Best Practice

Guide to the Standard Request For Proposal (RFP) Template

April 2007

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Best Practice

Guide to the Standard Request For Proposal (RFP) Template

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Any comments related to this document are welcome via rfp_template@naspl.org. Feedback and suggestions for improvement are encouraged and appreciated. All comments will be reviewed by the Global RFP Standards Task Group and the submitter will be notified of the Task Group's resolution.

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About the Collaborative Associations

World Lottery Association

The World Lottery Association (WLA) is an international member organization representing 144 lotteries from 74 countries on all five continents, with combined annual revenues in excess of US$120 billion.

The aims and objectives of the WLA are to advance the collective interests of its members and to enhance the capability, common knowledge, and status of individual members by:

- Providing forums for the exchange of experience and information
- The establishment of codes of conduct and certification of standards for lottery operations in order to establish norms to which members may wish to aspire
- The establishment of programs to assist in technical and educational areas to be made available to member organizations who request such assistance
- The establishment of services in educational, statistical, informational, or administrative matters
- The convening of seminars, conventions, conferences, general meetings, special meetings, and working groups to further the aims of the WLA
- If so requested, to provide stimuli and organizational assistance in the establishment of working groups seeking to form multi-jurisdictional lotteries, national or international in scope
- Representing several or all members in conveying positions or opinions to authorities, private or public, wherever such members have authorized the WLA to speak on their behalf

The WLA shall promote alignment and harmonization of its aims and objectives with those of the five Regional Associations – AALE (Africa), APLA (Asia Pacific), CIBELAE (South America), EL (Europe), and NASPL (North America).

The WLA also represents 63 lottery industry suppliers as Associate Members.

In carrying out its aims and objectives, the WLA shall strive for territorial integrity, public order, and morality.

The WLA launched an initiative to standardize lottery procurements, in particular major technology procurements, aiming at lowering the cost of developing RFPs, lowering the cost of developing responses, and increasing transparency of the procurement process. This is to be achieved by establishing recommended formats, languages, and requirements for routine aspects of an RFP and the procurement process, allowing the lotteries and the bidders to focus resources on the products and services sought and offered, respectively.

The WLA vision is to provide the international lottery community with a recommended standard RFP according to which each relevant procurement should be conducted.

More information can be found at www.world-lotteries.org.

North American Association of State and Provincial Lotteries (NASPL)

NASPL has approved the creation of a standards initiative, which is dedicated to the adoption or creation of Technical Standards, Best Practices, and Certification Programs that will further the lottery objectives of integrity, security, interoperability, and profitability.

The NASPL Standards Initiative (NSI) was approved and funded by NASPL and the vendor community as a collaborative development effort with participation from the lotteries, gaming vendors, and retail associations. Project management and facilitation services for standards development and certification are provided by The Open Group in conjunction with NASPL.

The NSI Vision is to provide an interoperable lottery environment that is based on a set of open Technical Standards, approved Best Practices, and Certification Programs that, when implemented, will improve the quality and integrity of the lottery environment, and will provide increased efficiencies, resulting in reduced costs and increased profit margins for lotteries, vendors, and lottery retailers.

The NSI mission is to establish a resilient organizational structure, set of processes, and procedures that will engage all constituents (lotteries, vendors, and retail representatives) in an environment of open discussion and cooperative development.

Further information about NASPL is available at www.naspl.org.

The Open Group

The Open Group is a vendor-neutral and technology-neutral consortium, whose vision of Boundaryless Information Flow will enable access to integrated information within and between enterprises based on open standards and global interoperability. The Open Group works with customers, suppliers, consortia, and other standards bodies. Its role is to capture, understand, and address current and emerging requirements, establish policies, and share best practices; to facilitate interoperability, develop consensus, and evolve and integrate specifications and Open Source technologies; to offer a comprehensive set of services to enhance the operational efficiency of consortia; and to operate the industry's premier certification service, including UNIX certification. Further information on The Open Group is available at www.opengroup.org.

The Open Group publishes a wide range of technical documentation, the main part of which is focused on development of Technical and Product Standards, Best Practices, and Guides. Full details and a catalog are available at www.opengroup.org/bookstore.

Readers should note that updates – in the form of Corrigenda – may apply to any publication. For NASPL published documents, this information is available at www.opengroup.org/naspl/published.

QLot Consulting Group

QLot Consulting Group was established in 1998 and its exclusive focus is within the lottery industry. All of QLot's Principal Consultants have prior working experience with various lotteries and/or lottery suppliers. This brings detailed knowledge of literally all major processes, suppliers, technologies, and products applicable to the lottery industry.

QLot provides its clients – whether lotteries, governments, or suppliers – with well-informed, unbiased, and independent consulting and support services in all legislative/regulatory as well as technical and commercial areas, especially where computerized systems and/or agent networks are used.

QLot is strictly supplier-independent. Neither the company nor any of its consultants has any affiliations to any supplier of any products to the lottery industry or elsewhere.

QLot has consultants in Sweden, Germany, Czech Republic, Austria, Switzerland, and in the US. More information about QLot can be found at www.qlot.com.

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PART I: Introduction and Best Practice Requirements

1 Introduction

The Global RFP consists of two Best Practices, as follows:

1. First, the Best Practice for the RFP Process recommends the practices that take place in the lottery environment, and around which the RFP is developed and published, Proposals are evaluated, and a Contract awarded.

2. Second, the Best Practice for the Standard RFP Template (SRT) recommends the content, format, and policies that should be part of the published RFP. This Best Practice itself consists of two separate documents, as follows:

   — Standard RFP Template (SRT)

   — Guide to the Standard RFP Template (SRT Guide) (this document)

   The SRT establishes the order in which the RFP should be structured and establishes the use of the compliance box to denote variations from the SRT standard text. The SRT does not dictate the language that must be used; rather it defines recommended standard text, but each jurisdiction is free to add or change requirements in the standard text. When changing text, the compliance box alerts the vendor to changes from the standard text. At points within the SRT, references are made to the options available in the RFP Process Best Practice document.

The Best Practice for the Global RFP has been developed and approved by NASPL and the WLA in association with The Open Group and QLot Consulting.

1.1 Best Practice Requirements

The best practice requirements for use of the SRT are defined Part I, Chapter 4 (Best Practice Requirements) and reiterated in Part I, Appendix A (Best Practice Requirements Checklist). It is imperative that lotteries intending to use the SRT consult those sections prior to utilization, so that all of the required elements of the Best Practice are understood and can be followed correctly.

Since each jurisdiction has laws, rules, regulations, and orders (“laws”) that control what the Lottery is required to do in that jurisdiction, instances will occur where these laws do not provide the Lottery with an option in handling the process of the procurement and will take precedence over these recommended best practices.

1.2 This Document

This document is the Guide to the Standard RFP Template (SRT Guide). It consists of two parts, as follows:

- Part 1: Introduction and Best Practice Requirements provides an introduction to the Best Practice, the best practice requirements for the use of the SRT and the SRT Guide, and a Best Practice Requirements Checklist (see Appendix A) that is intended to assist Lotteries in tracking the requirements of the Best Practice.
- Part 2: SRT Guide provides the requirements for RFP content for each chapter, section, and subsection of the RFP, includes best practice recommendations for policy and processes associated with the content recommendations, indicates known jurisdictional variances, and provides additional guidelines or sample text that should be considered for those cases where recommended standard text is not appropriate and so has not been provided in the SRT.

1.2.1 Purpose

Lack of approved best practices for RFP format and content, and lack of a standard RFP template, all impose a cost burden on lotteries when creating an RFP, and more significantly on vendors who are regularly responding to RFPs on an ongoing basis. Through the creation of a global Standard RFP Template, with standard text where appropriate, and a Guide to assist in the creation of those elements where standard text is not appropriate, the lottery industry – world-wide - will be able to reduce the risk and the investment involved in creating and responding to RFPs.

1.2.2 Scope

This Guide to the Standard RFP Template (SRT) provides a set of best practice requirements and recommendations for the content and format of any lottery-issued RFP associated with the procurement of gaming technology, products, or services.

There are several areas in the SRT where, due to the uniqueness of each procurement and lottery jurisdiction, recommended standard text is not appropriate and so not included. In those instances, this SRT Guide provides general recommendations for content and additional specific guidelines or suggested text where appropriate.

1.3 General Background for the Global RFP Best Practice

A Best Practice provides a clear description of a set of processes, procedures, and guidelines that when practically applied to an operation brings a business advantage. A Best Practice has a record of success in providing significant advantage in cost, schedule, quality, integrity, performance, safety, environment, or other measurable factors that impact an organization. Various organizations identify and publicize Best Practices so that others – particularly internal business units, external business partners, or otherwise affiliated external organizations – can benefit from implementing the Best Practice and improving the operation of their business.

Best Practices can be applied to particular subject areas (such as new technologies or management theories), product sectors (such as software and hardware development), and vertical markets (such as the lottery industry). Best Practices are used frequently in the fields of healthcare, government administration, education, project management, hardware and software product development, and elsewhere. A commitment to using the Best Practice in any field is a commitment to using a prescribed method to ensure success.

This Best Practice represents a joint effort with the World Lottery Assocation (WLA) and NASPL, and applies to the lottery industry on a global scale. It has been approved by the NASPL and the WLA, and serves as a recommendation for adoption by the lottery industry. This Best Practice is a practice that when implemented is intended to improve the quality and integrity of the lottery environment, and to provide increased efficiencies, resulting in reduced costs and increased profit margins for lotteries, vendors, and lottery retailers.

This proposed Best Practice is not intended to increase the cost to the lottery and is not intended to be used by an oversight entity in a jurisdiction to require an additional layer of justification for changes in the text.

Typically, a NASPL Best Practice is described in terms of its:

- Purpose
- Components
- Constituents and their roles
- Prescriptive requirements
- Methods and techniques
- Tools
- Relationship to other Best Practices

The development of this Global RFP Best Practice involves the following stages:

1. In this case, the NSI and the WLA select a candidate practice to be developed through a joint initiative involving both organizations.
2. The Best Practices Working Group or the underlying Task Group – in this case the Global RFP Standards Task Group – develops a Best Practice document.
3. The Best Practice document is subject to a formal review process by members of a Review Board, which is typically composed of the NSI Steering Committee, the Best Practices Working Group, the NSI Retail Council (if appropriate), a subject area expert from the industry (if appropriate), and the NASPL membership. In this case it will also include WLA designated reviewers.
4. Final voting on review comments is open to the NSI Steering Committee and in this case the WLA designated reviewers.
5. The NASPL Executive Committee together with the WLA Executive Committee will act as an “Approvals Board” in that they determine whether the review and approvals process

was carried out according to the documented procedures, which is the final step in "approving" the Best Practice for publication.

6. A set of conformance criteria and a conformance policy for the Best Practice are defined.

The approved Best Practice describes the practice in enough detail to enable it to be readily deployed by other organizations, assuming the availability of the necessary resources.

2 Business Context

This chapter describes the typical business environment, the business drivers, and the objectives driving this Best Practice as context.

2.1 Business Environment Summary

2.1.1 Business Scenario – General Description

This section describes the constituents in a typical lottery operation. The roles played by the constituents are not necessarily the same for every lottery. The constituents may take on different roles during the execution of business processes based upon local practice, how the lottery is organized, the budget allocated to the Lottery Organization, or any number of other factors. Therefore, in one jurisdiction a constituent may take a role that is taken by another constituent in another jurisdiction; for example, developing software or hardware for a lottery may be done by a vendor or by a Lottery Organization. These roles may actually change over time.

The key organizations and entities in the typical lottery business environment are illustrated in the following figure.

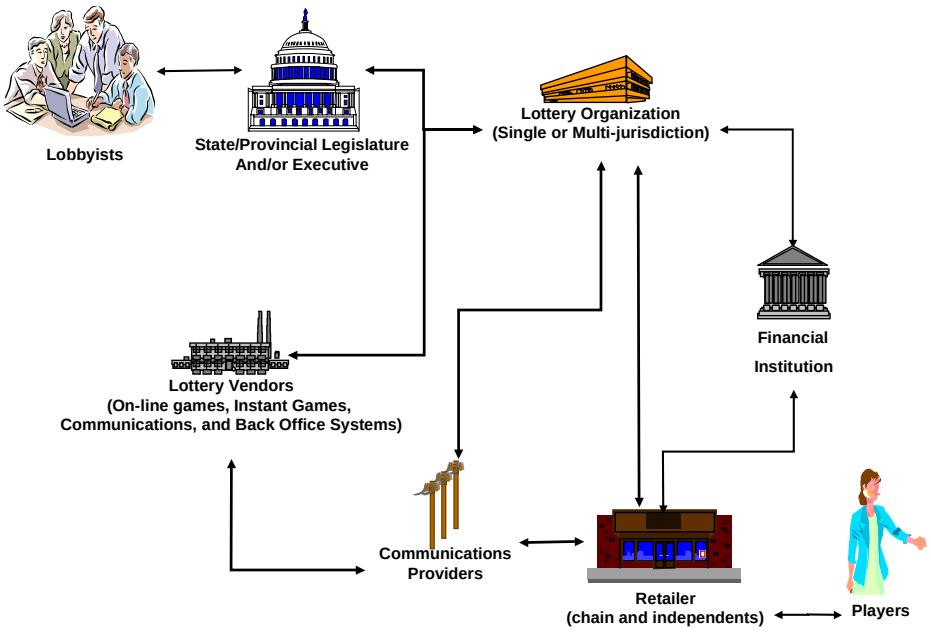

Figure 1: The Lottery Business Environment

Not all organizations will have all of these components and relationships. However, the figure illustrates a number of points typical of lottery enterprises, each of which has particular implications for the benefits of standards for the lottery industry.

The following list of constituents and the roles they play in the larger lottery environment is provided here to give a big picture view. The constituents involved in the RFP process and the roles they play are a subset of those in the larger lottery environment and are identified in more detail in subsequent sections.

Constituent	**Role Played**
Jurisdictional Executive or Legislature	Authorize lottery operation under jurisdictional law. Direct use of lottery revenues (and by implication, lottery operating budgets). Monitor and audit lottery operations, sometimes impacting lottery development. May appoint Lottery Executive.
Lottery Oversight Organization (e.g., Board of Directors, Lottery Commissioners)	Oversee the Lottery Organization and their policies and procedures. Hire lottery executives. Approve major lottery contracts.
Lottery Organization	Conduct overall operation of the lottery. May operate lottery IT infrastructure. May develop games. Oversee lottery integrity and security, including validation of winners. Optimize profitability from games (current and future), selecting new games, stopping old games, developing new games, and managing the selection and implementation of game infrastructure through RFPs. Manage lottery retailers; including licensing, accounting, and game material inventory; e.g., instant game books. Manage vendors, including possible outsourcing of lottery operations. Develop marketing campaign. Manage large prize payouts individually or in conjunction with multi-jurisdictional organizations.
Lottery Retailer/Agent	Sell lottery tickets and games at retail location. Market lottery products. Validate and redeem tickets. Manage and account to lottery for sales including ticket books, report sales to lottery commission, redemption of unsold game books. Manage accounting of lottery contribution to store profit and loss. Optimize contribution of lottery sales (within lottery regulations) to store.
Financial Institution (e.g., bank)	Provide “sweep accounts” to facilitate transfers of funds from online and instant ticket purchases between the retailer/agent and the lottery. May provide interface between State Treasury and lottery.

Constituent	Role Played
Player	In some jurisdictions where allowed, play online, instant, and video games, self-validate tickets, redeem tickets, and receive winnings.
Lottery System Vendor/Bidder	Provide lottery systems, components, games, and/or products. Deliver game design, marketing, retail support, and related services in many jurisdictions. May provide the networking component (possibly customized) of a lottery system. Operate lottery IT systems (under subcontract from Lottery Organization) in many jurisdictions. Provide maintenance, field, and technical service in some jurisdictions. Respond to Requests For Information (RFI), Requests For Proposals (RFP), and Requests For Software Changes (RFS).
Telecommunications Provider	Provide the networking component (possibly customized) of a lottery system.
Lobbyist	Impact lottery responsibilities and limitations (through legislature) within a jurisdiction, as permitted by jurisdictional law.

2.1.2 Operational Scenario

This section depicts a typical operational scenario, highlights the major processes, and illustrates the associated need for the Best Practice. It also identifies the constituents who will be carrying out the Best Practice.

Procurement is required for: new lottery gaming systems, the creation of new software and/or hardware for an existing system, the updating or enhancement of an existing system, or the provision of services related to the operation of a lottery.

The RFP process constitutes a set of processes and procedures where agreements based on the business requirements of a lottery for new products and on the capabilities of a vendor in delivering against those needs are established.

The constituents involved in this business environment and the operational scenarios that will be affected by this Best Practice are as follows:

- **Lotteries and other Lottery-related Agencies:** The Lottery identifies business requirements and uses them to develop an RFP. The Lottery publishes the RFP. Bidders submit Proposals in response to the RFP. The Lottery then evaluates the Proposals, selects a Proposal for contract award, and notifies all vendors who have submitted a Proposal of the outcome of the evaluation. The Lottery then negotiates a Contract with the Successful Bidder(s).

