signs (could be Coroplast, heavier paper or similar), and the Contractor will be responsible for applying, maintaining/replacing and removal of any and all such as directed by the Lottery.

The Quantities required are as per section A.6.1.1. All jackpot signs must be updated with information through the Terminal or vending machine, as the retail location provides for. The Contractor will also be responsible for installation at retail and respective maintenance.

The Bidder shall describe its proposed solution including a description of the process for manual or automatic updates and pushing new jackpot information to the displays.

#### **A6.1.5.3 Digital Displays**

Significance	Response Type
IMPORTANT	FULL

The Lottery is currently using Digital Menu Boards to show scratch tickets on sale at selected retail locations, which will be replaced.

The Contractor will be required to provide and maintain new Digital Displays with a desired size of approximately 32 inch. The Quantity is as per section A.6.1.1. The Contractor must provide all necessary services, including software, monitors, installation, maintenance, and any peripheral equipment necessary to implement a fully functional Digital Display / Menu Board platform integrated with the Gaming System. The displays must not provide any touch features but be of high resolution and offer excellent readability/contrast for customers.

These Digital Displays must be customizable by the Retailer and by the Lottery through easy-to-use tools, including adding/removing scratch ticket games. Any updates made must be visible in real-time or almost real-time. The Bidder shall describe the process and speed of updates being visible.

They must display Scratch and Lotto Game Tickets (available game menu) including ticket art, price points, and other relevant information and have animation capabilities and opportunities to promote marketing initiatives for both Scratch and Lotto Games products (e.g. through separate sections on the screen).

The Lottery requires these displays to be provided, installed and maintained. For installation, several different mounting options must be provided, including

- Pole mount (adjustable)
- Saddle mount
- Wall mount
- Window mount
- Horizontal or vertical screen set-up

- All mounts should provide tilt and swivel options
- Suitable Cords to support the installation (power, data, etc. as needed)

The Bidder shall describe its proposed solution including, but not limited to, a description of how a Retailer or the Lottery can manage the content on the screens, the connectivity necessary at retail for controlling the displays as well as any other features or limitations.

#### A.6.2 Retailer Consumables Supplies

Significance	Response Type
IMPORTANT	FULL

The Contractor shall provide and deliver Consumables to the Retailer as approved by the Lottery to the Retailers locations. The Bidder must describe its ability to provide the following Consumables (include quality assurance, order and delivery methods and delivery times):

1. Play Slips for all games that can be processed by the Terminal reader. Play Slips shall include a printed date and version code permitting retailers to identify outdated play slips.
2. Ticket stock (incl. security features to meet all Minnesota Lottery and related MUSL requirements). The paper proposed shall be recommended by the paper supplier and approved by the Minnesota Lottery for this application and use.
3. Perforated tape for tickets in FSVMs
4. Other Consumables required or proposed by the Bidder (e.g. preventive maintenance kits, rechargeable batteries, etc.) as well as replacement or spare parts, such as locks, keys, etc. for vending machines.

Terminal manuals, updates to manuals, replacement manuals and/or reference cards for equipment operation, updated upon Lottery request must be provided via digital means through the Retailer Portal, unless quick set-up or initial installation guides are deemed necessary by the Bidder. In such case, those must be provided with the Terminals.

In addition, the following requirements apply:

- a. Consumables Designs: Consumables designs, and wording shall be jointly developed by the Contractor and the Lottery and must be approved by the Lottery prior to production and distribution. The Contractor will be responsible for Consumables production, storage and delivery. Bidders are invited to offer additional security processes or characteristics.
- b. Testing and Training Ticket Stock: The Contractor must ensure that in addition to production ticket stock, there is stock of the same paper quality suitable for Retailer use at training facilities and for use by the Lottery in testing, training and promotions. Testing and training ticket stock must be marked with a "VOID" in order to be distinct from live ticket stock and must comply with any multi-jurisdictional security rules.
- c. Availability: The Contractor must ensure to always have sufficient Consumables stock available for distribution to Retailers and avoid consumable out-of-stock situations at retail locations.

The Contractor must provide information/reporting on orders and deliveries on a daily basis through the Data Lakehouse along with a standard report configuration for retrieval by Lottery Staff.

#### A.6.3 Maintenance Plan

Significance	Response Type
IMPORTANT	FULL

The Bidder shall provide a description of the maintenance plan for all proposed hardware, software and equipment to be installed at retail. The term "equipment" shall include all attachments and peripherals, communication equipment including the network interface, provided or serviced by the Contractor.

This plan should include any preventive maintenance requirements or scheduled, regular maintenance needs of equipment (e.g. printers, such as battery replacement for wireless equipment, etc.) and help the Lottery understand any possible impact such may have on its Retailers.

#### A.6.4 In Lane Sales & Self-Check-out

Significance	Response Type
INVITED OPTION	FULL

The Lottery may be interested in expanding its sales channels into places like store check-out lanes. As such solutions are in place elsewhere in the US, the Lottery is interested in understanding the technological deployment, type of products possible, deployment options, potential store partners on existing integrations (i.e., to determine a potential feasibility in Minnesota), investments needed and time-to-market for such implementations.

The Bidder shall describe its experience and existing implementations and clearly state whether those have been developed in-house or through specialized subcontractors. In particular, Bidders shall provide approximate costs for such implementation, costs for integration at stores or store chains, and commercial viability (e.g., sales per products in relation to Total Sales as percentage).

Bidders shall also discuss the experience with lottery tickets being printed on standard white paper rolls (as being used in cash registers) and how this complies with MUSL security rules and other needs (e.g., security requirements, prize claim verification requirements, durability, etc.).

Bidders are also invited to share views on such viability in Minnesota and the reason why the Lottery should, or should not, pursue such initiative.

#### A.6.5 Changes and Digitalization at Retail

Significance	Response Type
IMPORTANT	FULL

The Lottery is expecting changes in the Retail environment as digital Players may want a more integrated and seamless experience across all available Sales Channels. Therefore, the Lottery is planning to continuously offer the Player digital experiences at retail. This could include, but is not limited to, supporting frictionless, cashless transactions at retail counters (e.g., ticket pay through

and prize claim into Player wallets), electronic ticket transfers at retail, wireless recognition of players at retail through appropriate technologies and the Lottery app, etc.

While already indicated and required in various sections before, the Bidder shall describe and summarize its concepts, offerings, customer journeys, and commitments in this regard as well as the flexibility of the proposed Solution to adopt to changes in these key trends.

## A.7 Ongoing Services

Significance	Response Type
MANDATORY	FULL

The Bidder shall respond to each of the following sections with a complete description of its offered services.

**The Bidder shall also add a Service Description as indicated below by using the structured form and template provided in Chapter D.** This Service Description should help to specify the service more clearly as well as to ensure clarity between the Lottery and the Contractor. Bidders are made aware that what is stated in the respective Service Descriptions is subject to dedicated evaluation and scoring.

In particular, the Bidder shall offer service levels meeting in minimum the requirements stated in this RFP herein. The Bidder may, however, offer more advantageous service commitments to the Lottery. Such better service levels will be considered and evaluated accordingly.

For all Services, the Contractor shall employ sufficient resources so as to meet or exceed the Service and performance standards as agreed and specified in the Contract. Any non-deliveries or insufficient performance in delivering any Service or requirement herein may be considered as Service Failure by the Lottery.

### A.7.1 Gaming System Operations Service

Significance	Response Type
IMPORTANT	FULL

The Contractor shall provide all aspects of the day-to-day Gaming System operations and maintenance as a Service for the Systems and Applications provided, including the provision and operation of the redundant Gaming System infrastructure.

System infrastructure maintenance shall be continuously performed to ensure known issues or vulnerabilities are corrected in a timely manner. All planned maintenance windows must be scheduled and agreed by the Lottery through the Service Management process.

Depending on the proposed Infrastructure Solution or Service, activities include, but are not limited to, infrastructure provisioning, day-to-day operations, continuous monitoring, ICS balancing, performance and capacity management, security and vulnerability management, report generation, backups, system and application management tasks, trouble shooting, reporting, ticketing management, asset management, documentation of activities, maintenance, risk assessments, etc. The Service shall also monitor the health status of the ICS connection to ensure continues transfer of data to the ICS.

The Contractor is required to supply all necessary supplies needed to operate the Gaming System, Test Systems, Lottery Test Terminals, FSVMs, etc. This includes but is not limited to media of all types, printer paper, toner/ink cartridges and game-related supplies.

The operations task also includes full support of Lottery staff with issues related to the Gaming System, interaction with Contractor second line support and the regular interaction and alignment with Lottery and third-party staff relevant for the operation of the Lottery overall.

The Contractor will have to ensure meeting in minimum the General Gaming System Service Availability for the entire Gaming System, as defined in Chapter E1 .

The Bidder shall also note the requirements related to Operating Hours in this context (see Section A.4.5).

The Bidder shall also provide one (1) Service Description for the complete Gaming System Operations Service offering.

#### A.7.2 Network Administration Services

Significance	Response Type
IMPORTANT	FULL

The Contractor must operate and maintain all networks servicing the Lottery (including the retailer wide area network) in line with MUSL requirements and will be responsible for related network monitoring and management to achieve the required General Gaming System Service Availability levels. The Lottery requires, in minimum, the following network operational and administrative services and the Bidder shall describe its service approach:

1. **Operations:** The Contractor shall be responsible for the operation, monitoring, maintenance and updating of all the network equipment installed or contracted during Operating Hours.
2. **Retail WAN Dashboard:** The Contractor shall provide an ongoing, real-time feed to a dashboard or similar application offering a real-time view of the status of the retail network connections. Such will be mainly used by the Retailer Hotline (Lottery Staff and Contractor Staff).
3. **Network device access:** All systems and users requiring access (for any purpose) to the network devices utilized in supporting any Gaming System Operations must be approved by the Lottery. The Bidder shall describe the proposed approval process.
4. **Configuration Management:** Configuration changes and asset records must be managed (e.g., using a Configuration Management Data Base/CMDB or other suitable means). This includes an asset inventory of network resources and their operating parameters. Change management control procedures and online storage of network component configuration files are required. All changes must be pre-approved by the Lottery.
5. **Fault management:** Fault management consists of actions toward detection, isolation, and correction of faults in the network.
6. **Performance and Capacity Management:** Performance management includes monitoring network utilization and managing resources to maximize capacity and minimize contention. Capacity management should be utilized to plan for expansion of the network or re-alignment of the network to ensure sufficient capacity is available.
7. **Carrier Interface:** The Contractor must interface with the communications carriers, the Retailers, and the Lottery to maximize uptime and provide information upon which decisions and actions can be based. The Contractor will be responsible for working communications problems to resolution through the common carriers/external suppliers. The Proposal must describe this process, including escalation procedures.
8. **Network Monitoring and Fault Resolution:**

- a. **Network Monitoring System:** Network monitoring tools must be able to interface and analyze protocols, view transaction data for analysis, and create visual and/or audible alarms to provide warning of problems for the entire network with clear information, where the problem has occurred. All events must be recorded and available for review/audit by the Lottery. The period of retention will be developed jointly with the Lottery.
- b. **Lottery-Initiated Network Monitoring:** The Lottery itself must be able to monitor the network using a management workstation software application, or with specialized workstation(s) as supplied by the Contractor. As well as having status information available to the Lottery, the Lottery must receive reports or displays from the Contractor that would indicate attempts at unauthorized access to or manipulation of the System's components.

Note: For security and cybersecurity services please refer to Section A.7.13.2.

The Bidder shall also provide one (1) Service Description for the complete Network Administration Service offering meeting the overall network availability service levels.

### A.7.3 Retail-related Services

Significance	Response Type
IMPORTANT	FULL

The Bidder shall describe its Services related to the retail environment. Those services shall cover the following requirements:

#### 1. Consumables Services

The Contractor shall provide and deliver Consumables to the Retailer as approved by the Lottery to the Retailers locations. The Bidder must describe its ability to provide the following Consumables (include quality assurance, order and delivery methods and delivery times to the Contractors warehouse):

- a. Play Slips for all games that can be processed by the Terminal reader. Play Slips shall include a printed date and version code permitting retailers to identify outdated play slips.
- b. Ticket stock (thermal paper, Lottery branded, UV logoed and meeting MUSL security requirements through the proposed security concept) for both, retail terminal printers and FSVMs. The paper proposed shall be recommended by the paper supplier for this application and use.
- c. Terminal manuals, updates to manuals, replacement manuals and/or reference cards for equipment operation, updated at least 2 weeks prior to significant changes or upon Lottery request. Such documents and information can be digital, provided they are in readily printable format.
- d. Perforated tape for tickets in FSVMs.
- e. Other Consumables proposed by the Bidder.

In addition, the following requirements apply:

- f. Consumables Designs: Consumables designs, and wording shall be jointly developed by the Contractor and the Lottery and must be approved by the Lottery prior to production and distribution. The Contractor will be responsible for Consumables production, storage and delivery. Bidders are invited to offer additional security processes or characteristics.
- g. Testing and Training Ticket Stock: The Contractor must ensure that in addition to production ticket stock, there is stock of the same paper quality suitable for Retailer use at training facilities and for use by the Lottery in testing, training and promotions. Testing and training ticket stock must be marked with a "VOID" in order to be distinct from live ticket stock and must comply with any multi-jurisdictional security rules.
- h. Availability: The Contractor must ensure to always have sufficient Consumables stock available for distribution to Retailers and avoid consumable out-of-stock situations at retail locations.
- i. The Contractor must provide information on orders and deliveries on a daily basis through the Data Lakehouse along with a standard report configuration for retrieval.

The Contractor will provide information about the orders (e.g., quantity, etc.) to be picked up and distributed as of a specific cut off time. Also, Sales representatives or other entities may pick up stock for further processing or delivery. The Service must provide controlled and traceable handovers.

The Bidder shall also provide one (1) dedicated Service Description for its Consumables Service offering.

## **2. Installation or Removal of Retail Equipment Services**

The Lottery is managing changes to its Retailer network on a regular basis. This involves adding new Retail locations as well as changing or closing Retailers. The Contractor must support the installation of Retail equipment for new Retailers, changes to existing Retailers, and the removal of equipment from closed ones.

The Lottery requires that new retailers are fully installed and live at a minimum within seven (7) Business Days after informing the Contractor via the Ticketing Tool (faster service commitments are a plus). Once the information is passed on to the Contractor it will become the Contractor's responsibility for coordinating order placement, install/de-install actions, and moves. Further trouble shooting and monitoring shall be performed or supervised by the Contractor.