- **Bidders:** Once the RFP is published, the Bidders may submit questions through an optional Pre-Proposal Conference or individually to the Lottery to clarify RFP information and/or requirements. The Bidders then prepare a Proposal and submit it to the Lottery in accordance with the rules for Proposal Submission contained in the RFP. The Bidders will demonstrate their systems and services as requested by the Lottery. After Bidder selection, the Bidder may, if permitted by the Lottery, then solicit and receive feedback from the

Lottery on the reasons why their Proposal was/was not selected for contract award; they may use this feedback to improve their response processes for future RFPs. If selected, the Successful Bidder will then negotiate a Contract with the procuring lottery.

Vendors provide solutions for many lotteries; therefore, standardization of the RFP format and content, including common response requirements, results in a reduction of the need for per-lottery customizations and improves the efficiency of the Bidder's Proposal response, as well as their delivery mechanisms if they are awarded a Contract.

Lotteries may buy different systems or components from different vendors over time. Standardization of the RFP format and content where appropriate eliminates the need to "reinvent the wheel" for each separate procurement.

Many Lottery Organizations outsource portions of their operations to vendors. Thus, these vendors play a dual role of both supplier of equipment and consumables and also of operator. While some vendor-lottery relationships are simplified – e.g., maintenance – the vendor may also take on some of the integration and operational burdens of the Lottery Organization; e.g., integration with third-party back-office systems. Thus, generalizing the SRT so that it can be utilized for any procurement request – operational services, development and installation of full gaming systems, instant tickets, marketing services, equipment, or product solutions – will reduce the time and investment required by lotteries to develop a brand new RFP for every procurement request.

Lotteries are not ordinarily competitive, so agreeing upon an SRT with standard text as a starting point is of benefit to all lotteries in terms of reduced RFP development costs.

Specific RFP content and processes are controlled by the lottery issuing the RFP, and vendors should not have influence over these issues, other than to work with the NSI or WLA in the standards efforts to agree common requirements and best practices; see Chapter 7 (Conformance Overview). Bidders compete on the technical and fiscal content of their responses; there should be no competitive advantage for any vendor in the RFP content and processes themselves. Thus, standardization should reduce the cost to vendors of responding to RFPs while leveling the playing field for all.

There are important practical business factors that will necessarily affect any procurement activity in the lottery industry. The business environment for the RFP process is:

- **Competitive** – Bidders compete for business based on their response to the RFP.
- **Diverse** – Since there is no enforcement of a common method among lotteries, every jurisdiction's operation executes slightly differently and according to its own method of choice and interpretation. This Best Practice will provide commonality between jurisdictions where possible.
- **Time, Cost, Innovation, and Quality-sensitive** – The Successful Bidder's Proposal will be selected on delivery date, price, innovation, quality, and ability to meet the requirements stated in the RFP.
- **Local and Culturally-specific** – Geographical differences contribute to diversity within different jurisdictions. This includes diversity in participants, methodologies, languages, legal frameworks, modes of operation, and cultural protocols.

- **Resource-heavy** – Considerable resources are required from both the Lottery publishing the RFP and evaluating the Proposals, and the Bidder preparing a Proposal.

It is imperative that the Best Practice supports this business environment.

2.1.2.1 Operational Functions and Processes

The key functions and processes that require best practice support are further identified in the table below. The specific needs within each business function or process requiring best practice support are also described.

Function/Process Name	Best Practice Needs
Creating and Publishing the RFP	Need to standardize on the format, content, and policy requirements, and on standard text where appropriate, when drafting and publishing the RFP
RFP Response	Need to standardize on the format of the response.

2.1.2.2 Operational Topology

The topology of the environment to which this Best Practice applies typically represents distributed and separate locations with variable overlap, and sometimes complete overlap, between some of these entities:

- Lottery Organization
- Regulatory Authority
- Procurement Office
- Bidder Organization
- Standards Initiative

2.1.2.3 Operational Location Information

The following matrix shows the *primary* constituents participating in each of the functions or processes related to this Best Practice. This demonstrates the need for integration of different requirements when creating and adopting this Best Practice.

	Constituents Identified by Locations				
Functions/ Processes	**Regulatory Authority**	**Lottery Organization**	**Procurement Office**	**Bidder**	**Standards Initiative**
Creating and Publishing the RFP	X	X	X		X
RFP Response	X	X	X	X	X

2.2 Business Rationale

The above provides some context for the business environment and requirements for this Best Practice and illustrates the variety of requirements and points of implementation that need to be considered to reach full business value. This section describes the business drivers, objectives, and benefits of implementing this Best Practice.

2.2.1 Business Drivers, Objectives, and Benefits

This section outlines some of the business objectives for introducing the Best Practice and some of the benefits that could be attained once the Best Practice has been adopted.

Lack of approved best practices for RFP format and content, and lack of standard RFP templates, all impose a cost burden on lotteries when creating an RFP and more significantly on vendors who are regularly responding to RFPs on an ongoing basis.

2.2.1.1 Reduced Costs to Lotteries in Developing RFPs

Developing an RFP is very costly to all constituents. There is a significant amount of time and resources spent in creating and publishing the RFP. Cost and resources involved in the creation of the RFP are reduced significantly through the use of a common template, standard terminology, standard RFP text where appropriate, a common set of best practices to be followed when creating the RFP, and where appropriate a common and standard set of requirements to be included in the RFP itself (e.g., requirements for proposal submission, bidder certification, communication during the RFP process, etc.).

2.2.1.2 Reduced Vendor Cost in Responding to RFPs

Responding to an RFP, as vendors do on a regular basis, is a risky financial investment for vendors. If a vendor wins the Contract, that investment can be recouped; if not, it is extremely costly. RFPs based on a standard template with standard text where applicable reduce the time and resources spent by vendors on understanding the RFP and interpreting its requirements. This also enables vendors to more easily convert the RFP for one jurisdiction to another and allows the vendor instead to focus on understanding and responding to the portion of the RFP that deals with the new functionality, innovation, and value-add.

2.2.1.3 Reduced Cost to Lotteries in Evaluation of Proposals

Currently, lotteries spend a great deal of time, resources, and a significant investment in independent third-party consultants for the interpretation and evaluation of Bidder Proposals. Requiring the vendors to use the prescribed standard response method defined within the standard RFP template reduces the time spent by lotteries in interpreting the response components, and instead allows them to focus on evaluating the merits of the proposed technology and related services (if applicable), and the proposed price of each Bidder’s Proposal.

2.2.1.4 Reduced Investment Risk through Establishment of Standards and Certification as RFP Requirements

There are many business benefits for establishing RFP criteria that promote common standards and best practices. By agreeing through a standards organization – such as the NSI or the WLA – on which certifications, Technical Standards, or Best Practices should be part of the standard RFP requirements, the lotteries are able to reduce their risk of procuring solutions that do not conform to certification requirements associated with the use of approved Technical Standards and Best Practices.

3 Best Practice Overview

This section provides an overview of the Best Practice.

3.1 Overview

This Best Practice for the Standard RFP Template is designed to be used as the basis for any lottery procurement and offers a common approach and benefit in the following major areas:

- The Standard RFP Template (SRT) is designed to provide lotteries with an approved standard template, which includes standard text where appropriate, and provides a specific format to be followed along with a standard set of chapters, sections, and subsections to be included in the sequence specified.
- The SRT Guide provides lotteries with a set of guidelines and requirements that should be followed when deriving RFP text for those instances where either standard text does not exist or when deviation from the standard text is necessary due to jurisdictional variances or legislative requirements.
- The inclusion of Standard Compliance Boxes in each section and subsection of the RFP is an integral part of the Best Practice. These boxes indicate to the Bidder:
  - The significance of the section or subsection
  - The type of response that is required from the Bidder
  - Whether the text in the section or subsection is standard text from the SRT or whether it has been altered when issuing the actual RFP
- Inherent in the SRT is a standard response mechanism for Bidders to follow when submitting their response to the RFP (the Proposal). Bidders are required to respond using the same format as the RFP, including responding with similar Compliance Boxes in each section and subsection of the Proposal. The Proposal Compliance Boxes indicate whether the Bidder has responded to the requirements of those sections and subsections and whether they have met them fully or not.

3.2 Constituents and Roles

This Best Practice applies only to lotteries and can be used whenever a lottery-issued RFP is required.

Although this Best Practice does not explicitly apply to Bidders, if lotteries use the Standard RFP Template and meet the Best Practice Requirements when issuing their RFPs, then Bidders will be required (via the RFP) to respond in a standard way with a standard format to those RFPs.

3.3 Relationship with Other NSI Documents

In addition to this Best Practice for the Standard RFP Template, there is another Best Practice related to the RFP – the Best Practice for the RFP Process – which addresses the best practices for some of the major processes that take place at the Lottery and which are associated with the RFP:

- RFP Development
- Communication during the RFP Process (including RFP Publication)
- Proposal Evaluation (including Site Visits/Demonstrations)
- Notification of Successful Bidder and Contract Award
- Establishing Common RFP Requirements

4 Best Practice Requirements

This section defines the best practice requirements for the Standard RFP Template (SRT) and the Standard RFP Template Guide, which must be adhered to as part of conformance to the Best Practice. The best practice requirements for each component are contained within the component subsections. It is important to note that all of the prescriptive terms found in this chapter must be interpreted according to the definitions in Section 4.1 (Prescriptive Terminology).

4.1 Prescriptive Terminology

This section provides the meaning of the prescriptive terms “must”, “should”, “may”, “must not”, and “should not” which must be used when describing and interpreting the best practice requirements specified in this chapter.

These definitions apply only to the best practice requirements contained in this chapter (Chapter 4). Where these terms are used in the SRT and SRT Guide, the generally-accepted definitions of the terms apply.

It is important to note that jurisdictional policy and legislation take precedence over the best practice requirements set out in this document.

Must	Indicates an absolute, mandatory requirement of the Best Practice that has to be implemented in order to conform to the Best Practice.
Should	Indicates a recommendation that ordinarily must be implemented. To conform to the Best Practice, an acceptable justification must be presented if the requirement is not satisfied.
May	Indicates an optional requirement to be implemented at the discretion of the practitioner, and which has no impact on conformance to the Best Practice.
Must not	Indicates an absolute preclusion of the Best Practice, and if implemented would represent a non-conformity with the Best Practice.
Should not	Indicates a practice explicitly recommended not to be implemented. To conform to the Best Practice, an acceptable justification must be presented if the requirement is implemented.

It is particularly worth noting that the term “should” is sometimes used in cases where there may be jurisdictional requirements that preclude the best practice from being classified as a “must” for everyone.

4.2 Components

The components that make up this best practice are:

- Use of the Standard RFP Template (SRT)
- Use of the Standard RFP Template Guide (SRT Guide)

4.2.1 Standard RFP Template (SRT)

This section defines the best practice requirements that pertain to use of the Standard RFP Template (SRT).

4.2.1.1 Best Practice Requirements

The Lottery must:

- Use Chapters 1 through 6 and all applicable appendices of the SRT as the base document when developing an RFP
- Use Appendix A of the SRT for all technical requirements of the RFP
- Include an RFP Standard Compliance Box in each section and subsection of the RFP as described in Section 1.1 (Terminology) of the SRT
- Inform Bidders whether or not the language used in the RFP is standard text by indicating YES or NO in the box marked "Standard Text" of the RFP Standard Compliance Box
- Include <u>every</u> chapter, section, and subsection specified in the SRT and <u>in the sequence</u> specified in the SRT
- Validate that the standard definitions found in the Glossary of Terms in Section 1.4 (Glossary of Terms) of the SRT apply in their jurisdiction and, for those terms that do not apply, insert the applicable definition in the Glossary and mark the definition or term NEW.
- Provide a Compliance Table in Appendix C containing all section and subsection numbers and their respective Significance as described in Section 1.14.5 (Compliance Table) of the SRT

The Lottery must not:

- Change the content of Section 1.1 (Terminology) of the SRT in any way

For every section or subsection of the SRT that is not applicable to the RFP being issued, or that does not apply in the Lottery's jurisdiction, the Lottery <u>must not</u> remove this section or subsection, but instead should:

- Assign the following values to the RFP Standard Compliance Box: Significance: NOT APPLICABLE; Response Type: NONE; Standard Text: NO
- Include the following text: "This section is not applicable to this RFP."

If there are additional sections or subsections that are not included in the SRT, but which the Lottery wants to add to their actual RFP, the Lottery must:

- Add the section or subsection at the end of the appropriate sections, subsection, or chapter, thereby preserving the existing outline numbering scheme of the SRT

Where standard text exists in the SRT, the Lottery should:

- Use standard text if appropriate wherever it exists in the SRT
- Add specific information to the actual RFP wherever the notation <*variable*> or <*variable: lottery to add specific text*> is included in the SRT

As needed, the Lottery should consult the SRT Guide for recommendations on RFP content which may include, but are not limited to, the following situations:

- Guidance on what is recommended to be contained in the sections or subsections where standard text is not provided
- Guidance when deleting and/or replacing standard text in the actual RFP, to ensure that the replacement text aligns with the recommendations
- Guidelines and/or sample text for consideration when replacing variable tags that say <*variable: refer to SRT Guide*> in the SRT
- Guidance on any jurisdictional variances that may apply to their jurisdiction to incorporate sample text or the guideline suggestions into the corresponding section of the RFP
- Guidance on jurisdictional variances sections which do not appear in the SRT, but may be required in a particular jurisdiction (e.g., Affirmative Action)

If English is not the local language, the Lottery should issue the RFP in English in addition to the version issued in the local language.

5 Methods, Techniques, and Additional Considerations

This section describes in detail the methods and techniques that support the Best Practice. These methods and techniques are provided as guidance for adoption of the Best Practice. The use of any of the specific methods, techniques, or additional considerations described within this section is not required for a business practice to be considered conformant with this Best Practice, unless such use is specified in the requirements in Chapter 4.

There are no methods, techniques or additional considerations defined in this version of the Best Practice.

6 Tools to Support the Best Practice

This section describes the tools that support execution of this Best Practice. These tools are provided as guidance for adoption of the Best Practice. The use of any of the specific tools described within this section is not required for a business practice to be considered conformant with this Best Practice, unless such use is specified in the requirements in Chapter 4.

There are no tools defined in this version of the Best Practice.

7 Conformance Overview

Defining conformance and creating a certification policy and program for this Best Practice is the next step in establishing an effective Best Practice. Without the associated conformance criteria and certification processes, there is no assurance that a practitioner has implemented practices according to the approved Best Practice.

Certification provides formal recognition of conformance to an industry Best Practice or Technical Standard specification, which allows:

- Suppliers and practitioners to make and substantiate clear claims of conformance to a Technical Standard or Best Practice
- Buyers to specify and successfully procure from vendors who conform to a Best Practice or provide solutions that conform to a Technical Standard

Following the approval of this Best Practice, the Global RFP Standards Task Group will work with The Open Group to establish conformance criteria and define an associated Certification Program for this Best Practice. Conformance assessment is the act of determining the conformance of an implementation to a specification, or the adherence of a business operation to a best practice or process definition. There are many techniques for assessing such conformance, including the use of a standardized test method, quality assessment by industry experts, and vendors' claims of conformance made within a defined legal framework. The techniques to be used will be chosen during the process of defining the Certification Program.

Following implementation of the Certification Program, practitioners wishing to have their business practices certified as conformant to the Best Practice will be able to apply for certification of their business practices, at which time a conformance assessment will be performed.

APPENDICES

A Best Practice Requirements Checklist

	Requirement	Level	Practitioner	Reference
Standard RFP Template (SRT)				
1	The Lottery must use Chapters 1 through 6 and all applicable appendices of the SRT as the base document when developing an RFP.	Must	Lottery	4.2.1.1
2	The Lottery must use Appendix A of the SRT for all technical requirements of the RFP.	Must	Lottery	4.2.1.1
3	The Lottery must include an RFP Standard Compliance Box in each section and subsection of the RFP as described in Section 1.1 (Terminology) of the SRT.	Must	Lottery	4.2.1.1
4	The Lottery must inform Bidders whether or not the language used in the RFP is standard text by indicating YES or NO in the box marked “Standard Text” of the RFP Standard Compliance Box.	Must	Lottery	4.2.1.1
5	The Lottery must include <u>every</u> chapter, section, and subsection specified in the SRT and <u>in the sequence</u> specified in the SRT.	Must	Lottery	4.2.1.1
6	The Lottery must validate that the standard definitions found in the Glossary of Terms in Section 1.4 (Glossary of Terms) of the SRT apply in their jurisdiction and, for those terms that do not apply, insert the applicable definition in the Glossary and mark the definition or term NEW.	Must	Lottery	4.2.1.1
7	The Lottery must provide a Compliance Table in Appendix C containing all section and subsection numbers and their respective Significance as described in Section 1.14.5 (Compliance Table) of the SRT.	Must	Lottery	4.2.1.1
8	The Lottery must not change the content of Section 1.1 (Terminology) of the SRT in any way.	Must not	Lottery	4.2.1.1

	Requirement	Level	Practitioner	Reference
9	For every section or subsection of the SRT that is not applicable to the RFP being issued, or that does not apply in the Lottery's jurisdiction, the Lottery must not remove this section or subsection, but instead should assign the following values to the RFP Standard Compliance Box: Significance: NOT APPLICABLE; Response Type: NONE; Standard Text: NO.	Should	Lottery	4.2.1.1
10	In addition to above, for every section or subsection of the SRT that is not applicable to the RFP being issued, or that does not apply in the Lottery's jurisdiction, the Lottery should include the following text: "This section is not applicable to this RFP."	Should	Lottery	4.2.1.1
11	If there are additional sections or subsections that are not included in the SRT, but which the Lottery wants to add to their actual RFP, the Lottery must add the section or subsection at the end of the appropriate sections, subsection, or chapter, thereby preserving the existing outline numbering scheme of the SRT.	Must	Lottery	4.2.1.1
12	Where standard text exists in the SRT, the Lottery should use standard text if appropriate wherever it exists in the SRT.	Should	Lottery	4.2.1.1
13	Where standard text exists in the SRT, the Lottery should add specific information to the actual RFP wherever the notation <*variable*> or <*variable: lottery to add specific text*> is included in the SRT.	Should	Lottery	4.2.1.1
14	Ad needed, the Lottery should consult the SRT Guide for recommendations on RFP content.	Should	Lottery	4.2.1.1
15	If English is not the local language, the Lottery should issue the RFP in English in addition to the version issued in the local language.	Should	Lottery	4.2.1.1

PART II: Standard RFP Template (SRT) Guide

1 General Information Regarding the RFP and Proposal Submission

Introduction to Part 2, Standard RFP Template (SRT) Guide

For every chapter, section, and subsection in the SRT there is a corresponding chapter, section, and subsection in the SRT Guide. Each section and subsection of the SRT Guide contains the following two areas:

- **Recommendations for RFP Content**: These recommendations specify in a general sense what should be included and/or addressed in the content of the corresponding section in a published RFP.
- **Recommendations for RFP Policy and Process**: Where Standard Text is provided in the SRT, these sections of the SRT Guide will specify that the Standard Text of the SRT is the recommended text to be used in the corresponding section of the published RFP. If there is no Standard Text provided in the SRT, these sections of the SRT Guide may provide a set of policy and processes associated with the subject of the section, which may be included in the published RFP, depending on jurisdictional requirements.

Each section and subsection of the SRT Guide may also contain the following areas, if applicable:

- **Jurisdictional Variances:** These sections of the SRT Guide address major jurisdictional variances in best practices, typically representing differences among countries. In some cases, these sections of the SRT Guide provide suggested Standard Text that may be applicable in those jurisdictions where the variance applies. In other cases, these sections offer additional guidance or clarification for terms or best practices that may only apply to a subset of jurisdictions. Since each jurisdiction has laws, rules, regulations, and orders that control what the Lottery is required to do in that jurisdiction, instances will occur where these laws do not provide the Lottery with an option in handling the process of the procurement and the text of the RFP.
- **Additional Best Practice Guidelines**: These sections of the SRT Guide identify other recommendations associated with the subject of the section and which in general contain examples of text or guidelines for the creation of text pertaining to this section. These sections may also contain references to related best practices from the RFP Process Best Practice document, as referenced in Part 1, Section 3.3 (Relationship with Other NSI Documents).

Refer to Part 1, Chapter 4 (Best Practice Requirements) for the best practice requirements associated with the use of the SRT and the SRT Guide.

All subsequent sections of Part 2 (the SRT Guide), beginning with Section 1.1 (Terminology) correspond directly to the SRT.

1.1 Terminology

Recommendations for RFP Content

This section should contain definitions and policy for the terminology used in the RFP and Proposal Standard Compliance Boxes.

Recommendations for RFP Policy and Process

The Lottery must use the Standard Text provided for this section.

The Standard Text must not be altered.

Refer to the best practice requirements defined in Part 1, Section 4.2.1 (Standard RFP Template (SRT)).

Additional Best Practice Guidelines

It is important to reinforce – as indicated in the Standard Text of the equivalent SRT Terminology section – that the significance MANDATORY should not be used lightly. The Lottery will disqualify a Proposal if a mandatory requirement is not met.

The significance IMPORTANT can be used instead of MANDATORY in cases where the Lottery does not intend to disqualify a Proposal if the requirement is not met.

The definitions as specified in the equivalent SRT Terminology section take precedence over what is re-stated as additional guidelines in this section.

1.2 Introduction

Recommendations for RFP Content

This section should include:

- The official name of the Lottery
- A statement that the Lottery is issuing the RFP
- Where and how to access the text of the RFP

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

Jurisdictional Variances

In some jurisdictions, the Lottery may be required to issue a copy of the entire RFP in hardcopy.

Additional Best Practice Guidelines

The Lottery must make a copy of the RFP available electronically in a read-only format, such as PDF. The Lottery should make a copy of the appendices that are to be completed by the Bidder (e.g., the Compliance Table) available in a read/write format, such as Microsoft Word.

1.3 Lottery and RFP Objectives

Recommendations for RFP Content

This section should state the Lottery objectives pertaining to the RFP, which should include:

- A general statement reflecting the extent of the product replacement/upgrade/new installation, etc. being requested from the Bidder
- A general statement reflecting the requirement that the Bidder must be capable of integrating with or supporting existing systems
- The projected date of product installation
- Business and operational requirements and constraints
- Legislation requirements and constraints

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

Additional Best Practice Guidelines

The Lottery should be as specific as possible and clear about their interests in the RFP. The better this description is, the closer the Proposal can be to the interests and needs of the Lottery.

The Lottery should provide general objectives in this section; detailed objectives and constraints should be reserved for Chapter 2 (Lottery Background).

Example

The Lottery has the following objectives for issuing this RFP and entering into a Contract for the implementation and operation of the system:

1. Install a fully integrated Gaming System, which will meet the Gaming System product needs of the Lottery for at least the next <variable: number> years.
2. Obtain Retailer Terminals, supporting systems, and services that are operationally sound, incorporate the highest level of integrity and security, and minimize risk for the Lottery.
3. Obtain terminals, which will lead to high retailer satisfaction for quality and performance.
4. Obtain a system that is sufficiently flexible to meet the Lottery's changing requirements and constraints (operational and legislative).

5. Ensure that all proposed systems and services are in operation no later than <*variable: date*>.

6. Maximize the sales of Online (and Instant) Games tickets for the Lottery.

7. Maximize net Lottery proceeds for the State of <*variable: jurisdiction*>.

1.4 Glossary of Terms

Recommendations for RFP Content

This section should include specific definitions applicable to the procurement if the following applies:

- The definition of the term(s) or its usage varies from common usage.
- The term(s) needs further clarification.

Definitions that are Standard Text from the SRT and are not modified in any way are marked STANDARD. All other definitions are marked NEW.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

1.5 Schedule

Recommendations for RFP Content

This section must include significant RFP and Proposal milestones and dates.

Recommendations for RFP Policy and Process

The SRT provides a standard schedule table. Guidelines for the durations to be used in deriving the schedule dates are given below.

Once the actual RFP is published the Lottery may change the dates in the Schedule – especially those dates that are associated with milestones that come after Proposal Submission – based on factors such as the number of responses, etc.

If these dates change, then the Lottery must issue an amendment to the RFP as described in Section 1.13 (Amendments to the RFP).

Additional Best Practice Guidelines

The following durations are to be used as guidelines for lotteries and they may be altered as necessary. The durations provided assume a full gaming system installation or an otherwise complex RFP; however, durations will necessarily vary with the scope of the procurement. All

days are to be considered as calendar days unless specified otherwise. The Lottery should take into account public holidays where applicable.

The Lottery will translate the durations included in the table below into dates and submit them as such in the actual RFP.

The third column (Required/Recommended) indicates whether the event must be included in the published schedule (Required) or should be included in the published schedule (Recommended).

Event	**Duration**	**Required/ Recommended**
Notice of Intent to Issue an RFP	30 – 90 days	Recommended
RFP Publication	1 day	Required
Bidder Expression of Interest	Within 4 days of receipt of RFP	Recommended
Bidder's Written Questions (First Round)	Develop a reasonable scale based on the time available before the deadline for Proposal Submission; e.g., 20 days for a 75-day period, 15 days for a 60-day period, etc.	Required
Lottery Written Responses (First Round)	10 – 15 days, and no later than 20 days before the deadline for Proposal Submission	Required
Pre-Proposal Conference, if applicable	1 day	Recommended
Lottery's Written Responses to Pre-Proposal Conference Questions, if applicable	10 – 15 days and no later than 20 days before the deadline for Proposal Submission	Recommended
Deadline for Proposal Submission	30 – 60 days	Required
Proposal Opening	1 day	Required
Announcement of Proposal Received	1 day	Recommended
Evaluation Period	60 – 90 days	Required
Announcement of Shortlist	1 day within Evaluation Period	Recommended
Notification for Bidder Demonstrations and/or Site Visits	14 days	Recommended
Bidder Demonstrations and/or Site Visits	20 days within Evaluation Period	Recommended
Evaluation Committee Recommendation	1 day	Required
Notification of Successful Bidder	1 day	Required
Contract Negotiation	30 days	Required

Event	Duration	Required/ Recommended
Contract Executed	1 day	Required
Projected Contract Conversion Date	Conversion dates vary widely according to the level of complexity of each conversion.[1] Typically, online system conversions are 9-12 months for existing lotteries, and 4-12 months for start-ups.	Recommended, if applicable
Debriefing	2 hours during implementation period	Recommended

The Lottery may include any additional events and dates that are significant.

There is a best practice requirement as specified in Part 1, Section 4.2.1 (Standard RFP Template (SRT)) that relates to issuing an English version of the RFP. However, if language translations of the RFP are required, the Lottery should add extra time to the schedule. An acceptable guideline is to add a minimum of four (4) weeks for instances when the RFP applies to a full gaming system installation or an otherwise complicated RFP.

Jurisdictional Variances

The suggested schedule and durations do not preclude jurisdictions from including other common procedures or milestones such as, among others: discussions, clarifications, best and final offers, project scope in readiness for the Contract negotiation, and more than one round of written questions and responses. The Lottery should revise the Schedule table accordingly.

1.6 Issuing Office

Recommendations for RFP Content

This section must:

- Identify the Issuing Office for the RFP and the Proposals
- Provide an address for the Issuing Office
- Explain the relationship of the Issuing Office to the Lottery if the Issuing Office is *not* the Lottery or a component of the Lottery organization

[1] Complicating factors include the following:
- Size of retailer network (geographically and in terms of terminal count)
- Number of games and complexity of games
- Number of channels (internet, mobile phones, etc.)
- Number and complexity of back-office applications to integrate
- Volume and complexity of data to be converted to the new system

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

The Issuing Office may be the Lottery, a particular office within the Lottery such as its procurement office, or other government agency such as its Purchasing Department or the equivalent, as required by jurisdictional law.

Additional Best Practice Guidelines

The point of contact should be provided in Section 1.7 (Procurement Officer and Point of Contact) of the RFP.

1.7 Procurement Officer and Point of Contact

Recommendations for RFP Content

This section must:

- Indicate the name of the person who will be the Procurement Officer or sole point of contact for all matters relating to the RFP, the Proposals, and any other issues relating to the procurement process and administration
- Provide contact information including name, title, telephone, fax, and email for the person designated as Procurement Officer (the address is the Issuing Office as defined in Section 1.6 (Issuing Office) of the RFP)

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

1.8 Official RFP Website

Recommendations for RFP Content

This section should provide the URL for the Lottery's official procurement website with respect to the RFP.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

1.9 Bidder Contact with the Lottery

Recommendations for RFP Content

This section should indicate the policy on Bidder communications as it relates to the RFP and the Proposal, including the policy for:

- Unsolicited contact with any Lottery personnel by Bidders or their agents
- False or misleading representation by Bidders to the Lottery or retailers
- Restrictions on communication for the Lottery's existing Bidders
- The consequences to a Bidder for violating the policy as it is written in the RFP

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

Additional Best Practice Guidelines

The Lottery and Bidders are advised to refer to the best practice requirements for communication defined in Section 6.5 (General Communications Policies for the RFP Process) of the RFP Process Best Practice document as further guidelines in this area.

1.10 Bidder Expression of Interest

Recommendations for RFP Content

This section should indicate the following:

- The date by which the notification should be received by the Lottery
- The address of the Issuing Office to which the notification should be sent
- A request to provide the following information:
  - Name of prospective Bidder company
  - A contact person for all matters relating to the Expression of Interest including name, title, address, telephone, fax, and email

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

Jurisdictional Variances

In some jurisdictions, the Lottery may be required by lottery policy or jurisdictional law to use another form of notification or process associated with notification – e.g., a Letter of Intent to

Propose, or similar. In such cases, the Lottery should include its own text in this section of the RFP and insert NO in the box marked “Standard Text” in the RFP Standard Compliance Box.

In some jurisdictions, Bidders may be required to register in a procurement database maintained by the Lottery.

If necessary, the Lottery may add an appendix to the RFP to define the registration requirements.

In some jurisdictions the following Sample Text may be appropriate to address the content requirements listed above and may be included in the RFP if applicable.

Jurisdictional Sample Text

Bidders are informed that notification under this section is not in any way a substitute for or in any other way related to the vendor registration required in <*variable: refer to appendix*>. Each Bidder must adhere to the requirements specified in <*variable: refer to appendix*>.

Bidders are informed that the requirements specified in this section are in addition to the general registration process described in <*variable: refer to appendix*>.

1.11 RFP Clarification Questions

Recommendations for RFP Content

The Lottery should indicate how many rounds of written questions will be conducted and that the clarification procedure must be followed.

The Lottery should include a reference to Section 1.5 (Schedule) for the milestones and dates for submitting written questions.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

Additional Best Practice Guidelines

The RFP clarification procedure may involve one round of written questions, two rounds of written questions, and/or a Pre-Proposal Conference.

1.11.1 Submission of RFP Clarification Questions

Recommendations for RFP Content

This section should indicate:

- The policy for Bidders when submitting questions regarding the RFP
- The deadline for the first round and second round (if applicable) of written questions

- How the questions are to be submitted
- To whom the questions are to be submitted

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

In addition to using email to submit written questions, the Lottery may also request additional forms of submission; e.g., fax, mail, overnight courier, or hand-delivered.

Additional Best Practice Guidelines

Development of the events and dates in Section 1.5 (Schedule) for RFP clarification questions must allow adequate time for Lottery response to Bidder questions and Bidder incorporation of desired changes to Proposals prior to the deadline for Proposal Submission. Specific best practice guidelines can be found in this Section 1.5 (Schedule).

The Lottery is advised to refer to the best practice requirements for their internal processes related to submitted Proposals and the Proposal Evaluation process defined in Chapter 6 (Communication During the RFP Process) of the RFP Process Best Practice document as further guidelines in this area.

1.11.2 Response to RFP Clarification Questions

Recommendations for RFP Content

This section should indicate:

- The deadline for the Lottery to respond to the written questions
- The method used to provide to the Bidders the Lottery's response to written questions from the Bidders
- The location of the Official RFP Website where the questions and responses will be posted
- The policy for formalizing questions and answers as ammendments to the RFP

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

Jurisdictional Variances

Some jurisdictions prefer to ensure that there is a mechanism (such as an acknowledgement form or email notification) for verification of receipt of all responses issued.

If such acknowledgement is required, then the Lottery must:

- Indicate what the mechanism is and that Bidders are required to use it

- Change the box marked “Significance” in the RFP Standard Compliance Box from INFORMATION to MANDATORY

Additional Best Practice Guidelines

Development of the events and dates in Section 1.5 (Schedule) for RFP clarification questions should allow adequate time for Lottery response to Bidder questions and Bidder incorporation of desired changes to Proposals prior to the deadline for Proposal Submission. Specific best practice guidelines can be found in this Section 1.5 (Schedule).

1.12 Pre-Proposal Conference (Jurisdictional Variance)

The Pre-Proposal Conference is OPTIONAL; it may be required by the Lottery in accordance with lottery policy and jurisdictional law.

Recommendations for RFP Content

The Lottery may hold a Pre-Proposal Conference. The Lottery must indicate using the box marked “Significance” in the RFP Standard Compliance Box whether the Pre-Proposal Conference is MANDATORY or NOT APPLICABLE for the Bidders.

If the Lottery does hold a Pre-Proposal Conference, the Lottery must state in the RFP whether the Pre-Proposal Conference is optional or mandatory for the Bidders.

If there is a Pre-Proposal Conference, this section of the RFP must indicate the following:

- Date, time, and location of the Pre-Proposal Conference
- The process and policy to be used at the Pre-Proposal Conference
- The process and policy to be used in addressing questions that are raised during the Pre-Proposal Conference

Recommendations for RFP Policy and Process

If applicable, use the Lottery should use the Standard Text for this section.

1.13 Amendments to the RFP

Recommendations for RFP Content

This section should indicate:

- When an RFP amendment is required
- The policy for amending the RFP
- The process for distributing the amendment to all interested parties

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

Jurisdictional Variances

Amendments to the RFP must be made in accordance with jurisdictional law.

In some jurisdictions, the Lottery or its designated tendering system may be required to send amendments to the RFP in an expeditious manner (e.g., fax, email, or web posting) or in a format otherwise specified by the Bidder.

Some jurisdictions prefer to ensure that there is a mechanism (such as an acknowledgement form or email notification) for verification of receipt of all amendments issued.

If such acknowledgement is required, then the Lottery must:

- Indicate what the mechanism is and that Bidders are required to use it
- Change the box marked "Significance" in the RFP Standard Compliance Box from INFORMATION to MANDATORY

1.14 Responsive Proposal Submission Criteria

Recommendations for RFP Content

This section should include:

- General process and policy for Proposal Submission including: number of packages, components that should accompany each package, number of copies of components, and additional information required for Proposal Submission
- Requirements for format and media of Proposal Submission

Best Practice Requirements for RFP Process and Policy

The Lottery should use the Standard Text from the SRT for this section.