The same requirement applies for required changes to existing Retailers (e.g., adding a new FSVM to the store set-up, adding or changing a display, etc.)

The Lottery requires that all retail equipment for closed retailers or retailers, where the Lottery decides to have some or all equipment removed, is actually removed from the respective site within five (5) Business Days (in minimum).

The Bidder shall also provide one (1) dedicated Service Description for its Installation and Removal of Retail Equipment Services offering.

**A.7.4 Field Services**

Significance	Response Type
IMPORTANT	FULL

The Contractor shall provide comprehensive field maintenance, support and services of all field equipment that has been designated to be the responsibility of the Contractor either by itself or outsourced to a reliable local partner. The Contractor's service Proposal shall include at a minimum the following elements:

1. The Contractor and Lottery shall agree on a preventive maintenance (PM) schedule for the Retailer equipment (if applicable and necessary). For the Proposal, the Bidder must propose and describe any PM schedule that they believe would be best suited for the equipment that is being proposed.
2. The Contractor is obligated to obtain replacement parts and services that are approved, recommended, or recognized by the Original Equipment Manufacturer (OEM) as effective. The Contractor shall supply, at no extra cost to the Lottery, all spare equipment, (including parts and other components). The Contractor is also responsible for delivering all work associated with any repair or maintenance activity, including spare parts. The Bidder shall describe how it proposes to meet all terms of this requirement.
3. Service shall be performed by authorized personnel only. The Contractor must provide and operate a Field Service Management System for capturing all information related to Retailer service calls, dispatches, maintenance, components, and resolutions. Such system should ideally be workflow and ticketing based. Lottery staff must have full (at least read) access and be able to generate analysis reports for service management purposes. The Contractor shall propose and describe the solution.

That system shall at a minimum fulfil the following criteria:

- a. Service and Asset Management: Accounts for all service efforts and hardware components in the field as well as allows tracking of components. Each component shall be identified through the tag applied along with a status and location. This includes, but is not limited to Terminal components (all Terminal types, as may be replaceable), Signage, Screens, etc. The Field service technicians will need equipment for scanning related tags along with managing the service calls.
- b. Tracking Reporting: These reports shall include, at a minimum, tracking and reporting of POS equipment (component level), network and other problem reports are required whether or not actual problem(s) are found. Data must be kept on all equipment including those in reserve or returned to a depot for maintenance and must be accessible by the Lottery for review.
- c. Maintenance Information: The Contractor is required to maintain maintenance data for the Contract term, with at least twenty-six (26) months of the most recent data available in the Data Lakehouse, preferably longer. As well as to repair or replace the equipment, its peripherals, or network communications interface, the Contractor's technicians will be required during any service call to routinely check the mechanical security, safety and general operation of any mechanisms or attachments provided or serviced by the Contractor.

4. The Bidder shall describe in the Proposal the plans to address the overall staffing and mechanisms employed to ensure that the maximum possible uptime is maintained. A special focus shall be placed on availability during high-jackpot periods.
5. The Lottery considers a Terminal or FSVM “down”, when Degraded Performance of a Terminal or FSVM exists. The following Service Level requirements apply (starts with logging of the issue, measured through the Ticketing System):
  - a. Field service availability/coverage Monday to Saturday, 7 am to 8 pm, Central Time
  - b. Two (2) hour time-window to restore Retail operations within the Twin Cities Metropolitan Area.
  - c. Three (3) hour time-window to restore Retail operations outside the Twin Cities Metropolitan Area.
6. The Contractor shall technically provide and support the installation, set-up, re-installation, re-location, and de-installation of POS equipment on special events or occasions (e.g. State Fair, etc.) upon request of the Lottery. This may include on-site support, expanded hours and weekends.

The Bidder shall also provide one (1) Service Description for the entire proposed Field Services.

#### A.7.5 Marketing and Games Support Services

Significance	Response Type
IMPORTANT	FULL

The Lottery requires that the Contractor play a significant role in its marketing and sales program and related initiatives. Full and professional support in this regard is critical for the Lottery.

For the life of the Contract, the Contractor will be responsible for providing marketing and sales services and support for all current and new games, retail network, as well as conducting research and making presentations and recommendations to the Lottery.

The Bidder must describe their process and offerings to meet or exceed the following requirements:

1. **“State of the Industry” Presentation:** The Contractor shall provide an annual review of the (global and US) industry as well as identifying new games, new technologies, sales trends and public policy developments relevant and pertinent to the Lottery.
2. **Executive Meeting:** The Contractor shall provide one (1) annual meeting at the Lottery with Senior Executives of the Contractor (e.g. on Marketing and/or Business topics as requested by the Lottery) for top-level information exchange and performance review.
3. **Marketing Strategy Meetings:** Two (2) strategy meetings per year shall be held with the Lottery for formulating the Lottery portfolio of games, game changes and promotions, social media activities and initiatives to be introduced in each fiscal year as well as monitoring and analyzing their success.
4. **Game Concept Design and Development:** The availability of new game products and product ideas is critical to the success of the Lottery. The Contractor shall collaborate with the Lottery to maximize revenues and provide an assortment of entertaining products.

- a. The Contractor must have a continuous process for researching and developing new game concepts and products including conducting at least two (2) consumer research initiatives via quantitative (internet surveys).
  - b. As part of the Proposal, the Bidder must provide a brief analysis of the Lottery's current portfolio of products and promotions and propose changes, if any, for the next two fiscal years.
  - c. The Proposal must contain a description of the Bidder's game concept design and development R&D program.
5. **Promotions:** The Lottery requires the Contractor to support Lottery staff in identifying new or improving existing promotions through an annual planning sessions. The Bidder shall describe a reasonable approach and the related offering.
  6. **Marketing Support:** The Contractor will be required to provide \$100,000 annually in promotional and marketing support. These funds may be used for, including, but not limited to, television, direct mail, POS, and other marketing or advertising efforts.
  7. **Market Research:** The Contractor will be expected to provide specific market research activities, such as conducting focus group, interview or survey-based research following Lottery directions. This may be in relation to general product information or for new product considerations. The Lottery expects to conduct one (1) such activities per year, which must be approved by the Lottery before execution.
  8. **Sales and Annual Sales Meeting Support:** The Contractor will be expected to provide support for the Lottery Sales Team as well as participate in its Annual Meeting and/or Retailer Conference (if applicable). These meetings are designed to inform and align the sales team in relation to the Lottery's objectives, goals and initiatives for the year. The Contractor may be asked to attend these meetings to present and/or provide information to the group. If requested, the Contractor shall support the Lottery retailer network and POS efforts (product placement, signage, advertising, etc.), and make recommendations for improvements, development or expansion.

The Bidder shall also provide one (1) Service Description for the entire Marketing and Games Support Services offering.

#### **A.7.5.1 Marketing Plan**

Significance	Response Type
IMPORTANT	FULL

Six (6) months after the Go-Live Date, the Contractor must submit the first two-year marketing plan that represents the Bidder's best efforts at assisting the Lottery meeting or exceeding its objectives. The Marketing Plan should address, but is not limited to, the following components:

1. Retailer network growth and optimization strategy
2. Same-store sales enhancement strategy (including digital opportunities and signage)
3. Enhance retailer relations through dynamic, regular retailer communication program (including digital and collateral representation) in line with other Proposal offerings
4. Product enhancements

5. Additional products
6. Advertising enhancements
7. Marketing and promotions enhancements
8. Deployment of self-service devices

The Plan should include specific activities that will be taken to generate additional revenue along with related cost considerations.

The Marketing Plan must be updated annually and delivered no later than June 30 each year to reflect the following two calendar-year period.

#### A.7.6 Data Management Services

Significance	Response Type
IMPORTANT	FULL

The Bidder shall provide the Lottery with the following data management services:

1. Provision of daily standard reports and feeds as agreed during the functional specification phase. Such reports and/or feeds may be generated by the Gaming System directly or provided through the BI tool.
2. DLH and BI tool user training and support
  - a. Initial training after deployment for Lottery users
  - b. Support user questions for a period of 6 months after deployment (written or via phone) with response either immediately or in line with the agreed General Service Response Time.
  - c. Provision of user adequate Documentation for BI tool use (usage guides)
3. DLH and BI tool specialist (developer) training and support
  - a. Provision of initial, detailed expert training for Lottery data engineers, developers and data scientists (up to 5 Lottery staff).
  - b. Provision of detailed product Documentation, including data structures, guidance on best practices. Such must be sufficient to enable qualified Lottery staff to get fully acquainted with the Data Lakehouse.
  - c. 1x per Contract year provision of an on-site 'innovation workshop' (1 day each) introducing and delivering new analytical concepts, improvements, innovations, (AI) models, etc. to the DLH and Lottery specialist team. The Contractor shall ensure that such workshops deliver tangible outcomes.
4. Ongoing Monitoring and Maintenance of the Data Lakehouse. This shall include specifically for the DLH, but not be limited to
  - a. real-time monitoring of system health, resource utilization, and data processing workloads

- b. data quality monitoring
  - c. data validation checks for data consistency, completeness, and accuracy
  - d. anomaly detection including alerts to maintain data reliability
5. Ongoing Support services
- a. Data Lakehouse updates and improvements
  - b. Further training for Lottery users following major platform changes
  - c. Lottery staff and user support as well as technical support shall be provided during Working Hours, in line with the agreed General Service Response Time.
  - d. Issue resolution in line with agreed Response and Resolution Times as per the SLA.
  - e. Updates to Documentation after any changes to data structures or other product elements, supplied with the release.

The Bidder shall describe its data management approach and services.

The Bidder shall also provide one (1) Service Description for the proposed Data Management Services.

#### A.7.7 Staffing Services

Significance	Response Type
MANDATORY	FULL

The Lottery requires an Account Manager and an Operations Manager on-site at the Lottery HQ. Coverage during office hours from 8 am to 5 pm, Central Time is deemed sufficient. The Operations Manager should be on call outside office hours to be reachable, if needed. One of the functions shall have the overall lead. Also, one of the functions shall act as the responsible Service Delivery Manager for the Services and one function shall act as the Technical Lead. The Lottery will provide secure, segregated office space for all positions on-site in the Lottery Headquarters.

On-site Quality Assurance Testing support is required for test cycles scheduled to take five (5) working days or longer. Shorter QA testing periods are permitted to be supported remotely from off-site locations. The Lottery, however, reserves the right to request on-site assistance for shorter tests as well in case the Lottery deems the remote support as insufficient. Also, any such remote support must be available during Lottery Working Hours. All QA testing support staff, regardless, whether on-site or remote, must have expertise and detailed know-how about the Lottery specific environment and needs.

As Specified Option, Bidders shall separately propose one permanent on-site technical expert assisting with testing and other technical needs.

Other staff needed by the Contractor and the location, where this staff is located to deliver the Gaming System Solution and related Services are at the Contractors discretion (e.g., technical operations staff, field services, warehouse operations, etc.). The objective of the Lottery is that all Services are delivered in high quality and within the agreed Service Levels. Should the Services not be delivered in a satisfactory way for the Lottery, the Lottery reserves the right to request changes in

the Service Delivery process and the Contractor must accommodate such request, while bearing all related costs for such change. The Bidder shall describe its commitment to this approach.

The Lottery does not need any full-time graphics or assigned marketing staff as part of the Contract. Support as stated in the respective sections of this RFP is sufficient.

The following requirements apply in addition:

1. The Contractor will need to put in place an operation and organization to implement, operate and service the Gaming System infrastructure of the Lottery and the Retailers as required in this RFP. The Bidder shall describe its general approach, especially with a focus on how to deliver Service excellence through staffing.
2. The Bidder shall detail the actions which will be taken to ensure that all Contractor employees of the operation, suppliers and subcontractors are and remain fit and proper for their respective duties in relation to the performance under the Contract.
3. All proposed staff, regardless of own or subcontracted, full-time or part-time, must be disclosed prior to start working on the Lottery account or with Lottery data and meet Lottery policies and Jurisdiction laws and regulation.
4. The Contractor must follow professional project and service management practices in all aspects of managing the implementation of the System and all Services required by the Contract.
5. Implementation and Conversion Staff

The Lottery requires Conversion Staff and support to be present on-site during and after Contract Conversion Date covering all areas of the business.

The Bidder must provide an organizational chart showing names of all management, supervisory, and key technical personnel who will be active in the implementation and conversion of the Gaming System. The chart shall be supported by CV's providing details about previous experience of the proposed staff. Further, the Bidder must indicate the specific Contract function(s) the staff will perform and how long it is anticipated they will be engaged. For staff not yet identified, the Proposal must identify and quantify them by title, and state what qualifications they are expected to have.

6. Contractor's Ongoing Support Staff

The Contractor's ability to assist the Lottery in achieving its long-term profitability and operational objectives will be greatly influenced by the Contractor's staffing organization and the quality of the staff. The Bidder shall provide the following:

- a. Organization Chart(s): The Bidder shall provide an organization chart(s) showing names of all management, supervisory, and key technical personnel and the titles and quantities of additional support staff, whether on-site or remote. For staff not yet identified, the Proposal must identify and quantify them by title, and state what qualifications they are expected to have. The chart must indicate where each of the positions will be located.
- b. Escalation and Authority: The Bidder shall describe the reporting structure(s) between the individuals at the top of the organization chart requested above and the Bidder's Chief Executive Officer. The Bidder shall describe the limits of authority for the Contractor's on-site staff.
- c. Functions and Qualifications: The Bidder shall provide a table that includes the following information for each proposed staff position:

- i. Brief description of job functions
  - ii. Experience required
  - iii. Educational required
  - iv. Certifications required
  - v. Office location
- d. The Bidder's operations staff must be completely and thoroughly trained with regard to all operational situations including recovery and failover of the Central Gaming System with extreme proficiency during times of Central Gaming System duress to appropriately address the respective situation. The Bidder shall provide details of the personnel policies and procedures in relation to staff recruitment, development and ongoing training of proposed staff.
7. The Bidder must provide a sufficient number of experienced field service personnel to meet the Service requirements identified in the RFP. The field personnel must be adequately trained to perform such duties provided in the Proposal. The Bidder must include the number of proposed field service personnel.

The Lottery shall have the right to reject any staff reasonably deemed by the Lottery not meeting required standards, and the Contractor shall without delay replace such staff with staff acceptable to the Lottery. The Bidder shall state its acceptance of this requirement.

The Bidder shall also provide one (1) Service Description for the entire Staffing Services offering.