The Lottery should not discuss, confirm, or deny the receipt of any Proposals with any third party prior to the deadline for Proposal Submission.

Jurisdictional Variances

In some jurisdictions, the Lottery may require that all pages of the original of each document be signed in ink by an officer or agent of the Bidder with authority to contractually bind the Bidder.

Additional Best Practice Guidelines

Bidders should adhere to the specific best practice requirements for Proposal format as specified in Section 1.22 (Response to Technical and Non-Price Requirements) and Section 1.23 (Price Proposal) of the RFP.

The Lottery is advised to refer to the best practice requirements for their internal processes related to submitted Proposals and the Proposal Evaluation process defined in Chapter 7 (Proposal Evaluation) of the RFP Process Best Practice document as further guidelines in this area.

1.14.1 Proposal Delivery Location and Process

Recommendations for RFP Content

The Lottery should issue a receipt for all Proposals received, indicating the time and date received, as well as the type and quantity of material received. It is recommended that the receipt is signed both by the Procurement Officer as well as the submitting party (unless a courier), thus protecting the integrity of the Proposal submission.

When determining the Proposal Submission location and procedure, the Lottery should also be cognizant of the need for confidentiality; it should not be possible for non-authorized individuals to determine who has or has not submitted a Proposal.

The Lottery must handle and store all Proposals in such a way as to ensure the confidentiality and integrity of all Proposals throughout the Proposal Evaluation process.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

1.14.2 Late Proposals

Recommendations for RFP Content

This section should contain the policy for Proposals that are received after the deadline for Proposal Submission.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

1.14.3 Proposal Language

Recommendations for RFP Content

This section must include the policy regarding language to be used in the Bidder’s Proposal.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

Additional Best Practice Guidelines

If an additional language version of the Proposal is required by the Lottery, the Bidder must arrange translation of their Proposal at their own cost. The Lottery must also indicate which language version must prevail in the event of conflicting text.

1.14.4 Pricing Information

Recommendations for RFP Content

This section should clarify how the Bidder is to provide pricing information in their Proposal.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

1.14.5 Compliance Table

Recommendations for RFP Content

This section should include:

- A reference to the Compliance Table in an appendix to the RFP
- The requirement for the Bidder to complete the Compliance Table

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

As indicated in Part 1, Section 4.2.1.1 (Best Practice Requirements), and re-iterated in this section of the SRT, the Lottery must provide a Compliance Table in Appendix C (RFP Compliance Table) of the RFP to be filled in by the Bidder.

1.15 Letters of Transmittal

Recommendations for RFP Content

This section should include the policy and procedures for submitting a Letter of Transmittal.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

Jurisdictional Variances

Some jurisdictions may require a Statement of Non-Collusion; see Section 1.41.1 (Statement of Non-Collusion). If a Statement of Non-Collusion is required by the Lottery, it should be submitted with a Letter of Transmittal.

1.16 Bid Bond (Jurisdictional Variance)

The Bid Bond is OPTIONAL; it may be required by the Lottery in accordance with lottery policy and jurisdictional law.

Recommendations for RFP Content

The Lottery may require a Bid Bond. The Lottery must indicate using the box marked "Significance" in the RFP Standard Compliance Box whether the Bid Bond is MANDATORY or NOT APPLICABLE for the Bidders.

If a Bid Bond is required by the Lottery, this section must include the policy and procedures for submitting a Bid Bond.

The Lottery must determine an amount and an acceptable issuer for the Bid Bond.

The Lottery must include or reference any additional requirements related to the content of the Bid Bond.

The Bid Bond must guarantee the availability of the products and/or services offered for the duration of the Acceptance Period, identified in Section 1.28 (Acceptance Period).

Recommendations for RFP Policy and Process

If applicable, the Lottery should use the Standard Text for this section.

1.17 Litigation Bond (Jurisdictional Variance)

The Litigation Bond is OPTIONAL; it may be required by the Lottery in accordance with lottery policy and jurisdictional law.

The purpose of the Litigation Bond is to permit the Lottery or other defendants to recover damages, including reasonable attorneys' fees, expenses, and court costs resulting from such litigation.

Recommendations for RFP Content

The Lottery may require a Litigation Bond. The Lottery must indicate using the box marked "Significance" in the RFP Standard Compliance Box whether the Litigation Bond is MANDATORY or NOT APPLICABLE for the Bidders.

If a Litigation Bond is required by the Lottery, this section must include the policy and procedures for submitting a Litigation Bond.

The Lottery must include or reference any additional requirements related to the content of the Litigation Bond, including the amount, duration, and form (e.g., policy or certificate).

Recommendations for RFP Policy and Process

If applicable, the Lottery should use the Standard Text for this section.

Jurisdictional Variances

In some jurisdictions the following Sample Text may be appropriate to address the content requirements listed above and may be included in the RFP if applicable.

Jurisdictional Sample Text

The Lottery reserves the right to make a claim upon the Litigation Bond if all of 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.
- A court determines that the action or any portion thereof was frivolous or was brought in bad faith, or was not brought upon reasonable grounds.

Following 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.

1.18 Public Records and Request for Confidentiality

Recommendations for RFP Content

This section should indicate how confidential information should be handled in the Proposals.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

Jurisdictional Variances

In some jurisdictions, financial statements, tax returns, and other financial information submitted in connection with this RFP are public records and cannot be made confidential. If this is the case, the Lottery should indicate in this section of the RFP which types of information may not be marked confidential by the Bidder.

1.19 Property of the Lottery

Recommendations for RFP Content

This section should include the Lottery's policy with respect to the property rights surrounding submitted Proposals.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

1.20 Incurred Costs Associated with the Proposal

Recommendations for RFP Content

This section should address incurred cost policy as it relates to the Bidders' efforts in preparing and submitting Proposals and in providing Demonstrations and/or Presentations.

Best Practice Requirements for RFP Process

The Lottery should use the Standard Text from the SRT for this section.

1.21 Proposal Content and Format

Recommendations for RFP Content

This section should state general requirements about Proposal content that have not been stated elsewhere in the RFP.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

1.22 Response to Technical and Non-Price Requirements

Recommendations for RFP Content

This section should contain the general requirements for the Technical Proposal and may highlight the pertinent requirements from other related sections.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

1.22.1 Technical Specifications

Recommendations for RFP Content

This section should contain general requirements for the Technical Specifications that do not appear in Appendix A (Technical Specifications) of the RFP as supplied by the Lottery.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

1.23 Price Proposal

Recommendations for RFP Content

This section should refer to the more specific requirements in Chapter 5 (Pricing) of the RFP.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

Additional Best Practice Guidelines

This section may also reference requirements related to pricing that are already stated in the RFP.

1.24 Multiple Proposals from a Single Bidder

Recommendations for RFP Content

This section should state the policy for submitting more than one Proposal.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

Jurisdictional Variances

Some lottery jurisdictions may explicitly *allow* multiple Proposals. This should be clearly stated in the RFP.

1.25 Proposal Opening

Recommendations for RFP Content

This section contains the date and location of the Proposal opening, and whether the opening is public.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

The Evaluation Committee must determine and state in the RFP whether the Proposal opening will be public or not public.

Jurisdictional Variances

In some jurisdictions, the Technical Proposal (and sometimes the Price Proposal) opening is public. If the Proposal opening is public, the Lottery should describe the opening process in detail.

1.26 Proposal Clarification Process

Recommendations for RFP Content

This section should include:

- The policy for resolving ambiguities or questioning information in the Proposals
- The process to be used for clarification

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

Usually, no more than three (3) business days will be given for the Bidder to prepare and submit its response.

Additional Best Practice Guidelines

The Lottery may also conduct Site Visits and/or require Bidders to make oral presentations; see Chapter 7 (Proposal Evaluation) of the RFP Process Best Practice document.

1.27 Modification/Withdrawal of a Proposal

Recommendations for RFP Content

This section should identify the policy for the Bidder to modify or withdraw a Proposal.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

1.28 Acceptance Period

Recommendations for RFP Content

This section should specify the explicit length of time (i.e., a date) for which the Bidder's Proposal remains valid.

This section should also include the policy for failing to adhere to the terms in this section.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

Additional Best Practice Guidelines

The Lottery must take into account jurisdictional law when determining the number of days required for the validity of the Proposals.

1.29 Disclosure Prohibition

Recommendations for RFP Content

This section should contain the policy on disclosure of information about Proposal content.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

Jurisdictional Variances

In some jurisdictions, the Lottery may be required to prohibit the disclosure of the contents of the RFP. If so, the following text should be used:

"In some jurisdictions, the Proposals may be made available for inspection after the Notice of Intent to award a Contract is announced by the Lottery, unless marked confidential as defined in Section 1.18 (Public Records and Requests for Confidentiality)."

Additional Best Practice Guidelines

The Lottery should adhere to the best practice requirements in Chapter 7 (Proposal Evaluation) of the RFP Process Best Practice document.

1.30 Material/Non-Material Deviations

Recommendations for RFP Content

This section should contain the Lottery's policy regarding its right to waive or permit cure of Proposals, based on material and non-material deviations.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

1.31 Disqualification for Business Incapability

Recommendations for RFP Content

This section should include the policy for disqualification of a Bidder for what the Lottery deems to be financial or business incapability.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

1.32 Effect of a Proposal

Recommendations for RFP Content

This section should contain the Lottery's policy with respect to the effect of the Proposals submitted in response to the RFP.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

1.33 Rejection/Selection of Proposals

Recommendations for RFP Content

This section should contain:

- The policy for notification of the Bidders of both the selected and rejected Proposals
- The policy for abandoning the RFP process by the Lottery
- A statement to the effect that issuance of the RFP in no way constitutes a commitment by the Lottery to award any Contract

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

Jurisdictional Variances

Some Lotteries apply a Best and Final Offer (BAFO) procedure. In such case, the following bullet is recommended to be inserted as the penultimate bullet in the corresponding section of the RFP:

- Conduct a Best and Final Offer process with all Bidders who are on the shortlist

1.34 Shortlist (Jurisdictional Variance)

The shortlist is OPTIONAL; it may be required by the Lottery in accordance with lottery policy and jurisdictional law.

Recommendations for RFP Content

The Lottery may require a shortlist. The Lottery must indicate using the box marked "Significance" in the RFP Standard Compliance Box whether the shortlist is MANDATORY or NOT APPLICABLE for the Bidders.

This section should contain the Lottery's policy for announcing a shortlist of Proposals for further evaluation by the Lottery.

Recommendations for RFP Policy and Process

If applicable, the Lottery should use the Standard Text for this section.

1.35 Independent Price Determination

Recommendations for RFP Content

This section should contain the policy surrounding price determination as it relates to independent pricing, non-disclosure of pricing, and competition.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

1.36 Change of Ownership/Financial Condition

Recommendations for RFP Content

This section should contain the policy for change of ownership or financial condition of the Bidder after Proposal Submission.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

1.37 News Releases and Advertising

Recommendations for RFP Content

This section should contain the policy for news releases and advertising by Bidders.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

1.38 Demonstrability of Proposed System

Recommendations for RFP Content

This section defines the process and policy for Demonstrations of the Bidder's proposed systems.

The Lottery must clearly state its policy for acceptance of discontinued, out-of-date, or unsupported products.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

Additional Best Practice Guidelines

Lotteries and Bidders must adhere to the best practice requirements for Demonstrations as defined in Section 7.4.2.2.4 (Phase 2/Step 4: Demonstrations) of the RFP Process Best Practice document.

1.39 Hiring and Other Business Relationships with Lottery Staff

Recommendations for RFP Content

This section should define the policy for making employment offers or hiring lottery employees.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

1.40 Debriefing

Recommendations for RFP Content

This section should define the policy and process for conducting a Debriefing with the Unsuccessful Bidder(s).

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

1.41 Additional Sections Based on Jurisdictional Requirements

The previous section represents the last section in this chapter that has a corresponding section in the SRT. All subsequent sections represent areas that have known requirements for certain jurisdictions, and are included here with suggested text and compliance boxes that may be included in the RFP by those jurisdictions where the requirements apply. If any of these additional sections are added, they must be added in a way that preserves the existing outline numbering scheme of the SRT as specified in Part 1, Section 4.2.1.1 (Best Practice Requirements).

1.41.1 Statement of Non-Collusion (Jurisdictional Variance)

Significance	Response Type	Standard Text
MANDATORY	FULL	YES

The Statement of Non-Collusion is OPTIONAL; it may be required by the Lottery in accordance with lottery policy and jurisdictional law.

A sample is included in Appendix J.

Recommendations for RFP Content

The Lottery may require a Statement of Non-Collusion. The Lottery must indicate using the box marked “Significance” in the RFP Standard Compliance Box whether the Statement of Non-Collusion is MANDATORY or NOT APPLICABLE for the Bidders.

If a Statement of Non-Collusion is required by the Lottery, this section must include the policy and procedures for submitting a Statement of Non-Collusion.

The Lottery should define the form of the Statement of Non-Collusion in an appendix to the RFP.

Recommendations for RFP Policy and Process

Each Bidder must submit a Statement of Non-Collusion addressed to the Issuing Office at the location given in Section 1.6 (Issuing Office).

Each Bidder must submit the Statement of Non-Collusion to the Issuing Office with the Letter of Transmittal; see Section 1.14 (Responsive Proposal Submission Criteria)

Fax or email transmissions must not be permitted to satisfy this requirement.

The Statement of Non-Collusion must be signed in ink by an authorized representative of the Bidder (see Jurisdictional Variances).

The Bidder must ensure that the Statement of Non-Collusion is received by the Issuing Office.

Jurisdictional Variances

In some jurisdictions, the signing of the Statement of Non-Collusion may be required to be in the presence of a witness; e.g., a notary public.

1.41.2 Affirmative Action (Jurisdictional Variance)

Significance	Response Type	Standard Text
MANDATORY	FULL	YES

Affirmative Action is OPTIONAL; it may be required by the Lottery in accordance with lottery policy and jurisdictional law.

Recommendations for RFP Content

This section should indicate whether there are Affirmative Action requirements.

The Lottery may require Affirmative Action. The Lottery must indicate using the box marked "Significance" in the RFP Standard Compliance Box whether Affirmative Action is MANDATORY or NOT APPLICABLE for the Bidders.

If the Lottery does require Affirmative Action, this section must contain the requirements, or a reference to the requirements, of the Affirmative Action Plan that are unique to the jurisdiction and Lottery developing the RFP.

Recommendations for RFP Policy and Process

If required by the Lottery, the Bidder must provide one of the following:

1. A copy of the Bidder's current Certificate of Compliance issued by the jurisdictional Commissioner of Human Rights
2. A statement certifying that the Bidder has a current Certificate of Compliance issued by the jurisdictional Commissioner of Human Rights
3. A statement certifying that the Bidder has submitted to the jurisdictional Commissioner of Human Rights for the Commissioner's approval an Affirmative Action Plan for the employment of minority persons, women, and qualified disabled persons

4. A statement certifying that the Bidder has not had more than 40 full-time employees within the jurisdiction on a single working day during the previous 12 months

Jurisdictional Variances

Affirmative Action requirements apply in accordance with US lottery policy and jurisdictional law. This may not be applicable in the international community.

2 Lottery Background

This chapter provides guidelines for describing the history and current network and system configuration specific to the Lottery issuing the RFP. This should describe how the Lottery is currently designed so that the competing Bidders can have a better understanding of how the requesting Lottery is set up.

The content of this chapter is necessarily specific to each Lottery.

2.1 History

Recommendations for RFP Content

The Lottery should provide:

- A high-level overview of its reporting relationship with government
- Applicable statutes of incorporation
- How it is managed
- Date established
- Which entity(ies) is/are issuing the RFP

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

2.2 General Information

Recommendations for RFP Content

The Lottery should provide general information regarding:

- Its mandate/vision
- Any directives/projects associated with the issuance of the RFP
- Its future direction
- The overall purpose and intent of the RFP
- The name of the documents containing the rules and statutes governing the Lottery and where they can be found

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

2.2.1 Lottery Organization (including Organization Chart(s))

Recommendations for RFP Content

The Lottery should:

- Provide a high-level overview of all business units associated with its operations, and affiliations to other lotteries, if any
- Indicate the number of employees in each of the offices
- Include an Organizational Chart as Appendix D to the RFP
- Indicate who is ultimately responsible for control of the Lottery

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

2.2.2 Legal Status

Recommendations for RFP Content

This section should include the legislative, regulatory, and policy requirements and constraints.

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

2.2.3 Lottery Ethics and Integrity

Recommendations for RFP Content

The Lottery should:

- Commit itself to a policy to ensure that the Lottery, its management, employees, partners, and contractors are adequately protected from illegal or damaging actions by organizations and/or individuals, either knowingly or unknowingly
- Be duty-bound not to tolerate any wrongdoing or impropriety at any time
- Take appropriate measures to correct the issue if the code of ethics is broken
- Publish its Code of Ethics as an appendix to the RFP

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

2.3 Roles Pursuant to this RFP

Recommendations for RFP Content

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

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

2.3.1 The Lottery

Recommendations for RFP Content

In this section, the Lottery should describe the organization of the Lottery, including parts of the organization directly involved in the RFP process as well as other, non-involved parts of the organization. In particular, the Lottery should describe the Lottery management responsible for the RFP process. This may include, as an example:

- Tender Board
- Board of Directors, etc.

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

2.3.2 Lottery Board/Commission

Recommendations for RFP Content

In this section, the Lottery should describe the various independent entities responsible for monitoring and regulating the Lottery operation. This may include, as an example:

- Lottery Board
- Lottery Commision
- Ministry of Finance, etc.

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

2.3.3 Other Entities

Recommendations for RFP Content

In this section, the Lottery should describe the various entities involved in the RFP process. This may include, as an example:

- State Purchasing Office
- Privatization Authority
- Oversight Committees
- Other specific bodies, authorities, and organizations, etc. upon which the Lottery is dependent

The description should allow the Bidder to understand who is responsible for what in the process, although the Bidder is not allowed to actually communicate with any entity other than the Single Point of Contact specified in the SRT.

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

2.4 Current Business Overview

2.4.1 Current Market

Recommendations for RFP Content

This section should include a description of the current market situation – which may include, for example, entertainment, gaming, retail, etc. – and the position of the Lottery in the market.

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

2.4.1.1 Competition

Recommendations for RFP Content

This section should include a description of the competition the Lottery is currently facing in the market, which may include, for example, gaming, entertainment, retail, etc.

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

2.4.2 Current Lottery Business

Recommendations for RFP Content

This section should include a description of the current revenue-generating activities of the Lottery.

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

2.4.3 Product Description and Sales Performance

Recommendations for RFP Content

The Lottery should provide detailed information concerning current games and their performance, both from a financial and technical perspective. This may include, for example:

- Sales for each product (not just product category)
- Transaction volumes (number of transactions, statistics on games per play slip, peak loads, etc.)

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

2.4.4 Online Games

Recommendations for RFP Content

The Lottery should provide a list and short description of all online games solely and jointly within its jurisdiction.

Within the description of each game the Lottery should include:

- Name and layout of the game
- Frequency and time of drawings
- Wager and pay-out scheme

The Lottery should include a link or pointer to additional information on all of its online games.

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

2.4.5 Instant/Scratch Games

Recommendations for RFP Content

The Lottery should provide an overview of its portfolio of instant/scratch ticket games both solely and jointly with other lotteries, including:

- Price points
- Number of new games issued yearly
- Frequency of game release/issurance (e.g., number of games released weekly, bi-weekly, monthly, etc.)
- Highest number of games that have ever been on the system
- Average number of games available for sale simultaneously
- Method used for activation of packs and settlement of winning tickets
- Approximate number of daily instant/scratch game transactions processed by the Lottery's back-office system that are passed through the online gaming system

The Lottery should include a link or pointer to additional information on all of its instant/scratch ticket games.

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

2.4.6 Other

Recommendations for RFP Content

This section should include a description of any other game types in operation.

If the Lottery offers products other than those mentioned in Section 2.4.4 (Online Games) and Section 2.4.5 (Instant/Scratch Games), then those products should be described here. The description should include:

- Product description, including subcategories of the same product
- Description of marketing, distribution, and administration of the products, including the practical handling of the product throughout the sales process
- Total sales value, nominal as well as percentage of total Lottery sales
- Average number of sales outlets
- Any dependencies upon or relationships (technical or commercial) with other Lottery products

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

2.4.7 Lottery Sales/Financial Results

Recommendations for RFP Content

The Lottery should provide an overview of previous, current, and projected revenues and sales broken out by product line(s).

The Lottery may provide a rationale for any increase or decrease in revenue over time.

The Lottery should include:

- A link to the Lottery's annual report
- A link or pointer (if submitted as an appendix) to the Lottery's most recent financial statement

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

2.5 New Games and Concepts

Recommendations for RFP Content

The Lottery should specify any new games or game concepts that are currently being explored and considered.

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

2.6 Lottery Retailers

Recommendations for RFP Content

The Lottery should provide an overview of its retailer network, which should include:

- Number of lottery retailer agents
- Trade type (e.g., convenience store, grocery, liquor)
- Percentage of total ticket sales for which each channel is responsible
- Terminal types currently in use by the Lottery

- Telecommunications types in use by the Lottery
- Number of terminals in the field:
  - — Number of terminal type XX
  - — Number of terminal type YY

The Lottery should provide this information as an appendix to the RFP.

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

2.6.1 Other Distribution Channels

Recommendations for RFP Content

In this section, the Lottery should provide an overview of all distribution channels it may be using, other than those mentioned in Section 2.5 (Lottery Retailers), in particular specifying:

- All types of channels used
- Status of each channel; i.e., development/pilot/testing, full production status, or similar
- Number of outlets or pieces of equipment or similar, per channel, as applicable
- Percentage of total sales for which each channel is responsible

The Lottery should also describe its intentions for the future development of each channel; e.g., which will be developed or expanded upon, which will be discontinued, etc.

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

2.7 Lottery Back-Office System

Recommendations for RFP Content

The Lottery should describe its current back-office architecture and functionality related to requirements identified in the RFP.

The Lottery should indicate:

- Which vendor is responsible for supplying and maintaining current software and hardware
- Which portion of the system the Lottery development staff is responsible for maintaining

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

2.8 Lottery Internal Control System (ICS)

Recommendations for RFP Content

The Lottery should describe its current Internal Control System (ICS) related to requirements identified in the RFP.

The Lottery should indicate:

- Which vendor is responsible for supplying and maintaining current software and hardware
- Which portion of the system the Lottery development staff is responsible for maintaining

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

2.9 Lottery Operations

Recommendations for RFP Content

The Lottery should generally describe the activities of its organization related to requirements identified in the RFP.

The Lottery should include:

- Block diagrams of the Lottery's current environment
- The name of the current vendor(s) and which parts of the system they are responsible for
- The communications channels between back-office and online systems
- The type of information stored on the back-office system and by what means and how frequently that information is transferred to the vendor systems and/or to Lottery retailer web sites
- Who is responsible and what method is used for retailer billing
- Who is responsible and what method is used for payment

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

2.10 Online Communications Network

Recommendations for RFP Content

The Lottery should:

- Describe the network communications technologies employed in its current online retailer sales network
- Name the current communications vendor and the current monthly cost for the communications
- Indicate how many (if any) dial-up connections are also deployed and the current monthly cost for those lines
- Provide the current layout of the telecommunications network with the Lottery's current vendor as Appendix F to the RFP

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

2.11 Jurisdictional Game Groups

Recommendations for RFP Content

The Lottery should:

- Identify jurisdictional game groups (e.g., MUSL, Megamillions, Tri-state Lotto) of which it is a member
- Provide sources for jurisdictional game group rules, regulations, and operating requirements either via links or included as Appendices for Bidder use in preparing compliant responses to the RFP

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

2.12 Marketing

Recommendations for RFP Content

The Lottery should provide a general overview of its current and future marketing strategies for promoting its products to existing and potential Lottery players.

The Lottery may provide additional marketing information – such as coupon programs – to assist potential bidders in understanding the requirements for successful product development, delivery, and marketing within the issuing jurisdiction.

The Lottery should include information on types of promotions that are currently run, as well as future promotions that are planned or being considered.

The Lottery should provide an approximate number of outside events – e.g., fairs – when the Contractor has to establish communications or provide support staff.

The Lottery should specify how many coupons/entries/teasers are produced via a terminal.

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

2.13 Responsible Gaming

Recommendations for RFP Content

In this section, the Lottery should describe its requirements for the Bidder to make responsible gaming an integral part of their daily operations, including activities involving employees, patrons, retailers and other stakeholders. Such requirements should include the encouragement of research initiatives and striving to achieve an appropriate balance between revenue, entertainment, and customer and shareholder expectations.

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

2.14 Lottery Certification

Recommendations for RFP Content

The Lottery should indicate certifications they have received, particularly with respect to conformance with Technical Standards or Best Practices.

Jurisdictional Variance

In some jurisdictions the following Sample Text may be appropriate to address the content requirements listed above and may be included in the RFP if applicable.

Jurisdictional Sample Text

The *<variable: lottery>* has been certified through the following NSI Certification Programs:

- NSI: Quality Assurance in Acceptance Testing
- NSI: Quality Assurance in Product Requirements
- NSI: XML Retailer Accounting Reports in the Lottery Industry

- NSI: Lottery Procurement Practices
- NSI: Bar Code Technology

Jurisdictional Sample Text

The <*variable: lottery*> has been certified according to the WLA Security Control Standard.

3 Terms and Conditions

Laws and procurement guidelines vary from jurisdiction to jurisdiction, and each Lottery's requirements may differ significantly. Therefore, the following should be considered best practices to be followed where possible, but it is understood that each Lottery, or at its option its Legal Counsel, will need to determine the terms and conditions that best apply to its Contract with the Successful Bidder.

By submitting a Proposal, the Bidder certifies that it agrees to be bound by the terms and conditions contained in the RFP, except as noted in exceptions that are attached to that certification. The Lottery reserves the right to evaluate any exceptions as to their satisfaction of the Lottery's requirements.

3.1 Introduction

Recommendations for RFP Content

This section should:

- Describe what Chapter 3 will cover and include the general policy as it relates to the application of the terms and conditions found in Chapter 3 and the Contract
- Indicate that the terms and conditions that apply to the procurement process will become part of the Contract executed pursuant to the RFP

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

3.2 Scope of the Contract

Recommendations for RFP Content

This section should:

- Describe the scope of the Contract in general terms
- Describe the products and/or services covered by the Contract resulting from this procurement
- Indicate that the Bidder must provide goods or services as described in the RFP and the Bidder's Proposal

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

3.3 Elements of the Contract

Recommendations for RFP Content

This section should specify:

- The major components to be included in the Contract between the Lottery and the Successful Bidder
- The policy for conflicting language in any of the components of the Contract

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

Jurisdictional Variances

In some jurisdictions this section may also specify:

- Further general terms on adherence to and breach of the Contract

The following Sample Text may be appropriate to address the jurisdictional variances listed above and may be included in the RFP if applicable.

Jurisdictional Sample Text

The failure of the Lottery or the Contractor to insist upon strict adherence to any provision in the Contract will not be considered a waiver or deprive the party of the right thereafter to insist upon strict adherence to that provision, or any other provision, of the Contract.

Any breach or default by a party will not be waived or released other than in writing and signed by the other party and approved by the Lottery Executive.

3.4 Governing Law

Recommendations for RFP Content

This section should define the legal jurisdictions and court venues applicable to the RFP and any Contract awarded, including which governing laws and documents affect the RFP and the Proposal.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

Additional Best Practice Guidelines

The Lottery may indicate where and how the governing laws and applicable documents can be accessed by the Bidders.

3.5 Term of the Contract

Recommendations for RFP Content

This section should provide:

- An expected effective date for the Contract
- A duration (Term) of the Contract, including extensions, if applicable
- A date for exercising extensions to the Contract, if applicable
- A description of the terms of any options to extend

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

Jurisdictional Variances

In some countries the agreement between the Lottery and the Bidder will involve a "license" grant in addition to, or instead of, a typical "contract" procurement. Depending on the terms and conditions defined in Chapter 3 (Terms and Conditions) of the RFP, the Lottery may use the alternative, equivalent term "License", which should be defined in Section 1.4 (Glossary of Terms) as such.

3.5.1 Emergency Extension

Recommendations for RFP Content

This section should include any rights the Lottery has 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 a number (to be specified by the Lottery) of 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).

This section should also include limits with respect to:

- Scope of the extension
- Exercising these rights
- Obligations of the Lottery or the contractor(s) involved in providing the extension

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

3.6 Termination of the Contract/License

Recommendations for RFP Content

The Lottery should include a statement in this section indicating that the Lottery may terminate the Contract prior to the expiration date in accordance with the provisions of this section of the RFP.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

3.6.1 Termination for Default

Recommendations for RFP Content

This section should:

- Define what "default" means
- Define the criteria for termination by the Lottery for all reasons other than for cause (see Section 3.6.2) or for the Lottery's convenience (see Section 3.6.3).
- Describe the mechanism by which termination under this subsection may be effectuated

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

Jurisdictional Variances

In some jurisdictions this section may also specify:

- The consequences if the Contract is terminated for default

The following Sample Text may be appropriate to address the jurisdictional variances listed above and may be included in the RFP if applicable.

Jurisdictional Sample Text

If the Contract is terminated for default, the Contractor will be required to transfer title and deliver to the Lottery any completed products that the Contractor has specifically produced or acquired for the terminated portion of the Contract. Upon direction of the Lottery, the Contractor must also protect and preserve property in its possession in which the Lottery has an interest.

The Lottery will pay the Contractor an agreed price for all completed products delivered and accepted and for the protection and preservation of the property. Failure to agree on the amount will be a dispute under the Disputes clause of the Contract; see Section 3.21 (Disputes Under the Contract).

If, after termination under this subsection, it is determined that the Contractor was not in default, or that the default was excusable, the rights and obligations of the parties must be the same as if the termination had been ordered for the convenience of the Lottery.

3.6.2 Termination for Cause

Recommendations for RFP Content

This section should include all possible criteria related to fraud or error, which are to be considered cause for termination.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

Jurisdictional Variances

In some jurisdictions this section may also specify:

- The Lottery's policy concerning participation in lottery games and claiming prizes

The following Sample Text may be appropriate to address the jurisdictional variances listed above and may be included in the RFP if applicable.

Jurisdictional Sample Text

The Lottery will immediately terminate any Contract issued as a result of this RFP by providing written notice to the Contractor if any officer, employee, or agent of the Contractor purchases a ticket or attempts to claim a prize in any Lottery game.

3.6.3 Termination for Convenience

Recommendations for RFP Content

This section should:

- Define the criteria for termination by the Lottery other than for the Bidder's default (see Section 3.6.1) or cause (see Section 3.6.2)
- Describe the mechanism by which such termination may be effectuated
- Describe the consequences of termination other than for default (see Section 3.6.1) or cause (see Section 3.6.2)

- Specify the extent of termination and the effective date
- Define the required number of days' notice before termination

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

Jurisdictional Variances

In some jurisdictions the following Sample Text may be appropriate to address the content requirements listed above and may be included in the RFP if applicable.

Jurisdictional Sample Text

The Lottery may, for any of the following reasons, terminate the Contract or any portion(s) thereof entered into as a result of this RFP upon giving the Contractor not less than <*variable: number*> days' written notice, without prejudice to any rights and cause of action the Lottery may have against the Contractor, specifying the extent of termination and the effective date:

1. The Lottery no longer needs certain or all of the products and/or services specified in the Contract.
2. The Lottery determines that an activity or operation supported by the Contract is no longer lawful for reasons including court decision, legislative action, administrative decision, or advice of counsel.
3. The Lottery determines that a termination is in the Lottery's interest.

After receipt of a Notice of Termination under this subsection, the Contractor must stop work as specified in the Notice, terminate all subcontracts to the extent that they relate to the work terminated, and complete performance of the work not terminated.

The Contractor will be entitled to compensation from the Lottery for:

1. The Contractor's costs incurred in performing the Contract or terminated portion thereof prior to the effective date of termination (less the proceeds received by the Contractor from sales of products supplied in performing the terminated portion of the Contract)
2. A reasonable profit on such costs
3. The Contractor's costs incurred following receipt of Notice of Termination in settling and paying claims arising from terminated subcontracts or portions thereof that are properly chargeable to the terminated portion of the Contract

The compensation payable to the Contractor must not include the costs of unfinished work, work-in-progress, or raw materials acquired unnecessarily in advance, in excess of the Lottery's delivery requirements, or initiated after the Contractor's receipt of Notice of Termination. Failure to agree on the amount of compensation due as a result of a termination under this subsection will be a dispute under the Disputes clause of the Contract.

3.7 End of Contract Conversion

Recommendations for RFP Content

This section should define the arrangements for a new contract award prior to the completion of an existing Contract, including:

- The cooperation required from the Bidder in the conversion process
- The terms for providing continuity of service during conversion
- The disposal of pre-existing equipment

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

Additional Best Practice Guidelines

When composing text, the Lottery should ensure that it is suitable for Bidder acceptance rather than inviting responses.

Jurisdictional Variances

The following Sample Text addresses the content requirements above. In some jurisdictions and for certain types of conversions it may be included in the RFP if applicable.

Jurisdictional Sample Text

Approximately one (1) year prior to the expiration date of the Contract, it is contemplated that the Lottery may award a new Contract for the same products and/or services. The parties must understand and agree that the Lottery may utilize the last 180 days of the Contract for conversion.

The Contractor must cooperate fully and in good faith in such conversion, which may or may not involve other contractors. Cooperation may include, but is not limited to, sharing of liability files, instant ticket book inventory files, retailer authority files, and cross-validation of winning tickets.

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 accommodate 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 the instant ticket 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 to allow the new

contractor proper continuation. Failure to comply with this requirement may result in disqualification.

Further, the Contractor must remove all equipment and materials relating solely to the Contractor's gaming system from each retailer location and from Lottery property within seven (7) days after conversion. Equipment and materials not so removed by the Contractor must be considered abandoned and should be disposed of at the Lottery's discretion at the Contractor's expense.