#### **A.7.8 Retail and Lottery Training Services**

<b>Significance</b>	<b>Response Type</b>
INFORMATION	NONE

The following sections address retail environment and equipment as well as lottery staff training service requirements. The quantities are for approximately 3100 retail locations and 150 Lottery staff.

##### **A.7.8.1 Retail Training Services**

<b>Significance</b>	<b>Response Type</b>
IMPORTANT	FULL

The Contractor shall be responsible for all Lottery Retailer and Lottery staff training regarding the effective and correct operation of Retail Equipment and Bidders must describe their process to meet the following:

1. Retailer and Lottery Staff Training for System Conversion/Start-up: The Contractor will be responsible for providing practical and effective Retailer Terminal, FSVMs, Portal use, digital app integration, and all related peripherals training prior to the implementation of its equipment.
2. The Lottery is interested in modern training concepts, tools, and practice for providing training to Retailer and Lottery Staff for achieving the best outcome with optimal efforts, including use of the e-Learning platform. The Contractor shall describe its proposed approach and some references and evidence, why the proposed approach is effective. Should any facilities, equipment, training materials or other items be necessary for conducting the

training, the Contractor shall be responsible for providing such. Also, should the implementation of the Contractor proposed approach not deliver satisfactory results, the Contractor shall be responsible for adopting the processes and make it effective. The Bidder shall describe the proposed training program in terms of materials, facilities, sessions, and schedules.

3. The Contractor shall verify the effectiveness of all training held through appropriate means (e.g. questions of understanding, proper quality feedback on training held, etc.). The capabilities of users, related mistakes, repeat training, etc. will be monitored and measured to determine the training service quality.
4. The program description shall also address the Bidder's capability of providing for the specific training needs of corporate accounts.
5. Electronic training manuals and procedures on the correct use of Retailer terminals, vending machines and peripherals are required and must be approved by the Lottery and consent given for use of training collateral through other formats e.g., Retailer Portal. The Bidder shall include samples of training materials.
6. The Contractor shall be required to develop and provide Retailer Terminal training to all Lottery Retailers on an on-going basis to ensure that each Lottery Retailer continuously understands all the facets of the Retailer Terminal's operation (including Retailer Portal use). Such training must consist of refresher Terminal operation training as needed or desired for all existing Lottery Retailers, especially when the Lottery identifies shortcomings in Retailer knowledge or acceptance/use of tools (e.g. Portal).

The Contractor shall be responsible for the design, production, distribution and modification/updating of digital Retailer Terminal training reference manuals, guidance, brochures as well as videos (as applicable). Changes to these manuals must be made available by the Contractor at least fourteen (14) Business Days prior to the agreed implementation of any Retailer Terminal operation procedure, Game modification or other relevant changes. Such documents or information shall be made available and updated through the Retailer Portal website (which shall be accessible through the Terminal as well).

The Bidder shall also provide one (1) Service Description for the Retail Training Services offering.

#### **A.7.8.2 Lottery Staff Training Services**

<b>Significance</b>	<b>Response Type</b>
IMPORTANT	FULL

The Contractor must provide training for Lottery and proposed staff, on-site at the Lottery offices, eLearning or virtually / remotely as appropriate and as approved by the Lottery. The Bidder shall describe in the Proposal what general and customized training will be provided to Lottery and proposed staff regarding concepts of the Central Gaming System(s), applications, tools, reports, Contractor-supplied services, System security features, controls and audits, and any other relevant aspects of the proposed Solution. The Contractor must also describe what materials are provided (e.g., training documents, manuals, digital knowledge bases, etc.) and how training effectiveness will be evaluated and measured.

Training must be customized to meet the unique needs of Lottery employees and proposed performing specific primary and support activities. At times during the Contract additional training

may be needed as Gaming System features evolve. Supporting training Documentation and training programs must be provided as relevant.

The areas for Lottery staff training include but are not limited to gaming operational aspects and reports, Data Lakehouse/BI tool use (see Section A.7.6), CRM applications, ticketing/workflow tools management and use, transaction inquiries, security features and audits, Content Management System functionality, Multimedia content management, Retailer Portal/Extranet functionality, Sales Force Automation tool/management, and other systems and tools delivered by the Contractor.

In addition to the initial training on all aspects above, the Contractor shall provide the following ongoing training services:

1. When major releases or new functionality requires new Lottery staff training. Such will be determined during the release planning process.
2. After major releases or new functionality related to BI tool functionality or use for BI tool Lottery users.

The Bidder shall also provide one (1) Service Description for the proposed Lottery Staff Training Services.

#### A.7.9 Retailer Hotline Services

Significance	Response Type
IMPORTANT	FULL

The Lottery will handle all calls from Players, Retailers, Customers and other interested parties directly. Retailer service calls will be managed by Lottery staff during weekdays (Mon-Fri, 5-days a week) from 8 am to 4:30 pm. Outside these hours, the Contractor must assume this service, which includes weekends, and holidays unless all Retailers are closed for some reason. The overall Retailer Hotline Service provided by the Contractor shall achieve the required General Gaming System Service Availability level.

1. The Contractor must provide a toll-free hotline number for Retailers support (used full time) and handle Retailer trouble calls outside above stated timeframes. The number shall be switched back and forth between the Lottery and the Contractor service desks, depending on the Service times.
2. The Contractor shall utilize the Retailer Relationship Management system (see Section A.4.3.5) for capturing all contacts and calls. Lottery staff will use the same platform to ensure that all information is in one central repository. This platform shall be easy to use and intuitive.
3. Issues should be entered into a ticketing system, which triggers respective workflows and escalations depending on the problem. This tool may be integrated into the Relationship management system, if the Bidder deems it appropriate. The Lottery and the Contractor shall both use the same, easy to use tool provided by the Contractor. The Lottery shall have full access rights and visibility to all information therein in a completely transparent manner.
4. The Contractor shall provide for a monitoring feature of all calls to the Lottery hotline. The data to be monitored shall include but not be limited to current date/time, calls received, type of calls, calls holding, average answer time, number of calls waiting, average and total hold times and the number of calls abandoned and their average abandon time. Some or all of these measures should be used for determining and agreeing on Service Levels (to be reflected in the Service

Description). The proposed system must provide periodic summary reports as approved by the Lottery.

5. The Bidder shall describe how it proposes to support the Lottery's hotline requirements if the Contractor's call center becomes, at any time, inoperable.
6. The Lottery requires skilled staff being used, which is highly familiar with all Retailer equipment and processes as well as able to clearly and professionally communicate to Retailers during Service times. Those operators represent the Lottery to the public and the Lottery expects utmost service excellence in this regard. The Bidder shall describe its proposed initial and ongoing training programs for hotline operators.
7. The Bidder shall describe how they plan to address the overall staffing and mechanisms employed to ensure a timely, professional and accurate response to Retailers. The Bidder shall also propose the performance measures and values it deems are appropriate.
8. A recording device must be provided to record all telephone conversations transacted on the hotline call center circuits. The recording of telephone conversations must adhere to all applicable Federal, state, and local laws. The Contractor must provide the recording equipment and maintain recorded conversations for at least one hundred twenty (120) days. Conversation files must be transferable for Lottery review upon request within three (3) Business Days and each call must be traceable to an entry generated in the CRM system.

The Bidder shall also provide one (1) Service Description for the entire Retailer Hotline Services offering.

#### **A.7.10 System Support and Enhancement Services**

<b>Significance</b>	<b>Response Type</b>
MANDATORY	FULL

The Contractor must throughout the duration of the Contract provide changes and enhancements to the Gaming System as requested by the Lottery. Timely fulfilment of Lottery requests for system support and changes is required (see also Software Delivery Time requirements below).

The Proposal must identify how systems and software engineering support services for Gaming Systems management, Gaming System error correction, support for changes to the Lottery's business rules and requirements and game changes will be delivered to the Lottery.

At a minimum, Bidders shall address the following:

1. **Project and Delivery Management:** The Contractor shall provide professional project management services as and when necessary to meet the Service Delivery commitments. This includes responsibly overseeing, managing, and ensuring the continuous integration of 3<sup>rd</sup> party interfaces (i.e., digital front ends, payment solution provider, Lottery back-office, ICS, and others as applicable), with escalation support by the Lottery in case needed.
2. **System Releases:** The Contractor must support and deliver releases of software batches as requested by the Lottery. Bidder must describe the process, timeline, roadmap, and approach for such batches. The Contractor must also support and describe emergency software releases.
3. The Bidder must describe the strategy concerning future development and strategy regarding the base product, as applicable, and any impact it may have on the Lottery or the System, e.g., major

base product upgrades, etc. The description shall cover all aspects, including how functionalities, timings, software development priorities, etc., might be affected.

4. New game development: The Contractor shall fully support new Lotto Game development or changes thereto for non-MUSL games, irrespective of MUSL game development roadmaps.
5. Software Support: The Contractor must provide software and systems engineering support and deliver Gaming System changes including application enhancements, operating system upgrades, vulnerability patches, and updates and upgrades in case needed by the Contractor's on-site team.
6. Request Tracking Database: The Contractor must utilize a professional Service Management Tool as described in Section A.3.8.1. The System should also be securely accessible by the Contractor's development team for status updates on all the requests.
7. Security in Development: The Bidder must describe the security policies and practices that will be used to protect the System against the introduction of intentional or unintentional malicious code or other security threats to the Lottery's environment.
8. Software Checksums: Checksums or comparable secure integrity measures are required for software at the time it is released for Lottery testing and must be available at any time for testing applications and for the production systems.
9. Component Identification: System components shall be documented with version and release numbers, patch versions or model and serial numbers. Please refer to related CMDB requirements (Section A.3.8.1).
10. Documentation: The Contractor must provide and maintain comprehensive System documentation for the Lottery including but not limited to: network diagrams, security standards and processes, security standards compliance documents, change control processes and procedures, data dictionaries, interface specifications, third-party licensing documentation, etc. Such relevant Documentation shall be kept up to date with each release.

The Bidder shall also provide one (1) Service Description for the entire proposed System Support and Enhancement Services considering the Software Delivery Time requirements below.

#### **A.7.10.1 Software Delivery Time**

<b>Significance</b>	<b>Response Type</b>
IMPORTANT	FULL

For each specific report or software modification or new report or software required throughout the Term of the Contract, and not already included by the scope of the Contract, the Contractor will be required to submit to the Lottery a delivery plan. Such plan must under all circumstances foresee delivery of the software (ready for Customer Acceptance Testing) in no more than twelve (12) weeks following software specification approval by the Lottery.

The Bidder shall describe their proposed process for delivery of software changes or for new software. The Bidder shall include a proposed delivery time commitment, counted from the Contractor's receipt of the software specification approved by the Lottery. The Bidder may propose separate commitments for

1. Emergency fixes

2. Enhancements to games, reports, or configuration changes
3. Small scale modifications (impacting single modules)
4. Medium scale modifications (multiple changes affecting multiple modules)
5. Large scale modifications (complex cross module functionality or completely new game)

The proposed time shall include and specify all work and activities necessary from the Contractor's receipt of the software specification approved by the Lottery, until the software is ready for final acceptance testing by the Lottery. The Bidder shall observe the quality requirements for such deliveries to the Lottery set out below.

The Bidder shall also describe in detail which resources will be used for the various tasks above, and how the Bidder will ensure that the required resources are (made) available to the Lottery to meet the committed delivery times throughout the duration of the Contract.

#### A.7.11 Quality Assurance and related Services

Significance	Response Type
IMPORTANT	FULL

The Contractor is ultimately responsible for the quality of the Gaming System and Software releases. The Lottery requires acceptance testing that consists of a cooperative effort between the Contractor and the Lottery.

Any Lottery approval, based on acceptance test results, for the implementation of Software, does not change the Contractor's absolute responsibility for the continued quality and effectiveness of the Gaming System and the Software.

The Bidder must describe its in-house quality assurance testing procedures for hardware and software changes and the respective delivery process until final acceptance by the Lottery, including but not limited to meeting the following:

1. Automated Testing: The Bidder shall describe its related processes, if available, and the extent to which such would be used and made available to the Lottery (as applicable).
2. The Lottery requires that all new or modified software and hardware be fully and properly tested on the Contractor's development and/or QA systems prior to delivery to the Lottery for QA and/or User Acceptance Testing. Such tests shall have also concluded the complete integration and interface testing with other parties (e.g., digital, Lottery back-office, ICS, payment solution providers, etc. as applicable), to ensure end-to-end functionality.
3. A summary test report must be provided to the Lottery. Also, at time of delivery of any deliverable, the Contractor shall submit to the Lottery a copy of all relevant Contractor QA protocols, proving that the respective deliverable has been accepted by the Contractor's QA organization.
4. All software submitted to the Lottery for testing must be fully operational and principally ready for production use. Deliverables inconsistent with the results indicated by the submitted QA protocols will be considered a failed delivery and may be subject to Service Credits. The Lottery reserves the right to reject any software not in Acceptable Testing condition. Thereafter, all deliveries will be tested thoroughly and approved by the Lottery prior to installation. The quality

of software deliveries shall be a dedicated item in the required Service Description and measured (among others).

5. **Test Criteria and/or Script Development:** The Contractor shall deliver suggested acceptance test criteria and/or scripts with the software change Documentation (such as release notes) at least fifteen (15) Business Days before software delivery to the Lottery, which the Lottery must review and accept before being used. The Lottery requires dedicated staff, knowledgeable of the software being tested, to assist the Lottery in identifying effective testing strategies, procedures for evaluation, software/hardware environments and resources required, and acceptance criteria.
6. **Test System set-up:** The test environment set-ups, applications and tools must allow for testing and processing multiple system business days in one calendar day as well as the possibility to skip calendar days and continue where the tests previously stopped (i.e., timeline flexibility for effective testing). Also restore points (or similar) shall be used allowing for re-doing single tests without having to repeat the entire test in case of errors. The Bidder shall describe its proposed tools and related available Documentation in this regard to allow Lottery staff to perform those tasks on their own.
7. **Test System Availability:** In cooperation with the Lottery, the Contractor is responsible for assuring the Lottery's dedicated Test Systems are available and configured to meet the agreed Acceptance Test Plan, and operational resources are available to conduct and evaluate the Acceptance Test. The Contractor will be required to support the Acceptance Test pre-planning process to ensure the Lottery has all necessary information, parameters, configuration and data to correctly start the Acceptance Test process.
8. **Timing:** The Contractor must successfully meet the Lottery's Acceptance Test requirements as agreed in the delivery timeline of the respective software or System enhancement.
9. **Minimum Testing Requirements:** At a minimum, the Lottery's requirements for Acceptance Testing include, but are not limited to, the following:
  - a. All Contractor-provided Gaming System functionality must be testable by the Lottery on the Test Environments in a convenient and effective manner.
  - b. Performance and load simulations in relation to the change must be included and provided for.
  - c. Any applicable security requirements must be met and adhered to.
  - d. The respective test environments must provide for complete interface tests to other test systems and set-ups (such as Terminals, vending machines, ICS, digital front ends, communication interfaces, Data Lakehouse, etc.).
  - e. In case of identified errors or deficiencies, the Bidder shall swiftly correct those during the test phase if requested by the Lottery. The process for managing those shall be through the Service Management tools and process.