3.8 Severability

Recommendations for RFP Content

This section should include the terms related to considering separate provisions of the Contract as severable from all other provisions of the Contract.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

3.9 Prime Contractor Responsibilities

Recommendations for RFP Content

This section should:

- Define the role of the Bidder as prime contractor if any work is to be subcontracted
- Indicate who (e.g., the Bidder) will be responsible for activities performed under the Contract, regardless of whether they are performed by the Bidder or the subcontractor
- Define the relationship between the Lottery and the prime contractor
- Specify who (e.g., the Bidder) is to be the sole point of contact with regard to contractual matters, including payment of any or all charges under the Contract
- Indicate who (e.g., the Bidder) is 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
- Indicate who (e.g., the Bidder) 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
- Indicate whether the Bidder must provide a listing of all subcontractors the Bidder proposes to use that are directly related to his obligations under the Contract
- Indicate whether the Lottery shall have the right to communicate with the subcontractor in all matters related to the performance of the Contract

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

3.10 Subcontractor Approval

Recommendations for RFP Content

This section should:

- Define the criteria by which the Lottery approves or declines the appointment of subcontractors by the main contractor
- Define the obligation of the Bidder to appoint alternates to any subcontractors not approved by the Lottery

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

3.11 Assignment

Recommendations for RFP Content

This section should define any constraints on the Bidder's assignment of the Contract or Contract payments to subcontractors or other parties.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

3.12 Background Investigations during the Contract Term

Recommendations for RFP Content

This section should:

- Include a definition of the Lottery's rights to investigate personnel associated with the Bidder and the Bidder's obligations to cooperate with such investigations
- Describe the consequences that may occur in the event that such investigations indicate that an unacceptable person is employed by the Bidder
- Indicate whether a Bidder should provide a list of key personnel whom the Bidder proposes to assign managerial or delivery responsibility as related to the Contract, and if so what other information should be provided on each listed key personnel

- Indicate whether an organizational diagram describing the entire project team directly involved in the fulfillment of the Bidder's responsibilities related to the Contract should be provided

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

Jurisdictional Variances

In some jurisdictions the following Sample Text may be appropriate to address the content requirements listed above and may be included in the RFP if applicable.

Jurisdictional Sample Text

The Lottery may initiate appropriate investigations into the backgrounds of any officers, principals, investors, owners, subcontractors, subsidiaries, parent companies, employees, or any other associates of the Contractor. Such background investigations may include fingerprint identification by the jurisdictional Division of Criminal Investigation, the Federal Bureau of Investigation, or the appropriate equivalent.

By signing a Contract, the Contractor consents to cooperate with such investigations, and to instruct its employees to cooperate. The Lottery may terminate the Contract or require the Contractor to remove an employee from the Lottery project based upon adverse results of background investigations.

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

Recommendations for RFP Content

This section should:

- Define the rights of the Lottery to disapprove any member of the Bidder's staff or staff of the Bidder's subcontractors at any time the Contract is in force
- Define the obligations of the Bidder and the Lottery not to engage or allow the engagement of unfit or unqualified persons or persons not skilled in the tasks assigned to them
- Define the obligations of the Bidder and the Lottery to employ sufficient personnel for carrying out work to full completion in the manner and time prescribed by the Contract
- Define the responsibility of the Bidder to the Lottery for the acts and omissions of the Bidder's employees while performing the services under the Contract

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

3.14 Covenant Against Contingent Fees

Recommendations for RFP Content

This section should:

- Define the Lottery's rights to recover the cost of commission provided to non-*bona fide* agencies and to terminate the Contract
- Include the requirement of the Bidder to warrant that no such commission has been paid or will be paid

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

3.15 Accounting Records

Recommendations for RFP Content

This section should:

- Define the records that must be kept by the Bidder
- Define the Lottery's required rights to access such records
- Include the retention period for the records

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

Jurisdictional Variances

In some jurisdictions the following Sample Text may be appropriate to address the content requirements listed above and may be included in the RFP if applicable.

Jurisdictional Sample Text

The Contractor must maintain its books, records, and all other evidence pertaining to the Contract in accordance with generally accepted accounting principles (GAAP) and such other procedures specified by the Lottery. These records must be available to the Lottery, its internal auditors, or external auditors (and other designees) at all times during the Contract period and any extension thereof, and for three (3) full years from the expiration date and/or final payment on the Contract or extension thereof, whichever is later.

3.16 Right to Audit

Recommendations for RFP Content

This section should:

- Define the Lottery's right to audit the Bidder's accounts and business operations
- Describe the criteria used for such audits
- Outline the consequences of an audit indicating non-compliance with the terms of the Contract

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

3.17 Audit Requirements

Recommendations for RFP Content

This section should:

- Define any additional auditing constraints and requirements for particular types of audit and the standards employed
- State who bears the cost of such audits

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

Jurisdictional Variances

In some jurisdictions the following guidelines may be appropriate to address the content requirements listed above and may be utilized when constructing the RFP text for this section.

Jurisdictional Guidelines

Under the Contract, the Bidder may be required to meet specific auditing obligations:

1. The Bidder may 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 Bidder's certified financial statements must be provided to the Lottery annually.
2. The Bidder may be required to provide the Lottery with Securities and Exchange Commission (SEC) 10-K reports (or the appropriate non-US equivalent) as they are issued, together with any other reports required pursuant to Section 13 of the Securities and Exchange Act of 1934, as amended.

3. A third-party audit of the Successful Bidder's operations, internal controls, and related activities may be required by the Lottery. Either the Lottery or Successful Bidder will bear the cost of the audit. For this audit, the Lottery and the Auditor of the jurisdiction will select the firm(s) to perform the work. All financial aspects must be conducted pursuant to auditing standards as issued by the American Institute of Certified Public Accountants (or appropriate non-US equivalent). The Lottery may designate the period to be covered by the audit. The Lottery may require the first audit to be conducted within ninety (90) days of production operations of the system.

3.18 Non-Exclusive Rights

Recommendations for RFP Content

If applicable, the Lottery should specify that there is nothing in this RFP and the subsequent Contract that shall grant or be interpreted as either party granting any exclusive rights to the other party unless explicitly stated.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

3.19 Right of Use/USUFRUCT

USUFRUCT is the legal right to use and derive profit from property that belongs to another party, as long as the property is not damaged or altered in any way.

Recommendations for RFP Content

This section should:

- Define the Lottery's right of use of equipment, software, and documentation in the event that the Bidder cannot meet its contractual obligation
- Define any constraints on the Lottery's right of use
- Define the Lottery's obligation to the Bidder for confidentiality and surrender when the right of use ceases

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

3.20 Bidder Ethics and Integrity

Recommendations for RFP Content

This section should:

- Define the Lottery's requirements for the Bidder's Code of Ethics with respect to all employees, independent vendors, and subcontractors
- Indicate the possible consequences should the Bidder violate the ethical standards defined in this section

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

3.21 Disputes Under the Contract

Recommendations for RFP Content

This section should:

- Define the agreed procedures for the resolution of disputes and the Bidder's right of appeal
- Define the Bidder's obligations under the Contract pending the resolution of a dispute or appeal

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

Jurisdictional Variances

In North America, depending upon the law of the State, one of the following Sample Text statements may be appropriate in the <*variable: refer to SRT Guide*> field of the SRT:

"… commence formal proceedings *under the Administrative Procedures Act* to resolve the Dispute, provided, however, that the complaining party …"

OR:

"… commence formal proceedings in *a court of competent jurisdictio*n to resolve the Dispute, provided, however, that the complaining party …"

3.22 Cooperation of the Parties

Recommendations for RFP Content

This section should:

- Define the requirements for the Lottery and Bidder to cooperate in the fulfillment of the Contract
- Define the Bidder's obligations to cooperate with third-party Bidders and the extent of, and criteria that may apply to, compensation of the Bidders for such cooperation

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

Additional Best Practice Guidelines

Contractors are advised to also refer to the requirements in Section 3.40.8 (Attachment of Third-Party Systems, Terminals, or Products).

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

Recommendations for RFP Content

This section should:

- Clearly identify which equipment and software corrections, changes, upgrades, and expansion are specifically required under the scope of the RFP and the agreement ensuing from it
- Indicate that any changes, upgrades, or expansion beyond the scope of the RFP are subject to negotiation and approval by both parties, or subject to a separate agreement

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

3.23.1 Services within Original Scope

Recommendations for RFP Content

This section should indicate what the Bidder's services must include in terms of:

- Fixes to software and equipment defects, such as software enhancements and new gaming features, software changes for promotions, new games from the Bidder's library, and changes to reports and administrative features as are explicitly related to the scope of work in the RFP and which are identified by the Bidder as part of its Proposal

- Software maintenance including supported releases for any third-party products incorporated
- Accommodating any additional play volumes associated with the Lottery terminals of the initial installation or expansion under this paragraph

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

3.23.2 Deliverables and Services Not Originally Defined

Recommendations for RFP Content

This section should include terms and conditions for:

- Changes and enhancements that exceed the RFP
- Contractually specified requirements that are not otherwise accommodated by the above or by the pricing method in the RFP; these include, but are not limited to, categorically different service obligations and new technology enhancements.
- Whether pricing should be indicated in the Proposal or the subject of a separate agreement

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

Jurisdictional Variances

In some jurisdictions the following Sample Text may be appropriate to address the content requirements listed above and may be included in the RFP if applicable.

Jurisdictional Sample Text

Changes and enhancements that exceed RFP and contractually specified requirements (and which are not otherwise accommodated for in this section or by the pricing method in the RFP) will have the terms and price negotiated and approved by both parties, or be subject to a separate agreement.

3.24 Management of Software and Documentation

Recommendations for RFP Content

This section should describe the requirements of the Lottery regarding the handling of software source programs, program object code, operations manuals, service manuals, written procedures, and any such other materials necessary for the Lottery to operate the system.

These requirements should address in particular:

- If the information should be deposited with an escrow agent
- If this information is to be handed over and in what form
- How changes to this information are handled and in which timeframes
- Who will incur the costs for the initial delivery and ongoing updates

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

3.25 Liquidated Damages Provisions

Recommendations for RFP Content

This section should define the Lottery's right to liquidated damages, if applicable, and the extent of these damages in various situations.

This section may include, but is not limited to:

- An agreement between the parties that the liquidated damages specified in this section are reasonable and will remain reasonable for as long as the Contract is in force
- A statement that the Lottery will convene an annual review by the Lottery and Bidder for the purpose of negotiating an adjustment of the liquidated sum for individual performance failures
- A statement that liquidated damages should not be assessed under multiple provisions relating to a single incident
- Who will determine the appropriate assessment of liquidated damages and how the Bidder will be notified
- How the money owed for liquidated damages will be paid and in what timeframe
- A statement that the Contract may contain provisions for (some or all of) the following type of liquidated damages (the Lottery may add, delete, or modify conditions):
    1. Late conversion/installation of gaming system
    2. Failed acceptance testing
    3. Central system downtime
    4. Central system degraded performance
    5. Terminal downtime
    6. Terminal provisioning
    7. Terminal preventive maintenance

8. Terminal/retailer supply shortage
9. Delayed monitor repair
10. Delay in the start of a new game
11. Delay of modification of online game(s)
12. Insufficient Contractor resources
13. Failure to provide enhancements
14. Security violations
15. Unauthorized access
16. Failure to report incidents
17. Failure to deliver log files
18. Lack of timely software additions or modifications
19. Unauthorized software additions or modifications
20. Lack of timely and accurate reports
21. Lack of timely and accurate files

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

Jurisdictional Variances

In some jurisdictions the following Sample Text may be appropriate to address the content requirements listed above and may be included in the RFP if applicable.

Jurisdictional Sample Text

The Lottery and the Contractor agree that it will be extremely impractical and difficult to determine actual damages that the Lottery may sustain in the event that the Contractor fails to perform its responsibilities under the Contract. The products and/or services to be provided under the Contract are not readily available on the open market; any breach by the Contractor may delay and disrupt the Lottery's operations and may lead to damages. Therefore, the parties agree that the liquidated damages as specified below are reasonable and will remain reasonable as long as the Contract is in force.

The Lottery may also consider whether it wants to convene an annual review by the Lottery and Contractor for the purpose of negotiating an adjustment of the liquidated sum for individual performance failures.

Liquidated damages must not be measured in terms of potential lost revenue or potential lost net profit to the Lottery, unless and to the extent that the Lottery determines, or alternatively, that a

court of competent jurisdiction determines, that actual loss can be measured precisely and that the written liquidated damages provision is unreasonable and/or unenforceable as a matter of law.

Assessment of liquidated damages must be in addition to, and not in lieu of, such other, non-monetary remedies as may be available to the Lottery. Except and to the extent expressly provided herein, the Lottery must be entitled to recover liquidated damages under each section applicable to any given incident. Smaller damages that are a consequence of a larger problem may, at the Lottery's discretion, be subsumed into the larger penalty.

The Lottery, at its sole discretion, may determine appropriate assessment of liquidated damages. The Lottery must notify the Contractor of the assessment in writing.

All assessed liquidated damages must be deducted from any moneys owed to the Contractor by the Lottery. In the event that the amount due to the Contractor is not sufficient to satisfy the amount of the liquidated damages, the Contractor must pay the balance to the Lottery within thirty (30) calendar days of written notification. If the amount due is not paid in full, the balance will be deducted from subsequent payments to the Contractor. The Lottery, at its sole discretion, may obtain payment of assessed liquidated damages through one (1) or more claims upon the Performance Security.

3.26 Ownership of Materials and Intellectual Property

Recommendations for RFP Content

This section should define the parties' rights of ownership with regard to intellectual property requested or specified by the Lottery in the RFP and developed during performance of the Contract. Any license should be limited to the use of the material by the Lottery on the system provided under the Contract, and should exclude anything that is proprietary to the Contractor.

This section may indicate:

- Those areas that comprise the Intellectual Property Rights, which may include but are not limited to the non-exhaustive following list: all rights, title, and interest constituting copyrights, trademarks, trade secrets, patents, or any other proprietary rights arising out of or embodied in the materials and processes that are covered by the Intellectual Property Rights
- The materials and processes, to which the Intellectual Property Rights apply, which may include but are not limited to the following non-exhaustive list: all inventions, ideas, concepts, discoveries, designs, computer software (including source code, object code, and any other software in various stages of development), improvements and techniques, creative works and original works of authorship, specifications, databases, processes, compositions of matter, drawings, notes, documents, transactions and reports, and information
- A statement that all Lottery materials are to be considered a "work made for hire" under copyright law and who would own the copyrights and Intellectual Property Rights therein

- When and what the Bidder is to do with all copies of the Lottery materials that are in possession of the Bidder
- Ownership rights of all data, documentary material, and operating reports originated from Lottery transactions and reports prepared for the Lottery pursuant to any Contract resulting from this RFP; this may include, but is not limited to, any specification documentation or other project-related material produced or gathered after contract award and before the Contract is signed
- Who and for what period of time (for example, during the Term of the Contract or any extension thereof) the owner (for example, the Bidder) will retain ownership of the terminals, systems, system documentation, and software
- A statement that at the end of the Contract period, a Lottery may request buy-out terms from the Bidder permitting the Lottery to assume ownership of the terminals and systems, and receive a right to use and maintain the software and documentation
- A statement that at the end of the Contract period, if any items or materials remain in the Bidder's possession, any Lottery identification must be removed

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

Jurisdictional Variances

In some jurisdictions the following Sample Text may be appropriate to address the content requirements listed above and may be included in the RFP if applicable.

Jurisdictional Sample Text

All materials and processes (including without limitation any work performed prior to the effective date of the Contract) have been specially ordered and commissioned by the Lottery ("Lottery Materials"). Accordingly, subject only to the Contractor's rights in the contractor materials described in the Contractor's Proposal ("Contractor Materials"), all right, title, and interest constituting copyrights, trademarks, trade secrets, patents, or any other proprietary rights arising out of or embodied in the materials and processes, including but not limited to all inventions, ideas, concepts, discoveries, designs, computer software (including source code, object code, and any other software in various stages of development), improvements and techniques, creative works and original works of authorship, specifications, databases, processes, compositions of matter, drawings, notes, documents, and information (all of the foregoing hereafter collectively referred to as Intellectual Property Rights), will be owned by the Lottery. Without limiting the generality of the foregoing, and subject only to the limitations above, the Contractor agrees that all Lottery Materials are a "work made for hire" under US copyright law, with all copyrights therein owned by the Contractor, provided that the Contractor agrees to grant to the Lottery a perpetual, non-exclusive, non-transferable license for its use of the materials.. Any documentation in any medium, including but not limited to magnetically or optically encoded media, and Lottery Materials or processes or any Intellectual Property Rights therein, will be owned by the Contractor.

Ownership of all data, documentary material, and operating reports originated from Lottery transactions and reports prepared for the Lottery pursuant to any Contract resulting from this RFP shall belong to the Lottery. This includes in particular any specification documentation or other project-related material produced or gathered after Contract Award and before the Contract is signed.

During the Term of the Contract or any extension thereof, the Contractor will retain ownership of the terminals, systems, system documentation, and software. In any case, at the close of the Contract or any extension thereof, at the Lottery's sole discretion, the Lottery may request buyout terms from the Contractor permitting the Lottery to assume ownership of the terminals and systems, and receive a right to use and maintain the software and documentation. If at the end of the Contract any items or materials remain in the Contractor's possession, any Lottery identification must be removed.

3.27 Title to, and Use of, Third-Party and Bidder Intellectual Property Rights

Recommendations for RFP Content

This section should:

- Define the Lottery's requirements for ownership and licensing of Intellectual Property Rights including that of third parties to the Contract; see Section 3.26 (Ownership of Materials and Intellectual Property) of the RFP

This section may indicate:

- That if the Bidder utilizes or relies upon the Intellectual Property Rights of a third party in fulfilling its obligations under the Contract, the Bidder should provide the Lottery with whatever assurance the Lottery deems necessary that the use of such third party's Intellectual Property Rights is permissible
- The terms and conditions that the Lottery and the Bidder agree upon with respect to all Intellectual Property Rights associated with any product and/or service provided by (or developed by) the Bidder under the Contract
- That the Bidder must agree to grant a license to the Lottery to make use of any such Intellectual Property Rights retained by the Bidder, and for how long and for what purposes those licenses are granted

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

3.28 Patents, Copyrights, Trademarks, and Trade Secrets

Recommendations for RFP Content

This section should:

- Define the measures that the Bidder should take to avoid any infringement, during all phases of development and by all employees or subcontractors who are participating in product development
- Define the requirements to rectify infringement of Intellectual Property Rights by the Bidder or the Lottery
- Define the specific obligations and options available to the Bidder to rectify infringement

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

3.29 Intellectual Property Indemnification

Recommendations for RFP Content

This section should:

- Define the requirements for cross-indemnification for infringement of Intellectual Property Rights by the Bidder or the Lottery
- Define the requirements for rectification by the Bidder
- Define who should bear the cost of rectification

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

3.30 Indemnification

Recommendations for RFP Content

This section should:

- Define the requirements for general indemnification by the Bidder to defend any legal action taken against the Lottery or its offices and employees in connection with the Contract, which is not due to the Lottery's negligence
- Address conflict of interest with respect to the legal defense provided by the Bidder
- Specify whether the term of the indemnification will continue after termination of the Contract

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

3.31 Confidential Information

Recommendations for RFP Content

This section should:

- Define the confidentiality requirements and obligations on both the Lottery and the Bidder, including how confidential information is identified, held secure, and eventually returned
- Define the requirements for mutual notification of a breach of confidentiality

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

Additional Best Practice Guidelines

The Lottery is advised to consider the requirements in Section 1.18 (Public Records and Request for Confidentiality) of the RFP.

Jurisdictional Variances

Information that is classified as “CONFIDENTIAL” may vary between jurisdictions.

In some jurisdictions the following Sample Text may be appropriate to address the content requirements listed above and may be included in the RFP if applicable.

Jurisdictional Sample Text

All confidential information provided must be clearly marked as “CONFIDENTIAL” by the party providing the information at the time of disclosure to the other party. The Contractor must limit such identification to information it reasonably believes is entitled to confidential treatment pursuant to the public records provisions of jurisdictional law. Each party must hold the confidential information of the other in strictest confidence and, except as previously authorized in writing by the other party: (i) must use the confidential information only in furtherance of the Contract; (ii) must only copy confidential information to the minimum extent necessary to perform the necessary tasks relating to the confidential information; and (iii) must not disclose the confidential information to any person or entity except those employees of the party to whom the information has been disclosed who have a need to know the confidential information for purposes contemplated by the Contract.

The parties' obligations under this provision do not apply to information which: is publicly available or in the public domain when provided; is or becomes publicly available or public domain information through no fault of the recipient of the information subsequent to the time it was provided; is rightfully communicated to the recipient of the information by another party; is

independently developed by the recipient; or is disclosed pursuant to jurisdictional law or the order of a court or government authority. The parties' obligations under this provision must survive the conclusion of the Contract and are perpetual.

The Contractor's employees and agents may have access to private or confidential data maintained by the Lottery to the extent necessary to carry out its responsibilities under the Contract. The Contractor must designate one individual who must remain the responsible authority in charge of all data collected, used, or disseminated by the Contractor in connection with the performance of the Contract. The Contractor must accept responsibility for providing adequate supervision and training to its agents and employees to ensure compliance with the terms of this Contract. The private or confidential data must remain the property of the Lottery at all times.

No private or confidential data collected, maintained, or used in the course of performance of the Contract must be disseminated except as authorized by statute, either during the period of the Contract or thereafter. Any data supplied to the Contractor by the Lottery must be considered the property of the Lottery.

The Contractor agrees to return any and all data furnished by the Lottery promptly at the request of the Lottery in whatever form the Contractor maintains it. Upon the termination or completion of the Contract, the Contractor must not use any of such data or any material derived from the data for any purpose. Otherwise, upon the request of the Lottery, the Contractor will destroy the data and make it unreadable.

The Contractor must indemnify the Lottery for a violation of this section. The Contractor must notify the Lottery prior to the destruction of these materials and must provide the Lottery with the opportunity to confirm the proper destruction of these materials.

The Contractor must be responsible for the proper custody and care of any Lottery-owned personal tangible property furnished for the Contractor's use in connection with the performance of the Contract, and the Contractor will reimburse the Lottery for such property's loss or damage caused by the Contractor, normal wear-and-tear excepted.

In the event that the Contractor receives a request for information supplied to it by the Lottery, the Contractor must immediately notify the Lottery of the request by telephone and fax. The Contractor will not release the information subject to the request without the Lottery's permission or pursuant to a court order.

The Contractor, its officers, employees, agents, representatives, and subcontractors must not disclose to any other person or entity any information pertaining to the Lottery's methods, systems, programs, procedures, or operations at any time without prior written approval of the Lottery, except as may be necessary in its performance of the Contract.

The Lottery, its officers, employees, agents, representatives, and contractors – to the extent permitted by jurisdictional law – must not disclose to any other person or entity any confidential, secret, or proprietary information or know-how concerning the equipment, programming, software, trademarks, trade, or commercial secrets of the Contractor or its subcontractors, at any time without the express prior written approval of the Contractor, except as may be necessary in its performance of this Contract.

In the event that any demand, claim, action, or proceeding of any nature whatsoever is made, asserted, or instituted that has as its purpose or object, or may have as its consequence, the disclosure to any person of any of the information referred to herein, each party must immediately: notify the other party thereof; upon request, join and support the other party should the other party seek any stay, injunction, restraining order, protective order, declaratory judgment, or any other form of interim or permanent relief, order, or judgment whose object is to avoid, prevent, delay, or limit the disclosure of such information; and must not disclose such information unless, until, and only to the extent required to do so, by the final order of a judicial, legislative, executive, or administrative authority having actual jurisdiction thereof.

3.32 Taxes, Fees, and Assessments

Recommendations for RFP Content

This section should:

- Define the Lottery's requirements of the Bidder with respect to taxes and fees
- State the Lottery's obligations in this respect

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

Jurisdictional Variances

In some jurisdictions the following Sample Text may be appropriate to address the content requirements listed above and may be included in the RFP if applicable.

Jurisdictional Sample Text

The Contractor must pay all taxes, fees, and assessments upon the system, however designated, levied, or based. The jurisdiction in which the Lottery operates is exempt from jurisdictional and local sales and use taxes on the services provided pursuant to this Contract.

3.33 Advertising

Recommendations for RFP Content

This section should define the rights, if any, that the Bidder has to use the Lottery's logo on marketing collateral.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

3.34 Force Majeure/Delay of Performance

Recommendations for RFP Content

This section should define:

- *Force majeure*
- The liabilities and obligations of both the Lottery and the Bidder in the event of *force majeure*

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

3.35 Warranties

Recommendations for RFP Content

This section should define warranties that the Bidder must offer to the Lottery that should include, but are not limited to, the following:

- Adherence to jurisdictional and federal law
- Quality of design, development, and deliverables
- Support and maintenance

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

Jurisdictional Variances

In some jurisdictions the following Sample Text may be appropriate to address the content requirements listed above and may be included in the RFP if applicable.

Jurisdictional Sample Text

The Contractor is fully authorized and prepared to enter into and fully perform the terms and conditions of the Contract.

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.

Any manufacturer or product warranties must extend to any components of the product supplied during the Contract and any extension periods.

The product must in all respects meet or exceed all of the Lottery's requirements set forth in the RFP, including, but not limited to, the Lottery's functional, technical, and maintenance requirements, and must be suitable for the duration of the Contract and any extension periods.

The Contractor will comply with all jurisdictional laws, ordinances, rules, and regulations applicable to its activities and obligations under the Contract.

The Contractor has not granted previously and will not grant any rights in the product or any components of the product that are inconsistent with the rights granted to the Lottery herein.

The product (including all components thereof), Contractor's performance hereunder, and the use by the Lottery of the product as contemplated in the Contract, do not and will not, to the best of the Contractor's knowledge, infringe any copyright.

All services provided by the Contractor pursuant to the Contract will be performed in a prompt, competent manner by properly trained individuals in accordance with the highest standards of the Contractor's industry.

The Contractor will, at all times during the Term of the Contract and any extensions thereof, be qualified and professionally competent, and will procure and maintain, at its expense, all licenses, permits, and governmental approvals, if any, necessary to the performance of its obligations under the Contract.

The processing of date and date-related data pursuant to the Contract must be fault-free. This includes, but is not limited to, calculating, comparing, and sequencing by all hardware, software, and firmware products delivered under the Contract, individually and in combination, upon installation. Fault-free includes the manipulation of this data with dates prior to, through, and beyond <*variable: date*>, and must be transparent to the Lottery.

The Contractor has and if necessary will provide to the Lottery good and clear title to the product (including all components thereof), free and clear of any liens, encumbrances, or security interests.

No software program, process, composition, writing, equipment, appliance or device, or any trademark, service mark, logo, idea, or any other work or invention of any nature or any other tangible or intangible property whatsoever developed, provided or used by the Contractor (other than that provided or used by the Lottery or another Contractor at the Lottery's request) in connection with its performance under the Contract, infringes or will infringe any patent, copyright, trademark, logo, and/or other service mark of any other person, or entity, or is or will be a trade secret of any other person. The Contractor warrants and represents that it has appropriate products and controls in place to ensure against such infringement in the acquisition, operation, or maintenance of the product. Upon request, the Contractor must provide the Lottery with documentation indicating a third party's written approval and license for the Contractor to use and sublicense the third party's copyright, patent, trademark, or trade secret.

The Contractor must maintain the minimum staffing levels set forth in its plan submitted in response to the RFP.

3.36 Insurance

Recommendations for RFP Content

This section should define any Lottery requirements of the Bidder with respect to insurance during the Term of the Contract, including, but not limited to:

- Scope
- Any limitations on who may be the insurer
- Renewal
- Cancellation
- Insurance certification
- Whether the Lottery is co-insured
- Coverage
- Excess
- Who is liable for the cost

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

Jurisdictional Variances

The Lottery may find it useful to contact the lottery trade associations – such as the WLA or NASPL – for recommendations on what insurance schemes are in place at a particular time for the lottery industry. Available schemes may assist the Lottery in drafting their insurance requirements to coincide with such standard insurance coverage for lotteries.

In some jurisdictions the following Sample Text may be appropriate to address the content requirements listed above and may be included in the RFP if applicable.

Jurisdictional Sample Text

The Contractor must maintain in effect, with insurance companies or financial institutions duly licensed, admitted and authorized to transact business in the jurisdiction of the Lottery and which are financially rated “A” or better by a rating agency nationally recognized in the jurisdiction of the Lottery, at its own expense, insurance covering its work of the type and in amounts as reasonably required by the Lottery.

The Contractor’s insurance must, among other things, insure against any loss or damage resulting from or related to the Contractor’s performance of this Contract.

All such insurance policies must remain in full force and effect for the entire life of the Contract.

All required insurance coverage must be put into effect as of the effective date of the Contract and must remain in effect through the Term of the Contract.

The Lottery must receive at least thirty (30) days' advance written notice of cancellation, termination, or failure to renew any insurance policy or coverage required by this section.

The Lottery must be named as an additional insured on all required insurance coverage.

The Contractor must submit certificates of insurance for each of the required coverages within ten (10) days after the date hereof and evidence of any renewed bonds or insurance policies within five (5) days prior to the expiration of the then existing policies.

The Contractor must maintain the following coverage during the Term of the Contract:

- Insurance on all of the Contractor's equipment used in operating the gaming system in the amount of actual replacement cost thereof. Said policy shall include an All Risk Property Floater to insure personal property, including equipment and mobile items against fire, collision, flood, acts of God, and other causes.
- Comprehensive General Liability and Property Damage Insurance with limits of not less than <*variable: amount*> for any one person and <*variable: amount*> for any one occurrence for personal injury, and <*variable: amount*> for any one occurrence for property damage.
- Errors and Omissions Insurance with limits of not less than <*variable: amount*>. Such insurance shall be continued for at least one (1) year 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 system downtime, any error or omission during the period of time that Retailer Terminals are expected to be operational, machine error, or any error or omission caused by the Contractor, its officers, employees, subcontractor, or assigns, regardless of negligence.
- Insurance covering all automotive equipment used in the jurisdiction in operation of the gaming system with an Automobile Bodily Injury Insurance limit of <*variable: amount*> for each person and <*variable: amount*> for each accident, and Property Damage Liability Insurance with a limit of not less than <*variable: amount*> for each accident. Employees of the Contractor must be insured according to jurisdictional law and must be covered to the full extent under worker's compensation.
- Crime Insurance with limits of not less than <*variable: amount*>.
- Business Interruption Insurance with limits of not less than <*variable: amount*>.
- Automotive Insurance with limits of not less than <*variable: amount*>.

The Lottery must provide a reference or URL for all necessary documentation and application forms applicable to the RFP.

3.37 Compensation Procedures and Mechanisms for Use During the Contract

Recommendations for RFP Content

This section should define the procedures and mechanisms by which the Bidder is compensated during the Term of the Contract.

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

Jurisdictional Variances

In some jurisdictions the following Sample Text may be appropriate to address the content requirements listed above and may be included in the RFP if applicable.

Jurisdictional Sample Text

The Contractor will be compensated using a weekly settlement process. The submitted invoices must be confirmed by the Lottery based on management and accounting reports. Confirmed invoices should be paid within thirty (30) days of receipt.

The Lottery should state its financial year. Payments to the Contractor from the Lottery in any given fiscal year are contingent upon enactment of appropriation legislation.

3.38 Notice

Recommendations for RFP Content

This section should define the form and process of notification between the Lottery and the Bidder.

This section may indicate that:

- All notices and communications must be in writing and must be effective when received by the addressee.
- Until notified otherwise, notices and communications concerning a contract award must be addressed to a contact/address specified by the Lottery.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

3.39 Acceptance Testing

Recommendations for RFP Content

This section should:

- Define the Lottery's right to conduct a series of acceptance tests to determine the passing or failing of the Bidder's installation according to the specifications of the RFP
- Describe the consequences of passing or failing the acceptance tests and the obligations of the Bidder to meet all the requirements of the tests
- Indicate that the Bidder must work with the Lottery to meet the best practice requirements defined in the NSI QA Acceptance Testing Best Practice

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

Jurisdictional Variances

In some jurisdictions the following Sample Text may be appropriate to address the content requirements above and may be included in the RFP if applicable.

Jurisdictional Sample Text

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 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.

The Contractor must work with the Lottery in the Lottery's attempts to implement the NSI: Quality Assurance Acceptance Testing Best Practice.

3.40 Additional Sections Based on Jurisdictional Requirements

The previous section represents the last section in this chapter that has a corresponding section in the SRT. All subsequent sections represent areas that have known requirements for certain jurisdictions, and are included here with suggested text and compliance boxes that may be included in the RFP by those jurisdictions where the requirements apply. If any of these additional sections are added, they must be added in a way that preserves the existing outline numbering scheme of the SRT as specified in Part 1, Section 4.2.1.1 (Best Practice Requirements).

3.40.1 Ticket Purchase and Prize Payment Restrictions

Recommendations for RFP Content

This section should:

- Define any constraints on the purchase of Lottery tickets by and the award of prizes to the Bidder's employees and their relatives
- Define the Bidder's obligation to monitor the same and to cooperate with the Lottery's restrictions

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

Jurisdictional Variances

In some jurisdictions the following Sample Text may be appropriate to address the content requirements above and may be included in the RFP if applicable.

Jurisdictional Sample Text

The Contractor's employees who are assigned to provide direct service to any Lottery facility and members of their immediate family are ineligible to purchase Lottery game tickets and must not receive any Lottery prizes. Immediate family is defined as a person's spouse, children, brothers or sisters, or parents, who reside within the same household of the person. The Contractor must ensure that this requirement is made known to each affected individual.

The Contractor must supply a list of employees and their Social Security Numbers within thirty (30) days of Contract Award and maintain and update this list as needed.

The Contractor agrees to take all steps necessary to ensure the enforcement of this provision for the duration of the Contract.

3.40.2 Escrow of Source Code and Documentation

Recommendations for RFP Content

In protection of the Lottery's ability to operate the system in case of the Bidder's inability to fulfill his contractual obligations, this section should:

- Define the rights of the Lottery with respect to Bidder's source code and documentation relevant to the system to be placed in escrow or to update the materials in escrow
- Define the time limit for a Bidder to respond to a request for escrow deposit or update
- Define what must be delivered by the Bidder to the Lottery in order to allow the Lottery to build, install, and operate the system
- Define who will be responsible for the costs of putting material in escrow, including the Bidder's effort to prepare any such materials
- Define who must approve the escrow arrangement and indicate that the approval must not be unreasonably withheld

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

Jurisdictional Variances

In some jurisdictions the following Sample Text may be appropriate to address the content requirements above and may be included in the RFP if applicable.

Jurisdictional Sample Text

In protection of the Lottery's ability to operate the system in case of the Contractor's inability to fulfill his contractual obligations, the Lottery has the right to request any and all Contractor source code and any and all documentation relevant to the system to be placed in escrow.