The Lottery will consider all deliverables herein in the Service Review Process and measure the quality of software deliveries and the related quality. The objective is to achieve very high-quality deliveries with minimal or no follow-up testing required (hence little impact on Lottery staff or business). The Bidder shall describe the offered commitments, KPIs and targets in the following Service Description.

The Bidder shall also provide one (1) Service Description for the entire proposed Quality Assurance Service.

**A.7.12 Services related to future Innovation**

Significance	Response Type
IMPORTANT	FULL

With the rapid evolution of technology and related services, the Lottery is placing a focus on staying up to date with these developments throughout the Contract. This should help the Lottery to stay competitive and relevant in the marketplace.

To achieve these objectives, the following minimum requirements apply:

1. The Contractor shall provide the Lottery with information and updates related to general lottery industry trends, developments at retail, trends in player and consumer behavior, new emerging technologies, developments in competing gaming offerings, etc.. Such information shall be provided by the Contractor through a one (1) day formal meeting/workshop at least once a year.
2. The Contractor shall provide the Lottery with information and updates related to its own future roadmap of its technology strategy and service strategy. Such information shall be provided through a formal one (1) day meeting/workshop once a year, including an agenda item, how these developments may be relevant specifically to the Lottery.
3. The Lottery considers cloud technology as key element in achieving better flexibility and innovation. The Bidders Solutions is expected to be largely at least cloud-ready or cloud-based.

***If the Bidder's Solution is not cloud-based at Go-Live, and the Bidder deploys a cloud-based solution to a North American lottery within three (3) years of the Go Live Date, Bidder must update the Lottery's system at no additional cost.***

The Bidder shall commit to such provision, if applicable. This should avoid situations where the Lottery may receive technology or Solutions which are soon outdated hence limiting future flexibility, whereas the Contractor is already working on a new solution.

The Bidder shall also provide one (1) Service Description for the Innovation Services offering addressing requirements 1 and 2 above.

**A.7.13 Information Security related Services**

Significance	Response Type
INFORMATION	NONE

The following sections provide for minimum requirements for specific security areas.

**A.7.13.1 Physical Security Service**

Significance	Response Type
IMPORTANT	FULL

The Contractor must ensure stringent security measures to prevent unauthorized entry and activity at each site where Lottery infrastructure is located or accessible from as well as support any applicable regulations. This includes, but is not limited to data centers, warehouses, operations sites, offices, etc.

The Service shall refer to the range of services and measures implemented and provided to protect physical assets, premises, personnel, and visitors from security threats. The Service is expected to be designed to safeguard against theft, vandalism, unauthorized access, natural disasters, and other physical security risks. Key service elements may include access control systems, surveillance systems, alarm systems, security personnel, perimeter security, visitor management, fire safety and emergency response, risk assessment and security audits, threat mitigation, security training, Lottery information and asset protection, etc.

At the Lottery headquarters, where space is provided for Contractor staff, video monitoring and badge access will be provided by the Lottery and Lottery security policies apply.

The Contractor is responsible for making sure that any communicated Lottery policies and procedures are communicated and adhered to by its staff and related subcontractors.

The Bidder shall also provide one (1) Service Description for the entire proposed Physical Security Service.

#### **A.7.13.2 Information, Data and Network Security Services**

<b>Significance</b>	<b>Response Type</b>
MANDATORY	FULL

System, application, network and database security controls are critical components of the Contractor's role in ensuring the integrity of the overall System.

The Contractor is responsible for all related IT and technical security aspects on provided infrastructure, applications and Systems, including the digital front-end infrastructure and related applications.

The following security requirements apply to all Systems, applications and networks, regardless, if provided as cloud service or through private data centers as well as any administrative systems supporting games management or other applications provided to the Lottery or operated by the Contractor on behalf of the Lottery.

1. **Systems and User Access:** All System access and user access rights must be approved by the Lottery. Such a process should be established and facilitated by the Contractor through the ticketing-based workflow including Lottery staff for the approvals.
2. **Reviews:** At least annual access right reviews across all platforms and applications are to be scheduled and conducted as part of the Service delivery.
3. **Event Logging:** All application login attempts, whether successful or not, must be logged. Log entries must reference identifiers such as the time, date, IP address and login success status. The respective application must provide display and reporting tools for the Lottery to verify the events recorded in the audit trail.
4. **Audit Logs:** Systems and networks must support controls and procedures allowing the Lottery to audit all access (including remote access, if any). The integrity of the logs must be verifiable to confirm that the logs were not altered after initial entry.
5. **Compliance with Security Requirements:** The Systems, applications and networks must be compliant with all systems security and fault tolerance requirements promulgated by any current or future multi-jurisdictional associations (e.g., MUSL, WLA, etc.) the Lottery is or may become

a member. Also, PCI-DSS requirements must be followed and adhered to for any related information and processes.

6. **Protection against Unauthorized Access or Service Disruption:** The Contractor must undertake to implement all reasonably possible controls to prevent unauthorized access. The Bidder must specify the methods by which front- and back-end or host systems will be protected against access, ransomware, viruses, spyware, denial of service, and other internal or external attacks. This is especially important due to the fast-advancing technological evolution and related cybersecurity threats. Additionally, the Contractor must provide regular risk assessments and mitigation plans for emerging threats which are potentially relevant to the System, as agreed with the Lottery.
7. **Principle of Least Privilege:** All applications and databases must be designed to support only the processes and user access required to provide the intended application functions. Application and database users must be granted access only to the application and database functions and data elements needed to perform their job functions.
8. **Other Systems Security Controls:** The Bidder must provide information on operating system hardening, login and password controls, and system security log management.
9. **Data Security:** The Contractor must ensure computer and communications systems and services involved in storing processing or transmitting Lottery data are secure and will protect that data from permanent loss or temporary unavailability, and from unauthorized disclosure, modification, or destruction. The Contractor shall also ensure that all Lottery data is securely destructed from any decommissioned hardware or upon the end of its lifecycle.
10. **Authentication:** The Contractor must use at least two-factor authentication to limit access to systems that contain confidential Lottery data, such as personally identifiable data. Unless the Lottery instructs the Contractor otherwise in writing, the Contractor must assume all Lottery data is confidential and critical. The Contractor is also fully responsible for Security Certificate provision and management, where used.
11. **Intrusion Detection/Prevention System:** The Contractor must employ appropriate intrusion and attack prevention and detection capabilities across all delivered systems, in particular public/web-facing systems. Those capabilities must track unauthorized access and attempts to access the Lottery's data, as well as attacks on the Contractor's infrastructure that supports the Lottery's data.
12. **Mobile Computing Devices and Removable Media:** The Contractor must not allow the Lottery's data to be loaded onto portable computing devices or portable storage components or media unless necessary to perform its obligations under this Contract. With Lottery approval, the Contractor may allow such loading if adequate security measures are in place (i.e., policy on physical security for such devices, anti-virus software, personal firewalls, and system password protection, and encryption). The Contractor must maintain an accurate inventory of all such devices and the individuals to whom they are assigned.
13. **The Lottery requires external, independent penetration tests and security reviews to be conducted regularly.** Such tests and reviews shall comprehensively assess the external as well as the internal network and application security. The Contractor must provide for independent, professional and credible security firms offering such security and penetration testing services, to conduct one annual test, resulting in one (1) annual security review, subject to Contractor guidance, a test plan and schedule provided and approved by the Lottery. The Lottery prefers to have alternating or different suppliers of such service each year. All such firms must sign a comprehensive Non-Disclosure-Agreement with the Contractor and the Lottery prior to conducting any test. Upon

test conclusion, each firm must present and provide a comprehensive report to the Lottery's technical department along with further explanations if necessary. In case security weaknesses are found, the Contractor shall, in coordination with the Lottery, be obliged to immediately remedy such weaknesses on solutions provided or managed by the Contractor. The Lottery will be responsible for correcting weaknesses on its own platforms. The identified Contractor security weaknesses shall form part of the service delivery quality measures.

14. In addition to the annual, formal external security reviews, the Contractor shall conduct regular security scans and reviews on its own as well (e.g. automated scans by using professional tools, etc.). This Service shall be provided at least monthly or more frequent if risk assessments indicates such.

The Lottery requires secure e-mail communication technology with the Contractor (all locations) for protected exchange of all information (including potentially large files). The Lottery currently uses Microsoft Teams / SharePoint based Solutions. The Bidder shall fully describe its available and commonly used technology for that purpose and explain related requirements for the Lottery, if any.

The Bidder shall also provide one (1) Service Description for the entire proposed Information, Data and Network Security Services.

#### **A.7.13.3 Security Breach Process and Notification**

Significance	Response Type
MANDATORY	FULL

The Contractor must maintain an incident response process for all security and/or data breaches. The Contractor must detail this process in a written policy that defines procedures for how the Contractor will detect, evaluate, and respond to adverse events that may indicate a breach or attempt to attack or access Lottery data, applications or the infrastructure associated with Lottery data. The Bidder is to describe how the policy aligns with the required business continuity and disaster recovery plan (see Section A.7.14)

In case of any actual or suspected security breach, active or historic, which could in any way have compromised Lottery data, called into question the integrity of any game or product, or lead to the potential exposure of any sensitive or critical data, the Contractor must notify the Lottery verbally and in writing of the breach immediately and fully cooperate with the Lottery to mitigate the consequences of such a breach. This includes any use or disclosure of the Lottery data that is inconsistent with the terms of this RFP and subsequent Contract. Details on the reporting requirements can be found in Section A7.13.3.1 below. The exact contact information and process will be provided by the Lottery during the Functional Specification phase, but it shall in minimum be tracked through the ticketing system and followed up with a written report through the Service Management process.

The Contractor must give the Lottery full access to the details of the breach and assist the Lottery in making any notifications to potentially affected people and organizations that the Lottery deems are necessary or appropriate. The Contractor must document all such incidents, including its response within the Service Management tool (as described in Section A.3.8.1), to which the Lottery must have full access.

#### **A7.13.3.1 Data Breach Procedure**

Significance	Response Type
MANDATORY	FULL

The Contractor must immediately report any suspected or actual security violation, system compromise, violation of law (e.g., theft), or loss or disappearance of any assets, records, files, or other equipment, software or material used or to be used in the performance of the Contract. Such reports shall be made through the Ticketing Tool.

The Contractor must only make additions to already reported and documented tickets (e.g., additional information, updates) to ensure ticket integrity and correctness at all times. Under no circumstances shall any information be removed from a ticket once submitted.

The Contractor must immediately report the involvement of any of the Contractor's employees, owners, or agents in any known criminal arrest (not including minor traffic violations) or investigation. The Contractor will be required to follow-up with a written letter within five (5) days of the incident.

The Contractor must report any situation known to the Contractor, which in the best professional judgment of the Contractor may cause the general public to become alarmed and/or which may damage the integrity or reputation of the Lottery.

All formal reporting documentation shall be conducted through the Ticketing Tool described in Section A.3.8.1, unless otherwise determined by the Lottery.

More specifically, in case of any Data Breach Event or security breach, the Contractor must, as applicable:

1. Notify the Lottery immediately, following incident level P1 reporting requirements (as per the SLA), of becoming aware of such Data Breach Event or security breach.
2. Cooperate with the Lottery in investigating the Data Breach Event or security breach, including making available all relevant records, logs, files, data reporting, and other materials required to comply with applicable law or as otherwise reasonably required by the Lottery.
3. In case of private or confidential data on individuals, as such terms are defined by the MGDPA, was compromised or is suspected to have been compromised in a Data Breach Event, at the Lottery's sole election,
  - a. notify the affected individuals (or assist the Lottery in their notification of the individuals) as soon as practicable, but no later than five (5) calendar days of the Data Breach Event, consistent with a written notification checklist that shall be mutually developed between the parties and agreed upon by the Lottery prior to the Go-Live Date; or
  - b. reimburse the Lottery for those actual costs incurred by the Lottery in notifying the affected individuals.
4. recreate lost Lottery data in the manner and on a schedule agreed upon in good faith by the Lottery and the Contractor without charge to the Lottery; and
5. perform or take any other actions required to comply with applicable law as a result of the Data Breach Event.

Failure to provide any report or cooperation required in this Section shall also be considered a Service Failure (in addition to other related provisions herein).

**A.7.14 Business Continuity and Disaster Recovery Services**

Significance	Response Type
MANDATORY	FULL

The Contractor must provide a business continuity and disaster recovery plan and processes that address its operations and Services for the Lottery across all relevant sites, where Contractor operations or services are being provided from. The plan must be provided for Lottery approval at least thirty (30) days prior to the Go-Live Date and must be updated every twelve (12) months or upon Lottery request. Such plan shall take into account disasters caused by weather, water, fire, earthquakes, environmental spills and accidents, malicious destruction, cyber-attacks, acts of terrorism and contingencies such as strikes and epidemics. The plan must ensure continuity of the System, Operations, Services and the Lottery's games. Provision shall also be made for the safe, secure storage of all scheduled backup data and programs. Should implementation of any portion of the plan become necessary, all costs associated with the plan shall be borne by the Contractor.

The Proposal must contain an outline for, or sample of, the business continuity and disaster recovery plan. The Contractor's plan must provide contact information and detailed System recovery procedures and Documentation (see also below section). The Contractor must coordinate with the Lottery's production of its own business continuity and disaster recovery plan. Such shall be agreed during the Functional Specification phase and established during the Implementation phase.

The Contractor must also produce a business continuity and disaster recovery plan for its own additional facilities and capabilities necessary to support the Lottery. For example, the Contractor's manufacturing and central software development and support facilities are critical for the term of the Contract. This plan shall be due at start-up, with an outline being included in the Proposal.

The Bidder shall provide two (2) Service Descriptions – one each for the proposed Business Continuity and for the Disaster Recovery Services clearly describing the committed services and processes.

**A.7.14.1 Disaster Recovery Plan and related Services**

Significance	Response Type
MANDATORY	FULL

The Contractor shall collaborate with the Lottery in the development and maintenance of a Disaster Recovery Plan (DRP) to restore business operations within an agreed time frame following disastrous failure of the System or successful Cybersecurity attack. This also includes the development and maintenance of Emergency Operation Procedures (EOP).

It is assumed the Bidder has already a version of the EOP, which can be adapted to the Lottery's case and the Bidder shall discuss supported failure scenarios and describe the EOP to recover in the event of such failure.

As part of the Service provision, the DRP and EOP for the System (including networks aspects) shall be tested by the Contractor at least twice a year, as part of site alternation for example. The extensiveness of testing will be determined on a case-by-case basis and is subject to prior approval by the Lottery. The DRP and EOP shall be reviewed in accordance at least annually. Results shall be reported through the Service Management reporting process.

As part of disaster recovery, the Bidder shall also ensure that adequate server provisioning, backup with secure storage and restore procedures are in place to guarantee prompt restoration of a particular component. The availability of up-to-date, valid, and usable backup is of particular importance.

From an availability point of view, a distinction is made between time critical elements and non-time critical ones. Time critical elements are those necessary for core daily business, which can be defined as those necessary for gaming. This is not limited to core gaming functionalities and distribution channels but shall also include all necessary services including but not limited to registration, funding of player account, reporting and invoicing, and payment of winnings for example.

The Bidder shall provide a comprehensive Service Description for the Disaster Recovery service in line with the template provided as stated above. The time critical character of an element has some significant impact on the required level of services. This does not mean non-time critical elements should not meet high level of availability. However, the distinction between time critical or not translates into different SLAs for availability including but not limited to the following measurements.

1. Overall availability: The percentage of availability across different periods of time (e.g. monthly or weekly).
2. Maximum unscheduled downtime: The maximum downtime period independently of any measure of overall availability.
3. Acceptable scheduled downtime: Acceptable frequency and length of scheduled downtime for maintenance purposes.
4. Disaster recovery time: The maximum time to bring the system back to normal configuration after a disaster, which may vary depending on the kind of disaster.
5. Support level: Availability of qualified support for the components concerned.

In any case, no single points of failure are acceptable on Systems, computers, network connections, network routes, etc. The level of resiliency shall be calculated to meet target availability and recoverability SLA and take into account mean time between incidents and mean time to repair.

Resiliency and redundancy rules adopted in the infrastructure and application environments for time and mission critical services shall be consistent with each other and consistent with the SLA.

## A.8 Facility Services

Significance	Response Type
MANDATORY	FULL

The Contractor shall provide and operate facilities needed to deliver the Services in this RFP. This includes infrastructure services (e.g. data centers, network infrastructure, etc.), operations center, call center, service center, warehouse(s), test facilities, operations support facilities and others deemed necessary by the Bidder.

In particular, the Bidder shall address the following in its proposal:

1. The redundant data center facilities (whether owned or outsourced), related locations and resilience measures (fire, power outages, A/C, surveillance, access control, etc.).
2. Facility locations from where the Services are being provided (e.g., operations, call center, test, software development, etc.). The related Physical Security Service requirements apply accordingly (must not be re-addressed here).
3. Warehouse(s) or depots to fully support field services, (e.g., storage, staging, installation, relocation, maintenance, and repair program) for POS devices. The Bidder shall describe how it will operate and maintain its Warehouse(s). Such a Service can also be subcontracted as desired by the Bidder provided the agreed Service provisions are being met.
4. Warehouse(s) to fully support the receiving, storage, and distribution of Consumables (e.g. Play Slips, Ticket Stock, etc.) and other items necessary to support the Lottery and points-of-sale. The Bidder shall describe how it will operate and maintain its Warehouse(s) as well as describe related courier service processes.

The Bidder must include as part of the description the plans and processes for physical security, access control, use and protection of assets and materials. The description must identify the planned location.

The Lottery is operating its own warehouse for distribution of scratch ticket stock.

The main Service measures for facility will be quality of service (e.g. correct deliveries, fast turnarounds, availability of service to meet Consumables and Field Service KPIs and objectives)

Some of the Facility Services may also have an impact on other Service delivery processes (e.g., Field Services), hence other Service Level measures may be impacted.

The Bidder shall also provide one (1) Service Description for the entire Facility Services offering.

## A.9 Delivery and Implementation

Significance	Response Type
MANDATORY	FULL

A smooth migration to a new System environment with minimal business disruptions is a key objective of the Lottery. Also objectives of the implementation of the new System and conversion of existing data are reducing risk of project failure, increasing integrity for the Lottery, and decreasing risk of Lottery operation interruptions or revenue loss.

Of importance to the Lottery is the approach to the integration with existing/remaining systems, including how the Bidder will work with 3rd party vendors to deliver required integrations (e.g. ICS, Lottery interfaces and back-office). This shall be addressed throughout the implementation and migration planning.

The Bidder shall describe its approach to achieving such a smooth implementation, migration, and a successful start-up of the new System under the new Contract. The description shall identify

1. underlying material assumptions made in developing the strategy and plans, with the reason for making such assumption and the sensitivity of the assumption
2. the program and project management methods and tools to be used to ensure that the plan is executed to the timescales proposed.
3. the governance structure and processes.
4. the organization and all resources required to deliver the plan, including key roles and responsibilities.
5. the personnel that will perform the key project management roles, including their skills and experience that demonstrate their capability to successfully deliver on time.
6. the input of work, knowledge and expertise required from the Lottery (resource profiles) to enable a smooth transition; and
7. any and all prerequisites, such as interface specifications, data access, etc., and the required timing thereof.
8. Reporting process: Starting upon the signing of the Contract, the Contractor shall provide the Lottery with at least monthly reports including
  - Status Reports (status reports describe the current state of the project, especially relating to the Implementation Plan. These reports should highlight problem areas that need to be addressed),
  - Progress Reports (progress reports describe what the project team has completed - usually indicates the percent of work completed versus the schedule); and
  - Forecast Reports (forecast reports shall specify and describe the next actions to be carried out. The closer in time, the more detailed description is required.).

For the last 6 months before Go-Live Date, such reports are required at least on a bi-weekly basis. The Lottery reserves the right to request more frequent reports or meetings in case it is deemed necessary.

**A.9.1 Implementation, Transition and Start-up Principles**

Significance	Response Type
MANDATORY	FULL

The implementation process requires the new Software, Hardware, Terminals and Service elements of the new System be deployed, installed, integrated, migrated, tested, and placed in operation to the satisfaction of the Lottery.

The plans shall cover all activities necessary to achieve the on time launch of the new System and operation including but not limited to:

1. Plans and requirements for premises and facilities; cooperation with the Lottery and associated requirements, as applicable
2. Appointment of all Contractor suppliers
3. Recruitment and training of Contractor staff
4. Installation of Terminals at the Retailers and how that will be synchronized with Retailer training
5. Specification, design, development, QA, testing, and implementation of all proposed Systems and interfaces necessary to support the Lottery operations
6. Integration with 3<sup>rd</sup> parties (Lottery back-office, digital front ends, ICS, etc.)
7. Contractor-led Integration Test; and
8. Acceptance testing by the Lottery

**Required Adaptations**

The Bidder shall describe, for each element of the overall Systems, the extent of development required, i.e., what elements are “off-the-shelf”, require minor or extensive modification or are new developments (both developed in-house or bought from 3<sup>rd</sup> parties). The overall Systems include the Terminals, Gaming Systems, and any other systems or interfaces required to meet the Lottery operational requirements.

**A.9.1.1 Transition, Migration, Start-up**

Significance	Response Type
MANDATORY	FULL

The Bidder shall include a comprehensive description of the transition and migration from the existing gaming infrastructure and operation of the Lottery as well as the start-up into the new System and operation. The Lottery requires that the approach for setting up and commencing operations is both complete and credible.

The Lottery’s transition, migration and start-up goals include:

- Fulfil all requirements related to retaining data and records
- Ensure the integrity of all gaming and financial data at conversion.

- Minimize or avoid disruption in selling tickets and paying winners.
- Avoid conversion-related System failures and outages.
- Maintain good Retailer relations and address Retailer issues during conversion (such as convenient training opportunities, getting all Retailers trained and management of counter space when installing a new Terminal).
- Minimize losses or limitations during conversion (i.e., temporary loss of reports or System functionality; missing Retailers; late start on conversion day).
- Provide support and create excitement at retail and on premises.
- Establish solid service management and service delivery processes

The description shall consider above goals and be based on the following basic parameters:

1. The Bidder shall propose the transition method that best serves the Lottery's interests and provide for a low-risk conversion.
2. The Bidder shall eliminate or minimize the negative impact or disruption on any process, functionality, or application throughout the transition and beyond. Of particular importance for the Lottery is that the migration process has a minimal impact on the Retailers (POS) and Players. The Bidder is requested to elaborate on this requirement.
3. The Bidder shall describe the approach for the migration of the current data of the Lottery to the new System and related tests.
  - a. The Bidder is responsible for the data migration and shall describe the responsibilities of the Lottery in this respect.
  - b. The Bidder is aware that the migration responsibility includes the responsibility to merge and migrate data as applicable including retail, digital and player related data. A significant amount of pre-existing information and processes must be integrated into the new System. For example, the new System must process tickets from the old System still in the field at the time of implementation of the new System; the System must process validations; the System must process logistics information from the old system; accounting related information must be available to Retailers from the old System to be provided on the new System, etc.
4. Information, still relevant after System changeover, must be migrated from the old system to the new System at conversion. Validations, including those for winning tickets sold prior to the conversion, must be supported for all games. The integration of existing elements into the new System environment must be performed seamlessly.
5. Management Information and Historical Data: The Contractor must plan for and convert as a minimum the data and records, including but not limited to
  - a. All master and operational data for Retailers and Players, including historical changes and records
  - b. Overall, the Contractor must convert a minimum of eighty-four (84) months of sales and operating data. At least 18 months of these are the detailed retail historical sales data and transactions, which are to be kept online available in the new Gaming System and the DLH. The remaining historical detailed sales and transactional data

must be migrated only to the DLH environment permitting generating reports and/or querying transactions to meet regulatory demands and/or operational needs (e.g., fraud investigations, etc.).

- c. In addition, the Contractor will be required to migrate historical data since inception in 1990 from legacy systems (ACCLAIMS) to a suitable environment permitting generating reports and/or querying transactions within reasonable timeframes. The Lottery will provide the interface specification and data feed. It will be sufficient to maintain aggregated data by Product (every scratch game and each lotto game) by retailer by month.
- d. Transaction and winning data of digital Players (e.g. winnings in second change draws, etc.)
- e. Scratch Ticket and other game data as well as logistics information and files
- f. Operational and administrative data and records

An additional objective is for the Lottery and the Retailers to see a continuity of data in displays and reports from before, during and after the Go-Live Date.

The detailed requirements and specifications for migration will be agreed upon between the Lottery and the Successful Bidder during the Functional Specification phase.

- 6. Following the transition to the new System, the period of “hyper care” is required, where additional resources are available to assist the Lottery and its agents. The period must be at least four (4) weeks following Go-Live. If any issues persist, which are classified as Critical or High as per the Impact definition (ref. SLA), such period shall be extended until all such are resolved or deemed acceptable by the Lottery. This period will also ensure that all Service Management processes are in place and operational.

In addition, the description shall include in minimum the following elements:

- A) the methodology and approach to Transition and Migration, including the testing reconciliation of migrated data as well for the start-up phase
- B) a detailed time frame for the Transition, Migration and Start-up Phase (Gantt charts methodology or similar) including the Target Go-Live Date and beyond keeping in mind the deadline for conversion as predetermined by the previous contract expiration. Note: This requirement can also be fulfilled through a reference to the respective section in the Formal Implementation Plan, provided that plan provides sufficient details.
- C) workstreams, internal governance, co-ordination and the procedures to be followed
- D) key milestones and phases, including a description of phase deliverables, entry and exit criteria
- E) detailed plans for the acquisition of premises and facilities, the appointment of all suppliers, the recruitment and training of staff, the installation of equipment at the Point-of-Sale retailers and synchronization with retailer training.
- F) details of the sources and quantities of required human and other resources, including the support immediately after the Go-Live Date
- G) details of external dependencies.

- H) a clear description of the responsibilities of the Contractor and the Lottery, in a RACI matrix or similar
- I) details of the (logistic) role out towards the Point-of-Sale / Retailers.
- J) specifications and designs of the development, testing, and implementation of all proposed systems necessary to support the start-up
- K) detailed plans for the installation of the Testing Environments
- L) sufficient buffer time; and,
- M) fallback options.

#### **A.9.1.2 Formal Implementation Plan**

<b>Significance</b>	<b>Response Type</b>
MANDATORY	FULL

The Proposal must contain a detailed implementation plan and timeline (Gantt, or similar) identifying the milestones, dependencies and qualification criteria to be accomplished for:

1. Requirements definition, including drafting, documenting, review, and approval process.
2. Software developing process, including design, implementation, testing, problem tracking and resolution, change control management, release management, installation, and configuration management.
3. Availability / Need of facilities.
4. Central Hardware or Infrastructure deployment.
5. Integration with Lottery Back-office systems and other existing systems.
6. Installation and testing any communications network elements.
7. Installation and testing Retailer Terminals, including peripherals.
8. Training and supporting Retailers.
9. Converting and testing existing data.
10. Training and supporting Lottery staff.
11. Acceptance testing (not less than 12, preferably 16 weeks) of the complete Gaming System (with sufficient unit testing prior) and Live-test phase (parallel run, not less than 14 days) including test process, plan development, and Documentation of results. Consideration to potentially repeated cycles must be given.

The plan must clearly identify tasks and major milestones on the critical path. The Proposal should include a Work Breakdown Structure (WBS) to the level at which control will be exercised. The Lottery will approve the final Implementation Plan of the Successful Bidder.

The Bidder must clearly identify and define roles and tasks that are the responsibility of:

- a. The Lottery
- b. Any of the Lottery's Contractors or third-party providers
- c. The Retailers

Tasks and pre-requisites not presented as required by other than the Contractor will be considered secured and provided by the Contractor, and to be included in the Pricing offer. The Implementation Plan involves interim configurations and facilities as well as staffing, or business procedures. The Bidder must explicitly describe those and foresee their development and use within the schedule.

#### **A.9.1.3 Acceptance Testing**

<b>Significance</b>	<b>Response Type</b>
MANDATORY	FULL

The Lottery will conduct a series of acceptance tests that the Contractor must fully support. Lottery Acceptance Testing will be conducted at the Lottery Headquarter office, suitably equipped with all test components needed by the Contractor.

The Bidder shall provide a plan that encompasses all components of the Solution being proposed to the Lottery including both mandatory and specified options and the prior integration testing with existing systems (Lottery back-office, digital channels, etc.).

Specifically, the Bidder shall describe its approach to or processes for the following:

1. **Schedule for Lottery Acceptance Testing:** The Contractor must have the System, that will be the primary Solution and network infrastructure, installed, configured and operational such, that Acceptance Testing is successfully concluded no less than 21 calendar days prior to the scheduled conversion. The Retailer Terminals and peripherals for testing must be equally installed, configured, and operational in the Lottery test area along the same timeline.
2. **Contractor's Test Plans:** The Contractor must provide draft System test Documentation to the Lottery, including use cases, test scripts, test conditions, test criteria, etc. no less than 14 calendar days prior to the planned start of the Lottery's Acceptance Test. The Lottery shall amend, or request amendments, and approve the test Documentation before it is considered fit for use. It is the Contractor's obligation to deliver all documents in a timely manner, allowing the Lottery reasonable time to review the delivered documents, and for the Contractor to implement any requested changes prior to the Acceptance Testing.
3. **Contractor's QA Reports:** The Contractor must provide the results of its own QA testing prior to submission of the deliverable for Acceptance Testing by the Lottery, and the QA report is subject to approval by the Lottery before Acceptance Testing can commence.
4. **Documentation and Support:** Training and written procedure manuals specific to the Lottery must be delivered to the Lottery upon availability of the System for Lottery Acceptance Testing. During the testing period, the Contractor must provide technical staff on-site as a resource to collaborate and support the Lottery's acceptance testing.
5. **Randomizer Testing:** Samples from the Contractor's randomizer software in the Retailer terminals must be submitted for quality testing. The randomizer samples are due on or before the start of the Lottery acceptance testing period. The Contractor will be responsible for the cost of third-party testing and certification of the randomizers by a Lottery-selected laboratory.

6. **Release Management and Notes:** Each release of the software for testing by the Lottery must be accompanied by release notes. The release notes must evidence good configuration management practices, namely each release must be identified by a version number and the changes must be succinctly defined. This requirement shall extend throughout the Contract.
7. **Entry and Exit Criteria:** The Lottery will consider the System ready for acceptance testing once all infrastructure items are installed and configured to be operated from the Lottery's environment, have passed the Contractor's QA testing, and is in accordance with the Lottery's standards. The Lottery will have successfully completed testing when all components of the System have been tested and all significant issues identified during testing are resolved by the Contractor and validated by the Lottery. The Contractor and the Lottery shall develop and agree upon detailed criteria that must be met prior to the System being put into production.

The Bidder shall agree to comply with the Lottery's statements of entry and exit criteria for Lottery quality assurance/acceptance testing and identify any issues that may concern the Bidder regarding effective and timely testing.

#### **A.9.2 Removal of old Equipment**

<b>Significance</b>	<b>Response Type</b>
MANDATORY	FULL

Retailer terminals, communication equipment, vending machines, and all other Lottery designated peripheral devices currently installed and in use by Retailers under the current Contract will be decommissioned and removed by the current Contractor, subject to the Lottery's direction and confirmation, as part of the conversion process. This does not include the 75 jackpot signs as mentioned in Section A6.1.5.2.

**A.10 Risk Management**

Significance	Response Type
INFORMATION	NONE

The Lottery considers risk management as an essential part of the business and the overall operations. This section provides for general areas where the Lottery requires specific information, but the Bidder is invited to address risks and mitigation action throughout the Proposal.

**A.10.1 Introduction**

Significance	Response Type
MANDATORY	FULL

The Bidder shall describe, in organizational, procedural, and other terms, how it will approach risk analysis and risk management between the Contract Award and Go-Live Date and throughout the Contract Term. There shall be an effective methodology or procedure for identifying and assessing risks, and for selecting the most appropriate mitigation and control strategies. The methodology or procedure must address risks to the operation of the System as well as to the Contractor itself. The results of a formal risk assessment should be provided.

**A.10.2 Transition, Migration and Start-up Risks**

Significance	Response Type
MANDATORY	FULL

The Bidder shall provide a quantified risk assessment with regard to the transition, migration, and start-up planning that identifies:

1. the risks to the transition/migration/conversion,
2. the risks to the start-up plan, and
3. the risks of inconvenience to Players, Retailers, and Lottery staff.

For the above risks:

- a. An assessment of their likelihood and potential impact, and
- b. the management actions and contingencies that are proposed to counter the risks.

The Bidder shall also describe the process whereby this assessment is maintained and used in the management of the transition, migration and start-up activities and how this process shall be made visible to the Lottery. In minimum, the Lottery requires monthly risk review sessions with the Contractor during the transition phase until launch of Operations.

The Bidder shall also clearly indicate risks related to the implementation project, including potential supply chain issues impacting the Implementation Planning. The Lottery will consider such risks, if reasonable, and expect mitigation strategies proposed by the Bidder.

**A.10.3 Operational Risk and Issues**

Significance	Response Type
MANDATORY	FULL

The Bidder shall provide details of relevant operational risks to the integrity of the Systems that it has identified and describe mitigation measures to remove or reduce such threats. The results of a formal risk assessment should be provided.

The risks that the Bidder should consider at a minimum include:

1. Disaster recovery: In the event of the loss of, for example, the primary gaming system, important data communications network links, staff, etc., how is service maintained.
2. Duplication of tickets or prize claims: What measures will be put in place to prevent or detect such occurrences.
3. Lost/stolen/mutilated tickets: What handling procedures are planned?
4. Stolen terminals or vending machines: How will the proposed system minimize the risk that a stolen terminal is used to issue tickets without any funds being collected by the Lottery?
5. Terminal malfunction: In the event of a Terminal malfunction during the issuing of a ticket wager transaction (e.g., paper jam), or a digital app timeout/error situation, what mechanisms are proposed to ensure a secure and accurate completion of the transaction.
6. Cancellation of sales: What procedure is planned to prevent a Retailer from cancelling a ticket after the player has bought a ticket and left the retail location?
7. Insertion of winning entries by the Contractor or others after the draw, but prior to payment of winnings. What procedures are planned to prevent this occurring?
8. Non-claimants: What controls are planned to ensure that the Contractor or others do not divert unclaimed prizes?
9. Unauthorized identification of winning instant tickets. What actions will be put in place to prevent unauthorized identification of winning instant tickets prior to sales?
10. Unauthorized access to player and winner's data. What actions will be put in place to prevent unauthorized identification of high winners or queries into player behavior.
11. Cybersecurity attack: What actions will be put in place to defend in general and mitigate impact, if successful?

The Bidder shall address additional operational risks as deemed appropriate.

**A.10.4 Business Risks**

Significance	Response Type
MANDATORY	FULL

The objective of this section is to give the Bidder insight into the business risks or doubts the Lottery recognizes in respect to the new Contract. Furthermore, the objective of this section is to give the

Lottery insight into the way the future Contractor commits to act and respond to these business needs and risks. The Lottery will consider the actual Contractor behavior in such or similar situations through the Service Credit scheme.

The Lottery recognizes the following business risks:

1. **Devotion of the Contractor to the Lottery.** It is likely that the Contractor provides services to a number of lotteries. Depending on the agreements made with these other lotteries, the Contractor may give priority to certain lotteries above other lotteries. In critical moments during the provision of contractual services to the Lottery, the Contractor may prefer using the available capacity for handling a critical moment at another lottery. This potential lack of devotion of the Contractor to the Lottery can therefore be qualified as a business risk for the Lottery.
2. **Less flexible attitude at critical times at the Lottery.** Critical times during the provision of contractual services to the Lottery are, for example, the execution of a critical Service, process or a breakdown of critical functionality. At such critical moments the Service delivery of the Contractor may have to exceed the Service levels as agreed to in the Contract or any Service Level Agreement. In case the Contractor cannot or does not want to provide these outstanding levels of Service the continuity of the business processes of the Lottery will be at risk. These critical times in the business process can therefore be qualified as a business risk.
3. **A large turnover of labor/staff assigned to the Lottery,** resulting in lack of knowledge of the Lottery's organization, processes, and functionality. It is likely that the Contractor provides services to a number of lotteries and consequently resources are only temporarily assigned to the Lottery. This can result in a lack of knowledge of the Lottery organization, business processes and functionality.
4. **Services divided over the Contractor and its sub-contractors** as well as other external parties contracted by the Lottery, resulting in 'finger pointing' from one Party to another. When services are divided over more than one Contractor (e.g.: field services and data communication operator-services or integration tests of Central Gaming Systems), there is a risk that the parties involved shift the responsibility on to the other party. This will lengthen the resolution time, and the business will be at risk. This issue covers both the separation of services between the Contractor's sub-contractors, and between the Contractor and other partners of the Lottery.
5. **Integration projects.** The Lottery is using services from third parties for other gaming activities or specific tasks. Some of those services require direct data processing interaction between the third-party systems and the Contractor's System. Those gaming platforms, services or interfaces either already exist or may be added through dedicated projects, which require the full cooperation between the Contractor and the third party or third parties. If this is not fully cooperative, the business may be at risk.
6. **Indistinct responsibilities.** The agreements made between the Lottery and the Successful Bidder will be stated in a Contract. These agreements will describe the division of responsibilities between the Lottery and the Contractor. It is not unlikely that after the Contract has taken effect, the Contractor is to cope with Service responsibilities that are not (clearly) described in the Contract. If not dealt with properly, this indistinctiveness of responsibilities may harm the partnership between the Lottery and the Contractor and can therefore be qualified as a business risk.
7. **Reorganization, merger or even bankruptcy of the Contractor.** The event of a reorganization, merger, or even bankruptcy of the Contractor will lead to a change within the organization of the Contractor. This kind of organizational change can, if not properly managed, endanger the

quality of the organization of the Contractor and can therefore be qualified as a business risk for the Lottery.

8. **Costs.** The experience of the Lottery is that suppliers seek to charge for (nearly) all additional services provided which are not explicitly specified in the Contract. The Lottery has included provisions in this RFP to mitigate such risks, but there may be always room for interpretation. Regarding the Price Proposals, the Lottery specifically requires the Contractor's response and approach towards the scope of prices offered.

The Bidder shall provide additional thoughts on other business risks as deemed appropriate.

B Bidder Expression of Interest

Significance	Response Type
MANDATORY	ACCEPTANCE

See Section 1.10 (Bidder Expression of Interest). May also be copied/pasted into an Email for transmission to the Lottery. This form is also attached as separate PDF file to this RFP.

**Bidder Expression of Interest**

To:Kolby Sabrina, Purchasing Department

Re:Gaming System RFP 2025

The Lottery is hereby advised that \_\_\_\_\_ (name of Bidder) intends to submit a Proposal in response to the Request For Proposals referenced above.

\_\_\_\_\_ (Name of Bidder) understands that the purpose of this RFP requirement is to provide the Lottery with information relating to the number of Proposals it may expect to receive in response to this RFP. We further understand that only those Bidders that have submitted an expression of interest to the Lottery within the time limitation set forth in the RFP will receive further communications from the Lottery with respect to this RFP.

\_\_\_\_\_ (Name of Bidder) hereby names the following person as its designated contact person for communications to and from the Lottery with respect to this RFP:

Name

Title

Company

Mailing Address

Delivery Address

Email

Telephone

Signature

## C RFP Compliance Table

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Significance	Response Type
MANDATORY	FULL

See Section 1.17.5 (Compliance Table).

The RFP Compliance Table is hereby incorporated by reference and can be found as a separate document on the Lottery Procurement RFP webpage.

File Reference: “Chapter C – RFP Compliance Table.docx”

## D Service Description Template

Significance	Response Type
MANDATORY	FULL

The Bidder shall use the following template to provide all related information for each Service Description as required in this RFP. The Bidder is required to add the template structure to each of the respective subsections as structured response (in addition to any general response addressing the requirements stated in the respective section) and provide complete responses. If a Bidder considers a sub-topic below (1-15) as not relevant, please clearly state “Not applicable”. For convenience, the Lottery has provided the template as separate Word file on the Lottery Procurement RFP webpage.

### <#relevant bid response sub-section#> SERVICE DESCRIPTION

Significance	Compliance
MANDATORY	[FULL/MODIFIED/N/C]

1. **Service Name:** <a concise, clear, and descriptive title for the service >
2. **Service Overview:** <provide a description of your service>
3. **Target Audience:** <which team/group/department of the lottery will be the main user>
4. **Service Features:** <list key features or functionalities provided; include any tools, technologies, or methods used>
5. **Benefits:** <highlight main advantages; how the service helps the Lottery>
6. **Service Levels:** <clearly state your commitments related to availability, response times, resolution times, performance standards, etc. for the particular service offered>
7. **Scope of Service:** <specify what is included and what is not; clarify limitations, exclusions or conditions>
8. **Availability:** <specify hours of service availability; information on downtime or scheduled maintenance>
9. **Dependencies:** <describe any external factors or systems required for the service to perform>
10. **Support Contact Information:** <name contact functions (primary, secondary); how can the Lottery access support for that service, e.g. phone, email, self-service, live chat, ...>
11. **Service Process:** <a step-by-step overview of how the service is delivered or accessed; may include how to request the service, necessary approvals, or steps for ongoing maintenance>
12. **Lottery Responsibilities:** <any actions or requirements the Lottery needs to fulfil for the service to be effective>
13. **Success Metrics/KPIs:** <key performance indicators or metrics that may be used to measure the success of the service>
14. **Security & Compliance:** <details about the security standards, data protection policies, and compliance certifications that the service meets>
15. **Change Management:** <information on how updates or changes to the service will be communicated>

## E Service Level Agreement

Significance	Response Type
MANDATORY	ACCEPTANCE

The Lottery expects that the Contractor to adhere to professional service management principles and service delivery, which shall be guided by this Service Level Agreement. Failure to provide service at these levels will result in Service Credits. Exceeding selected service levels, however, will result in Service Excellence Credits, which may be banked to offset Service Credits. This SLA is in five parts:

- E1 is the agreement for Degraded Performance.
- E2 is the agreement for Response and Resolution Times.
- E3 is the agreement for failing to comply with Service Descriptions and other commitments.
- E4 is the agreement to meet monthly to discuss service.
- E5 is the agreement for Service Excellence.

The intent of this Service Level Agreement is to handle day-to-day issues without Liquidated Damages. If Service Failures or other Contract breaches are not covered by this Service Level Agreement, or if the Lottery feels Service Failures or Contract breaches are egregious and will not be remedied by Service Credits, the Lottery may impose Liquidated Damages in accordance with Section 3.24 and Chapter F.

This Service Level agreement defines the Lottery's expectations for Gaming System performance and availability and for all Service Response and Resolution times. It also sets out processes to manage failures related to the provision of agreed Services, ways to reward service excellence as well as expected performance review and reporting.

**For the purpose of the Service Level Agreement and related processes, one (1) Service Credit shall have a value of 0.25% of the monthly Total Fee payable to the Contractor.**

### E1 Service Level Agreement for Degraded Performance

Significance	Response Type
MANDATORY	ACCEPTANCE

This Service Level Agreement (SLA) sets out the measurements and controls in place to formally define the level of service with respect to the Contractor Gaming System Solution availability.

#### 1. Service Level Terms

Definitions:

**General Gaming System Service Availability:** Defined at **99.990%**. Calculated through Monthly Availability below.

**Monthly Availability** means the availability of the Gaming System during each calendar month, as determined in accordance with the following formula:

$$\text{Monthly Availability} = \frac{(\text{Total Service Minutes} - \text{Unplanned Downtime})}{(\text{Total Service Minutes})} \times 100$$

**Service Hours** means 24 hours per day, 7 days per week (including all public holidays);

**Total Fee** means the total amount payable to the Contractor. Related to the calendar month in which a Service Credit was assessed as determined by the Agreement.

**Total Service Minutes** means the total number of minutes during the Service Hours for each individual calendar month;

**Unplanned Downtime** means, in relation to a calendar month, the total number of minutes during which the Contractor Solution is having Degraded Performance other than as a result of a planned maintenance event. In case maintenance due to Degraded Performance becomes necessary during Operating Hours, this shall also be considered Unplanned Downtime.

Gaming System incidents will be categorized by the Lottery in terms of severity/criticality and are subject to the following rules and definitions:

Urgency	Definition
High (H)	Incident requires immediate attention (e.g., Sales loss, critical service unavailable, incident affecting all customers, the integrity of the Lottery is at risk). The incident may have a regulatory, MUSL draw process, or MUSL Rule 2 impact.
Medium (M)	Incident is disruptive but not immediate (i.e., critical service degraded but available, non-critical service unavailable). The Incident severity may increase considerably over time.
Low (L)	Requires attention but a usable workaround exists (i.e., individual disrupted but able to work, systems affected are not time sensitive, a minor issue that requires investigation etc.). There is no significant increase in severity over time.

Table 2 – **Urgency** definitions

Impact	Definition
Critical (C)	a. Critical Lottery and/or non-Lottery system not functioning across channels (e.g., Gaming System, Sales Channel interfaces, ICS feed, scratch ticket logistics, physical or logical security failures, or data breach, etc.). b. IT outage affecting the majority of users or affecting a user that is unable to access a key system at a critical time (e.g., Gaming System draw processing, prize validation, etc.). c. Likely impact on reputation, sales and returns to the State.
High (H)	a. Critical Lottery system and/or non-Lottery system degraded, but still operational, or a Gaming System issue affecting one or more product/platform at a non-critical time. (i.e., slow response). b. IT disruption affecting an individual, or group of users, as they are unable to access a key system at a non-critical time.
Medium (M)	a. Lottery system and/or non-Lottery system issue identified as something which needs to be investigated as its impact may increase if left unresolved. b. IT disruption affecting an individual, or group of users, but they are able to continue working.
Low (L)	a. IT disruption, or other system issues which need to be investigated. There is no material impact on reputation, sales, or customer disruption.

Table 3 – **Impact** definitions

In case of an incident, the Urgency and Impact are being determined and the corresponding priority value from the following Consolidated Incident Priority Matrix shall be assigned:

Incident Matrix		Impact			
		C	H	M	L
Urgency	H	P1	P1	P2	P4
	M	P1	P2	P3	P4
	L	P1	P3	P4	P4

Figure 3 - Consolidated Incident Priority Matrix

For better clarity and understanding, below are examples of P1, P2, P3 and P4 incident types. These lists are not exhaustive and serve for orientation only.

P1 Examples	P2 Examples
Primary system crash	Secondary system crash, while Primary fully operational
Wagering unavailable for one or more games	
Validations unavailable for one or more games	
Incorrect validation amounts being issued by terminals	Incorrect results displayed on the website
More than 300 Retailer Terminals or vending machines with Degraded Performance	More than 10 but less than 300 Terminals or vending machines with Degraded Performance
Any Lotto game imbalance	Players unable to add or withdraw funds to/from wallet
Draw Seal imbalance between Gaming System and ICS – Draw integrity issue/delay	Results delayed to digital platforms
Scratch Ticket game Functions unavailable – Validations, Activations, Settlements	Gaming System UI/application inaccessible when needed by Lottery staff
BCP invoked - evacuation of premises either for Draw Site or Operations	Some but not all Pick ‘n Pack lines down
Users unable to access Gaming System functions at Draw Time	Retailer unable to access financial report from Terminal
All Warehouse Pick ‘n Pack lines down	Incorrect Jackpot values advertised to players
Terminal Promotions degraded performance	Degraded Performance of the Website for less than one hour.
Players unable to enter digital promotions	Digital customers unable to logon
	Erroneous public facing reports or data
	Degraded Performance of the Website. Light results page put in place.
P3 Examples	P4 Examples
Retailer Portal/Extranet not working	Gaming server storage issue
Retailer has an issue with the digital signage in store	Gaming server performance issue
Retailer reports issue with terminal functionality e.g., error messages appear	Erroneous or delayed market research reports or data
Retailer unable to scan a winning ticket	Isolated error on network switch
Player reports incorrect number printed on ticket	Slow performance on corporate network
Online customer experiences issue on Website	Noncritical batch job scheduling failed

Table 4 - Incident examples

Every month in which the Contractor fails to meet the Service Levels by having incidents as categorized above by the Consolidated Incident Priority Matrix, the Lottery shall be entitled to receive Service Credits as per Tables A and B below.

- a. Service Credits for P1: The base Service Credits for P1 shall be twelve (12). In relation to Monthly Availability (as defined), P1 Service Credits shall be applied as follows (non-accumulating):

Monthly Availability	Service Credits
99.990% - 99.950%	12
99.949% - 99.900%	24
99.899% - 99.700%	48
99.699% - 99.300%	100
< 99.299%	200

Table A – P1 Service Credits

- b. Service Credits for P2, P3 and P4:

Priority	Service Credits
P2	five (5), per incident
P3	two (2), per incident
P4	No monetary consequence, but will be considered in the overall Service Review process and as a potential Service Failure

Table B – P2, P3 and P4 Service Credits

Any P1 fault, with the same root cause analysis (RCA) result, repeated for three consecutive times within a three-month time span constitutes a Material Service Level Breach and permits the Lottery to seek additional remediation to the provisions herein at its own discretion (including imposing Liquidated Damages or drawing upon the Performance Bond).

Any P2 fault with the same root cause analysis repeated for three consecutive times within a three-month time span, is elevated from P2 to P1 with the consequence that P1 Service Credits and Response and Resolution Times become applicable.

Frequently recurring faults or issues leading to Degraded Performance, which are not categorized as P1 or P2, but still have an impact or influence the Lottery operation shall be reviewed monthly. If there are more than three (3) recurring faults or issues in any given month, those shall be treated as P2.

Incident resolution includes potential workarounds, while final fixes are handled under the Problem Management process.

Major Incident Reports are to be created and provided (at least in an interim format) within 48 hours for P1 incidents. Failure to provide timely will be considered a **Service Failure**.

## E2 Service Response and Resolution Time Agreement

Significance	Response Type
MANDATORY	ACCEPTANCE

The Lottery expects prompt response and resolution times. Failure to promptly respond or resolve may result in additional Service Credits.

Definitions:

**General Service Response Time:** Defined at two (2) hours from receipt of the request by the Contractor. This applies for general Lottery Service requests (non-operational issues) to the Contractor. Such a request may be made through the Ticketing Tool, a phone call, an email or any other communication.

**Initial Logging Time** means the time at which the Lottery reports a Defect to the Contractor, or the Contractor identifies a Defect by itself and initially records the incident in the Ticketing Tool, hence creating an incident ID. Such a recording must take place without delay.

**Response** means the elapsed time between the Initial Logging Time and the time at which the Contractor provides to the Lottery a unique incident ID reference, together with an estimate of the time by which a Workaround and (if known) a Fix for the Defect will be provided. An ID alone is not considered sufficient.

**Resolution** means the elapsed time between the Initial Logging Time and the time at which the Defect is rectified, whether by a Workaround or a Fix, and normal Operations (i.e., no Degraded Performance) are restored.

**Fix Time** means the elapsed time between the Initial Logging Time and the time at which the Contractor provides a Fix for the Defect.

**Defect** means any defect, error or failure with any aspect of the Contractor Solution, including a failure by the Contractor Solution to comply with the Functional Specification or the Documentation (or unexpected behavior of the Contractor Solution which deviates from the Functional Specification or the Documentation).

**Fix** means the permanent correction of a Defect and includes the provision to the Lottery of any amendments to the Documentation that are required as a result of such correction.

**Workaround** means a workaround or temporary correction of a Defect which permits continued delivery of the Contractor Solution without any material degradation in functionality or performance.

The Contractor must respond to any operational issues as per the table below:

Incident (Fault)	Description	Response	Resolution	Applies	Updates	Problem	Fix Time
<b>P1</b>	Resolution is critical to operation	15 Mins	1 Hour	24/7	30 mins	<b>High</b>	10 days
<b>P2</b>	Substantial disruption to operation	30 Mins	4 Hours	24/7	1 Hour	<b>High</b>	30 days
<b>P3</b>	Noticeable disruption to operation	1 Hour	8 Hours	Working Hours	2 Hours	<b>Med</b>	Problem Mgmt process
<b>P4</b>	Minimal disruption to operation	8 Hours	n/a	Working Hours	Ad-hoc	<b>Low</b>	Problem Mgmt process

Table 5 - Response and Resolution Table

The Service Level for the delivery of these Response times is 95.00% across all incidents per calendar month. 95.00% response means that the Contractor must use its reasonable endeavors to respond to at least 95.00% of Severity P1, P2, P3 or P4 (as applicable) incidents within the specified time scales set out above.

The Service Level for the delivery of these Resolution times is 95.00% across all P1, P2, and P3 incidents per calendar month. 95.00% resolution means that the Contractor must use its reasonable endeavors to resolve at least 95.00% of Severity 1, 2, or 3 (as applicable) incidents within the specified time scales set out above.

Failing to provide updates to the Lottery or the Fix Times as designated shall be considered as a **Service Failure**.

The Lottery's technical personnel or other Lottery designated parties will assist the Contractor in the resolution of incidents to the extent reasonably possible.

In case the Contractor does not meet the Service Levels for Response and/or Resolution (each calculated and accumulated per calendar month), the Lottery will be entitled to the following Service Credits:

Response/Resolution target (rounded)	Service Credits
< 95.00%	Five (5)

The Resolution Service Credit applies to the Resolution Time window and is accumulated as long as the Resolution is outstanding. Such Response and Resolution Time Service Credits shall be in addition to the Service Credits, which may be assessed for Degraded Performance.

### E3 Service Failures

Significance	Response Type
MANDATORY	ACCEPTANCE

For any non-performance of the Contractor on agreed Service Descriptions, General Service Response Time, Service Levels, Service Targets, deadlines, or on other committed Services, KPIs or deliverables due by the Contractor (referred to as a "**Service Failure**"), the Lottery shall be entitled to one (1) Service Credit **per single case**. In case a Service Failure persists beyond agreed resolution times, the Lottery reserves the right to apply additional Service Credits for the same case or consider the situation a Material Service Level Breach.

All such cases will be reviewed and acknowledged during the regular Service Review Process. Service Failure Service Credits will be accumulated and calculated per month and settled through the subsequent standard invoicing process by offsetting payments due to the Contractor.

### E4 Performance Review and Reporting

Significance	Response Type
MANDATORY	ACCEPTANCE

The Contractor and the Lottery must perform monthly service and support reviews of the Contractor Solution (the "**Service Review Process**") unless otherwise agreed by the Lottery in writing.

The Contractor shall be responsible for scheduling these meetings, which must take place within the first ten (10) Working Days of each month reviewing the previous calendar month.

The review meeting is to reflect (at a minimum) the Contractor Solution delivery and management by the Contractor, discuss status of Service Level achievements, change and service requests as well as incident and problem ticket status. The detailed agenda will be specified between the Contractor and the Lottery service management team during the Implementation Period. For the monthly service reviews, the Contractor shall provide a monthly performance report package at least three (3) Working Days before the meeting, that contains at a minimum, the following information:

1. Establish the Total Fee for the preceding month; consider adjustments from previous months
2. List of incidents created/resolved as well as trends;
3. Breakdown of incidents by resolution;
4. Breakdown of incidents and problems by status;
5. Breakdown of incidents and problems by priority;

6. List and details of P1 incidents raised and related response and resolution times;
7. List and details of P2 incidents raised and related response and resolution times;
8. List and details of P3 incidents raised and related response and resolution times;
9. Performance against response and resolution SLAs;
10. Performance against other agreed services and deliverables; and
11. Others as required by the Lottery.

Failure to timely provide the monthly performance report or an incomplete/incorrect monthly performance report will be considered a **Service Failure**.

## E5 Service Excellence Credits

Significance	Response Type
MANDATORY	ACCEPTANCE

The Contractor shall also be given the opportunity to earn Service Excellence Credits, which may be used to offset Service Credits **charged for Service Failures** as described in E3 . For avoidance of doubt, this means that Service Excellence Credits cannot be used to offset Service Credits assessed for Degraded Performance of the Gaming System as described in E1.

The Contractor shall be able to accumulate and bank Service Excellence Credits up to a period of twelve (12) months, whereafter these expire on a rolling basis. The Lottery, in its sole discretion, determines Service Excellence Credits, which shall be established during the Service Review Process.

Such Excellence Credits may be earned by the Contractor for exceeding the agreed Service Levels offered as well as for Lottery user and Retail partner satisfaction as per the following table:

What	How	Timeframe	Objective/Goal	Reward
General Gaming System Service Availability	Service Process Review	Calendar month	100%	One (1) Service Excellence Credit
Retail equipment installations & removals (A.7.3 sub 2)	Service Process Review	Calendar month	All such activities within agreed SLA times.	One (1) Service Excellence Credit
P1/P2 incidents	Service Process Review	Calendar month	None (zero)	Five (5) Service Excellence Credits
Service Failures	Service Process Review	Calendar month	None (zero)	Ten (10) Service Excellence Credits
Lottery Staff (and Retail Partner) Satisfaction	Survey*	Semi-annual	Overall Satisfaction rating: 85% or higher rating as "Satisfied" or "Very Satisfied" and  Service-Specific Rating: Key areas such as <b>responsiveness, reliability,</b>	Ten (10) Service Excellence Credits

What	How	Timeframe	Objective/Goal	Reward
			<b>communication, and quality of service:</b> Average score of >4.0 (on a 5-point scale)	

Table 6 - Service Excellence Table

\* The Lottery Staff Satisfaction Survey shall be developed jointly by the Contractor and the Lottery. It shall be based on a digital (ideally web-based) survey, which can be automatically conducted and evaluated. It may also include Retail partner elements reflecting on Retail related or Field Services.

The Bidder may offer additional Service Excellence Credit cases subject to the Lottery’s consideration. The Lottery may add any such additional suggestions entirely at its own discretion, if considered beneficial to the Lottery.

## F Liquidated Damages

Significance	Response Type
MANDATORY	FULL

The following Clauses for Liquidated Damages shall apply in cases where Service Credits are inappropriate. The definitions below must be considered in context with the Service Level Agreement (SLA) stipulations defined in Chapter E1 herein.

### 1. Gaming System Installation.

- A. The Contractor must complete installation preparations as required, complete system testing to the Lottery's satisfaction, pass Lottery Acceptance Testing, and comply with all other requirements of the Agreement by the dates specified in the Agreement.
- B. The Executive Director may impose liquidated damages of \$5,000 per day for each calendar day that the System is not available for Lottery Acceptance Testing as required by the Agreement.
- C. The Executive Director may impose liquidated damages of \$5,000 per calendar day for a delay in the completion of Acceptance Testing as required by the Agreement.
- D. The Executive Director may impose liquidated damages of \$100,000 per commenced 24-hour period for a delay in the operation of the System (approx. 5% of average Total Sales per day).

### 2. POS Equipment Installation

- A. The Contractor shall install and make operational POS Equipment in accordance with the schedule which is agreed to by the Contractor and the Lottery. For the purposes of this provision, a Terminal, display or vending machine shall be considered to be installed and operational when it has been installed at the designated location, is in good running and working order, is connected by communication to the Central Gaming System, is able to perform all functions as specified in the Contract.
- B. In the event the Contractor fails to install and make operational POS Equipment at a retail location specified by the Lottery by the agreed time, the Executive Director may impose liquidated damages in the amount of \$700 per day per device/connection until the device/connection is installed and operational. For any retail device that is not installed after fifteen (15) Business Days from the scheduled installation date, the Executive Director may increase the liquidated damage assessment to \$1,000 per day per Terminal/device for each subsequent day. The foregoing provisions shall not apply in instances where the non-operational condition of the retail device is due to the Lottery Retailer's failure to take delivery as scheduled or due to failures beyond the Contractor's direct or indirect responsibility.

### 3. High Jackpot Liquidated Damages

- A. If a Lotto Game product offered by the Lottery is experiencing a High Jackpot Situation (>\$1 billion), the Lottery sales are significantly higher in that period. In such a case, the standard Service Credit Scheme as described in the SLA is insufficient to reflect this exceptional

situation. The Executive Director may therefore impose Liquidated Damages in addition to the Service Credit Scheme stated in the SLA, when the following applies:

1. SLA definitions and rules apply.
2. Liquidated damages will be calculated by doubling the Service Credits for P1 incidents. For example, a Regular P1 incident in a non-High Jackpot Situation results in at least twelve (12) Service Credits, but in the High Jackpot Situation, double values shall apply (e.g. starting with 24 Service Credits, then 48, 96, 200 and 500).
3. High Jackpot Liquidated Damages are capped at one (1) full monthly Total Fee.

6. Unauthorized Software/Hardware Modifications.

The Contractor shall not modify any software or hardware used in relation with the Gaming System without the prior written approval of the Executive Director or designee. If the Contractor modifies any software or hardware used in relation to the Gaming System without the prior written approval of the Executive Director or designee, the Executive Director or designee may issue a written notice to the Contractor that the change or modification must be removed, and the System be restored by the Contractor to its previous operating state at the Contractor's expense. The Executive Director may impose liquidated damages in the amount of \$50,000 per incident where software or hardware was modified without the prior written approval of the Executive Director or designee, in addition to any other damages which may occur as a result of such unauthorized modification.

7. Tickets.

The Contractor shall be liable for the total prize value of each winning ticket issued by the Contractor's System and presented for redemption which is not identified as a valid, winning salable ticket on the Transaction Log File furnished to the Lottery by the Contractor, or which is later determined to be an invalid ticket, and for which the Lottery (in its sole discretion) determines it is liable or otherwise obligated to pay. Notwithstanding the above, and prior to payment of a ticket produced in error, the Lottery will reasonably confer with the Contractor regarding its judgment that a ticket was produced in error. In addition, each incorrect identification of a ticket as a winning or non-winning ticket, and each incorrect prize level identification is considered a separate Service Failure.

8. Government Data Practices

The Contractor will be liable for any damages incurred as a result of a Data Breach Event, to the extent the Contractor or any of its agents caused such data breach. In addition, the Service Credit and Service Failure scheme as defined in the SLA applies.

9. Material Service Level Breach

Any Material Service Level Breach identified as such by the Lottery arising from continued Service delivery failures is considered as a case where Service Credits are inappropriate. The Executive Director may therefore impose liquidated damages in the amount of up to \$100,000 per occurrence.

10. Other Breaches of Contract.

If the Contractor fails to comply with any material provision of the Contract for which liquidated damages or Service Failure considerations are not specifically provided for herein, including a violation of any material term of the Contractor's obligations, the Lottery, after providing such notice as may be required under the Contract, the Executive Director may impose liquidated damages. The

occurrence will be assessed, and appropriate liquidated damages may be applied. Liquidated damages assessed for violating this provision will be imposed in the amount of \$10,000 per day and each day of continued breach of a material provision of the Contract.

## G Pricing Format

Significance	Response Type
MANDATORY	FULL

This Chapter specifies the format and content of the price submission for the Proposal.

The format for the price Proposal consists of line items, over which the Bidder is to distribute the pricing for. The line items enable a detailed understanding of the Bidder's cost structure and relevance to the products and services offered. Deliverables that are not specified in detail must be included in the line item most relevant, and where the Bidder shall provide a rationale in response to Chapter G, Section G2 and G3 as appropriate.

Compliance with the pricing format is a condition for being considered responsive. ***For purposes of scoring, the Lottery will use the lowest total Base Price proposed after calculating the average commission over the term of the Contract under both pricing models.***

The pricing shall be submitted by the means of a completed Excel file as attached to this RFP. One file consists of two sheets, one for each Financial Proposal Model. Bidders are not required to insert the content of the Excel file into the Proposal document, beyond the information required in the Financial Proposal Letter and Summary (totals only) below. The Pricing Proposal must however be accompanied by the completed Excel file.

Bidders are cautioned that consolidating two or more line-items in the financial model may render the Proposal non-responsive. Bidders are, however, allowed to split any individual line item into several, if desired. Should the stipulated line items not cover any cost item the Bidder wishes to include, Bidders are also allowed to introduce additional line items, as indicated in the Financial Proposal Model line marked "Other (please specify; add lines as required)".

### G1 Financial Models

Significance	Response Type
MANDATORY	ACCEPTANCE

Both Pricing Models A and B are Gross Gaming Revenue sharing and fixed commission based.

Any capital expenditures and pre-launch cost are to be covered by the ongoing payment after Go-Live Date.

### G2 Financial Proposal Model A; Fixed Commission

Significance	Response Type
MANDATORY	FULL

All prices stated in relation to Financial Proposal Model A shall be expressed as a single flat percentage of GGR (as defined) valid for the initial term of the Contract, subject to two adjustments after year 1 and year 2 due to POS equipment expansion.

**G3 Financial Proposal Model B; Variable Commission**

Significance	Response Type
MANDATORY	ACCEPTANCE

In Pricing Model B; Variable Commission, all products and services are to be remunerated also through a percentage of GGR (as defined), subject to adjustments after each year due to POS equipment expansion *and* presumed upfront financing costs. This model allows Bidders a different internal financing approach where the Lottery assists with upfront costs through higher initial commissions and may offer the Lottery a more beneficial total Contract cost over the life of the Contract. The Lottery however requests that the total Base Price never exceeds 20% of GGR in any given year.

**G4 Price calculation specifications or comments**

Significance	Response Type
MANDATORY	FULL

Any specifications, comments or explanatory information concerning the pricing of both models shall be submitted with a clear reference to the line item and Excel line/cell number, as well as the relevant RFP section heading number. Bidders are reminded that no limitation of exclusion of the RFP requirements can be made in any such comments, which serves for clarification purposes only.

**G5 Price Proposal Confirmation Letter**

Significance	Response Type
MANDATORY	FULL

The following text, duly and completely filled in and signed by the Bidder, shall be submitted as a part of the Financial Proposal:

## **FINANCIAL PROPOSAL**

**(as per Section 4 of the Gaming System RFP 2025)**

1. Having examined the documents comprising the Request for Proposal document including additional files, clarifications and addenda, the receipt of which is hereby duly acknowledged, we the undersigned, offer to submit a Proposal in conformity with the said RFP documents over the term of the Contract and in accordance with the RFP requirements.
2. We understand the Lottery's Total Sales, financials and business as described and referred to in RFP Section 2.4.5.
3. We acknowledge that the Appendices form part of our Proposal.
4. We agree to abide by this Proposal until the date stipulated in the RFP Section 1.28 (Acceptance Period) and it shall remain binding upon us and may be accepted at any time before the expiration of that period.
5. We understand that the Lottery reserves the right to accept or reject any proposal or part thereof and any pricing model, and to annul the RFP process and reject all proposals at any time prior to award of Contract without thereby incurring any liability to any Bidder or any obligation to inform the Bidders of the grounds for the Lottery' action.
6. We understand and accept the terms of the pricing models requested by the Lottery, and our financial proposal consists of the attached Excel document and the tables below. In case of any ambiguity between the Excel document and the price percentages offered herein, the more favorable numbers to the Lottery apply.
7. The below stipulated fees are calculated as presented in the separate Excel file "Chapter G – Pricing Model Details.xlsx".
8. We understand that the Lottery reserves the right to choose any of the proposed Pricing Models, as well as choosing if to accept any, none or all of the Option Pricing alternatives.
9. We confirm that in case of any extension of the Contract in accordance to Section 3.5 or Section 3.5.1, the terms per the Contract will be negotiated in good faith, and under no circumstances worsened for the Lottery.
10. Pricing for options are stated as absolute percentage value increasing or decreasing the total Base Price given.

**Model A – Fixed Commission**

We hereby offer all of the products and services presented in our Proposal, with the exception of those explicitly noted as “not included”, at the below proposed total Base Price. The total Base Price, and its components, is presented as % of **GGR**.

The % shall be expressed with four (4) decimals, e.g. 0.1234%.

<b>Details as per the Excel file - Model A FIXED Commission</b>	<b>Price offered</b>
<b>TOTAL BASE PRICE YEAR 1 in % of GGR</b>	
<b>TOTAL BASE PRICE YEAR 2 in % of GGR</b>	
<b>TOTAL BASE PRICE YEAR 3 onwards in % of GGR</b>	

**Model B – Variable Commission**

We hereby offer all of the products and services presented in our Proposal, with the exception of those explicitly noted as “not included”, at the below proposed total Base Price. The total Base Price, and its components, is presented as % of **GGR**.

The % shall be expressed with four (4) decimals, e.g. 0.1234%.

<b>Details as per the Excel file - Model B VARIABLE Commission</b>	<b>Price offered</b>
<b>TOTAL BASE PRICE PER CONTRACT YEAR - YEAR 1</b>	
<b>TOTAL BASE PRICE PER CONTRACT YEAR - YEAR 2</b>	
<b>TOTAL BASE PRICE PER CONTRACT YEAR - YEAR 3</b>	
<b>TOTAL BASE PRICE PER CONTRACT YEAR - YEAR 4</b>	
<b>TOTAL BASE PRICE PER CONTRACT YEAR - YEAR 5</b>	
<b>TOTAL BASE PRICE PER CONTRACT YEAR - YEAR 6</b>	
<b>TOTAL BASE PRICE PER CONTRACT YEAR - YEAR 7</b>	

**Specified, Invited and Offered Options Pricing shall only be included in the Excel file in both corresponding Models (ref. “Chapter G – Pricing Model Details.xlsx”).**

Signature \_\_\_\_\_

in the capacity of \_\_\_\_\_ duly authorized to sign

the Proposal for and on behalf of:

Name of Bidder \_\_\_\_\_

IN

Address \_\_\_\_\_

BLOCK

\_\_\_\_\_

CAPITALS

Dated this \_\_\_\_ day of \_\_\_\_\_ 2025

Witness Signature \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

Occupation \_\_\_\_\_

Subscribed and sworn to me this \_\_\_\_\_ day of \_\_\_\_\_ 2025

Notary Public Signature: \_\_\_\_\_

My commission expires: \_\_\_\_\_

## H Certifications and Forms

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Significance	Response Type
MANDATORY	FULL

See Section 1.17 for submission requirements.

The following forms and certification requirements hereby incorporated by reference and can be found as separate documents on the Lottery Procurement RFP webpage.

**File References:**

- H1. “Chapter H1 – Certification Regarding Lobbying.pdf”
- H2. “Chapter H2 – Affidavit of Noncollusion.pdf”
- H3. “Chapter H3 – Veteran-Owned Preference Form.pdf”
- H4. “Chapter H4 – Resident Vendor Form.pdf”
- H5. “Chapter H5 – Workforce and Equal Pay Declaration Page.pdf” (see also Section A.2.7)

# I      Lottery Code of Conduct

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Significance	Response Type
MANDATORY	ACCEPTANCE

See also Section 2.2.3 (Lottery Ethics and Integrity).

The Lottery “Code of Ethical Conduct Policy”, revised edition 4.0, dated May 14, 2024 is hereby incorporated by reference and can be found as separate document on the Lottery Procurement RFP webpage.

File Reference: “Chapter I - MSL-Code-of-Ethical-Conduct-Policy-20240521.pdf”