Upon the Lottery's request for escrow deposit or update, the Contractor shall within thirty (30) working days deliver a complete listing of the software source programs, source codes, make files, installation and operations manuals, service manuals and written procedures, with program object codes for all software and any such other materials necessary for the Lottery to build, install, and operate the system, excluding third-party software. This includes all software executed on the equipment pertaining to the final contract. These materials would allow the Lottery to continue operations in the event the selected Contractor becomes unable to perform. Upon the Lottery's acceptance of the content of the escrow material, the Contractor shall deposit the material with the designated escrow agency within 30 working days.

Upon the specific request of the Lottery to update the material in escrow, as changes are implemented, not only will the changes be added to the escrow account, but the following will be added to the escrow account as well: documentation including source code procedural

changes; the reason(s) for the changes; identification of the personnel instituting the changes; the authorization for the changes; and the date of the changes.

All cost for putting material in escrow shall be at the Lottery's expense, including the Contractor's effort to prepare any such materials. [The parties have agreed a fixed charge of <*variable: currency & amount*> as remuneration from the Lottery to the Contractor for the Contractor's efforts on each such occasion.]

The escrow arrangement is subject to approval by the Lottery, where such approval shall not be unreasonably withheld. The cost of the escrow account will be the Lottery's obligation.

3.40.3 Release of Material in Escrow

Recommendations for RFP Content

This section should define the terms of release for material held in escrow.

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

3.40.4 Security Program under the Contract

Recommendations for RFP Content

This section should:

- Define the Lottery's requirements of the Bidder for virtual and physical security
- Define the Lottery's right of audit and review of their implementation

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

Jurisdictional Variances

In some jurisdictions the following Sample Text may be appropriate to address the content requirements above and may be included in the RFP if applicable.

Jurisdictional Sample Text

Prior to operations under the Contract, the Contractor must establish a physical and software security program for the entire system, subject to the prior written approval of the Lottery. This program may be updated, reviewed, and approved annually by the Lottery.

3.40.5 Bidder Employment Practices

Recommendations for RFP Content

This section should:

- Reference any jurisdictional and federal laws related to the Bidder's equal employment opportunity hiring and non-discriminatory employment practices
- Define the consequences of the Bidder's failure to comply with the requirements

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

Jurisdictional Variances

In some jurisdictions the following Sample Text may be appropriate to address the content requirements above and may be included in the RFP if applicable.

Jurisdictional Sample Text

Any firm awarded a Contract pursuant to this RFP agrees that it will comply with all provisions and current executive orders on Equal Employment Opportunity issued by the Governor of the jurisdiction in which the Lottery operates, together with all other applicable jurisdictional laws, rules, and regulations.

In the event that the Contractor fails to comply with these requirements, the Lottery reserves the right to *<variable: consequences of non-compliance>*.

3.40.6 Diversity in Contracting

Recommendations for RFP Content

This section should describe the Lottery's position, policy, and any jurisdictional mandates designed to promote economic opportunity and diversity in contracting (e.g., consideration for and contracting with Minority Business Enterprises).

Since lottery jurisdictions may have a wide range of requirements in this area, lottery-specific rules and regulations related to diversity in contracting should be communicated here and any required forms for submission along with the RFP should be specified here.

Further, this section should identify any diversity in contracting laws or government initiatives related to the subcontracting activities of the Bidder and define the consequences of the Bidder's failure to comply with the requirement.

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

Jurisdictional Variances

In some jurisdictions the following Sample Text may be appropriate to address the content requirements above and may be included in the RFP if applicable.

Jurisdictional Sample Text

In addition to the equal employment requirements outlined in Section 3.40.5 (Bidder Employment Practices), Contractors are advised to refer to the requirements in Section 1.41.2 (Affirmative Action).

During the performance of this Contract, the Contractor and its subcontractor(s) must not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), marital status, age (over 40), sexual orientation, or sex. The Contractor and its subcontractor(s) must ensure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination and harassment. The Contractor and its subcontractors must comply with provisions of jurisdictional law as follows: *<variable: provide citations>*. Violation of provisions in this section may represent grounds to terminate the Contract for breach, and any loss of revenue sustained by the Lottery by reason thereof must be borne and paid for by the Contractor.

The Contractor must include the non-discrimination and compliance provisions of this section in all subcontracts for performance of work under the Contract. The Contractor and its subcontractor(s) must give written notice of their obligations under this section to labor organizations with which they have a collective bargaining or other contract. The Contractor and its subcontractor(s) will permit access to their records of employment, employment advertisement, application forms, and other pertinent data and records, by any agent designated by the Lottery to investigate and to ascertain compliance with the non-discrimination section of the Contract.

3.40.7 Fidelity Bond

Recommendations for RFP Content

This section should:

- Define any Lottery requirements of the Bidder with respect to obtaining and maintaining a Fidelity Bond
- Include the amount of such a Bond

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

Jurisdictional Variances

In some jurisdictions the following Sample Text may be appropriate to address the content requirements above and may be included in the RFP if applicable.

Jurisdictional Sample Text

Prior to execution of the Contract, the Contractor will be required to obtain a Fidelity Bond in the amount of <*variable: amount*> covering any loss to the jurisdiction due to any fraudulent or dishonest act on the part of the Contractor's officers, employees, agents, or subcontractors.

3.40.8 Attachment of Third-Party Systems, Terminals, or Products

Recommendations for RFP Content

This section should:

- Define the Lottery's rights with respect to attachment or integration to the system of third-party systems to the Bidder's system, which could include, but are not limited to, terminals, terminal peripherals, software, products, or systems other than those required by the RFP
- Define the Lottery's rights to make available the Bidder's proprietary interface definitions
- State any restrictions to such rights acceptable to the Lottery
- Define the requirements of the Bidder for cooperation
- Define the criteria for and extent of any compensation to the Bidder
- Define the course of action in terms of negotiating remuneration, should the Bidder be designated as responsible for the integration or maintenance of the attached or integrated components

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

Jurisdictional Variances

In some jurisdictions the following Sample Text may be appropriate to address the content requirements above and may be included in the RFP if applicable.

Jurisdictional Sample Text

The Lottery reserves the right to attach to the system or otherwise install: terminals, terminal peripherals, software, products, or systems other than those required by this RFP.

The Contractor must supply to the Lottery specifications to permit other products to carry out all functions and capabilities desired by the Lottery among the functions and capabilities of the

Contractor's products required by the Contract. The Contractor must provide such information and data as may be required by the Lottery to conduct future procurements for additional products, including providing facilities and support as requested by the Lottery to allow other Contractors to integrate or install and test products during the Proposal Evaluation process. The Lottery will monitor progress to ensure full cooperation.

The Contractor's interests in its own intellectual property must be protected by appropriate confidentiality agreements. Should the Lottery propose to add terminals, products, systems, or services not supplied by the Contractor for this RFP, but for which the Contractor would gain responsibility, appropriate remuneration of the Contractor would be negotiated.

Contractors are advised to also refer to the requirements in Section 3.22 (Cooperation of the Parties).

3.40.9 Performance Bond

Recommendations for RFP Content

This section should:

- Define any Lottery requirements of the Bidder with respect to obtaining and maintaining a Performance Bond
- Include the amount of such a Bond
- Include any limitations on who may issue such a Bond

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

Jurisdictional Variances

In some jurisdictions the following Sample Text may be appropriate to address the content requirements above and may be included in the RFP if applicable.

Jurisdictional Sample Text

Within fifteen (15) business days of signing the Contract, the Contractor will be required to obtain a Performance Bond in the amount of <*variable: amount*> for the first year of the Contract.

The Performance Bond may be drawn upon by the Lottery if the Contractor defaults in the performance of the Contract.

The amount of the Performance Bond for the second and subsequent years of the full operations of the online system must be the sum of <*variable: amount*> and the total of all liquidated damages assessed to the Contractor during the preceding <*variable: number of months*> of operation under the Contract.

The Performance Bond will remain in effect for thirty (30) days after the Term of the Contract and any exercised extensions.

The Performance Bond will be assessed on any liquidated damage payments due to the Lottery, which have not been received within thirty (30) calendar days after written notice of their being incurred has been given to the Contractor.

A Performance Bond may be in the form of a policy or certificate issued by a reputable surety company.

A certified check or cashier's check made payable to the Lottery may be accepted in lieu of the surety company issued policy/certificate. A Letter of Credit will not be acceptable.

3.40.10 Bidder Agreement to Abide by RFP Terms

Recommendations for RFP Content

This section should include the requirements for the Bidder to provide an overarching claim that the Bidder understands the RFP requirements and agrees to abide by those requirements.

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

Jurisdictional Variances

Some jurisdictions require certification that applies to certain provisions regarding the Bidder's business, understanding, and abiding by the requirements of the RFP, the Bidder's Price Proposal, restricting competition, and securing the Contract.

This section may include a reference to a proforma to be used for this purpose; see Appendix J.

In some jurisdictions, the signing of a Bidder Agreement to Abide Form of the type referenced in Appendix J may be required to be in the presence of a witness; e.g., a notary public.

4 Bidder Corporate Information

This chapter provides guidelines for the Bidder Corporate Information to be provided as part of the Proposal submitted in response to the RFP.

4.1 Introduction

Recommendations for RFP Content

This section should include the policy and process requirements for the Bidder in submitting their corporate information.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

4.1.1 Corporate Background Overview

Recommendations for RFP Content

This section should include general corporate background information including names of other organizations that may be involved with the corporation during the course of the Contract, such as consulting firms, law firms, and audit firms, along with their contact and location information.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

4.1.2 Applicable Experience

Recommendations for RFP Content

This section should define the policy and requirements for the Bidder to provide an account of their current and historical experience with respect to lottery-related technology or services and their proposed systems.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

In describing current and historical experience, the Bidder's information must be provided for the time period specified (typically, a five (5)-year period) and must be all-inclusive for such time period.

Additional Best Practice Guidelines

The Lottery may add additional requirements or requests for information, such as global presence/experience, memberships, quality plans, etc.

4.1.3 Contract Performance

Recommendations for RFP Content

This section should include the policy and procedure for the Bidder to provide a record of their previous performance.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

Additional Best Practice Guidelines

Each Lottery must, depending on its specific size and other business, complete the standard text with the minimum accumulated value of the various "penalties" paid by the Contractor. The minimum value is intended to act as a filter to avoid excessive reporting of insignificant events, but where repeated smaller penalties will be added up. It is recommended to consider the minimum accumulated value to be relatively low, in the 10's of thousands of USD/EUR equivalent, rather than 100's. This is due to the fact that higher penalties are very rare, while smaller penalties/compensations are common and thus may better indicate the quality of the Contractor's daily operations.

4.1.4 Capability to Provide Proposed Equipment and Technical Infrastructure

Recommendations for RFP Content

This section should include the requirement for the Bidder to assure the Lottery of its capability to provide the proposed technical hardware and equipment.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

Jurisdictional Variances

In some jurisdictions the following Sample Text may be appropriate and may be included in the RFP if applicable.

Jurisdictional Sample Text

It is not required that every software and hardware item in the proposed configuration already be operational in some lottery setting; however, the Lottery does not intend to acquire configuration items which are at the specifications or concept stage only, early in development, or announced but not ready for delivery.

4.1.5 Software Development and Support Capabilities

In this section, the term "software and systems support" may need to be substituted by another word describing the desired software and/or services sought.

Recommendations for RFP Content

This section should include the policy and procedure for the Bidder to indicate their corporate capability to deliver the requested product(s).

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

4.1.6 Research and Development Program

Recommendations for RFP Content

This section should include the requirement for the Bidder to present their research and development program.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

Example

When a Bidder is describing their resources, capability, capacity, and plans for maintaining a research and development effort in specific areas of interest, this might include: gaming concept design/development, retailer terminal design, telecommunications, data mining, and central systems infrastructure, etc.

4.2 Bidder Certification Requirements

Recommendations for RFP Content

This section should define the Lottery's requirements for Bidders to comply with any industry sector, jurisdictional, or national standard or best practice, including any NASPL Standards Initiative (NSI), World Lottery Assocation (WLA), and Multi-State Lottery Association (MUSL) standards, best practices, or certification programs that may be appropriate. The Lottery

must be specific in their requirements; i.e., version and date of certification program against which compliance is required.

This section should require submission of proof of Certification as part of the Bidder's Proposal.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

Jurisdictional Variances

In some jurisdictions the following Sample Text may be appropriate to address the variables in the SRT and may be included in the RFP if applicable.

Jurisdictional Sample Text

The Bidder must provide proof of certification in the following area(s):

- NSI: Quality Assurance Requirements Definition
- NSI: Quality Assurance Product Development

In addition, the Bidder must provide proof of certification for those areas listed below, if applicable to the technology or services being requested in this RFP:

- NSI Bar Code Technology (For Instant Tickets)
- NSI XML Retail Accounting Reports for the Lottery Industry

If the Bidder's technology solution or best practice is not already certified, the Bidder must obtain the relevant certifications prior to installation of the applicable technology at the Lottery.

4.3 Financial Data

Recommendations for RFP Content

This section should provide the policy for what information the Bidder must supply to the Lottery, so that the Lottery can use that information to evaluate the Bidder's financial responsibility and stability for performance of the Contract.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

Additional Best Practice Guidelines

The Lottery may require additional information necessary to determine the financial integrity and responsibility of the Bidder.

4.3.1 Parent Corporation Resources and Subsidiaries

Recommendations for RFP Content

This section should define the Lottery's requirements for submission of financial information by parent corporations and subsidiaries.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

4.3.2 External Funding

Recommendations for RFP Content

This section should define the Lottery's requirements for submission of financial information by third-party vehicles and/or instruments.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

4.3.3 Bank Ratings and References

Recommendations for RFP Content

This section should define the Lottery's requirements for submission of a bank reference.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

4.4 Disclosure of Litigation and Business Relationships

This section provides the policy with respect to disclosure of pending litigation and other litigation and business relationships relevant to the RFP.

Recommendations for RFP Content

This section should include:

- The process and policy for the Bidder to disclose information which may be pertinent to their ability to deliver a product and/or service, particularly information about pending or threatened litigation, regulatory proceedings, etc.
- The process and policy for disclosing information about criminal offences

- The process and policy for disclosing information about relevant business relationships
- The consequence of not disclosing information according to the policy

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

4.5 Subcontractors

Recommendations for RFP Content

This section should provide the policy with respect to subcontractors.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

4.6 Conflict of Interest

Recommendations for RFP Content

This section should provide the Lottery's policy with respect to conflict of interest.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

Additional Best Practice Guidelines

The Lottery may also require that the Bidder deliver, at the Bidder's expense, a description in a form satisfactory to the Lottery of work-around plans, including any means that the Bidder will use to overcome the conflict of interest.

4.7 Additional Sections Based on Jurisdictional Requirements

The previous section represents the last section in this chapter that has a corresponding section in the SRT. All subsequent sections represent areas that are known requirements for certain jurisdictions, and are included here with suggested text and compliance boxes that may be included in the RFP by those jurisdictions where the requirements apply. If any of these additional sections are added, they must be added in a way that preserves the existing outline numbering scheme of the SRT as specified in Part 1, Section 4.2.1.1 (Best Practice Requirements).

4.7.1 Bidder Employment Practices

In accordance with lottery policy and jurisdictional law, the Lottery may be required to specify requirements for equal employment opportunity hiring and non-discriminatory employment practices.

Recommendations for RFP Content

If the Lottery is required or chooses to specify requirements for equal employment opportunity hiring and non-discriminatory employment practices, this section must:

- Identify what those requirements are
- State whether the requirements are optional, desirable, or mandatory for the Bidders

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

Jurisdictional Variances

Lotteries are advised to refer to Section 3.40.5 (Bidder Employment Practices) and Section 3.40.6 (Diversity in Contracting) for guidance on how to describe any jurisdictional laws, policies, or practices governing equal opportunity hiring and non-discriminatory employment practices.

4.7.2 Diversity in Contracting

In accordance with lottery policy and jurisdictional law, the Lottery may be required to solicit Bidder commitments for diversity in contracting.

Lotteries are advised to refer to Section 3.40.6 (Diversity in Contracting) for guidance on how to describe any jurisdictional laws, policies, or practices governing diversity in contracting. If only the Successful Bidder will be required to submit plans for diversity in contracting, that can be noted in Section 3.40.6.

Recommendations for RFP Content

If the Lottery is required or chooses to solicit Bidder commitments for diversity in contracting, this section must:

- Identify what those requirements are
- State whether the requirements are optional, desirable, or mandatory for the Bidders

Recommendations for RFP Policy and Process

The Lottery should compose text for this section according to the requirements above.

5 Pricing

This chapter provides guidelines for the Pricing section of the RFP, which defines a program of compensation that rewards the Successful Bidder for proposing creative solutions that best meet the Lottery's objectives and requirements.

5.1 Introduction

This section describes the key elements of the Lottery's policy on pricing.

Recommendations for RFP Content

This section should contain the Lottery's policy on pricing.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

The proposed pricing must cover or include a system, equipment, products, or services that at a minimum meet all of the terms and conditions, technical specifications, and other requirements of the RFP.

5.2 Price Proposal Requirements

Recommendations for RFP Content

This section should state the high-level requirements of the Bidder's Price Proposal.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

5.2.1 Pricing Format

Recommendations for RFP Content

This section should contain or refer to the specific requirements (format, etc.) for providing pricing.

The Lottery must specify the required pricing format in Appendix H to the RFP.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

Additional Best Practice Guidelines

Examples of pricing formats are included in Section 7.4.2.3 (Phase 3: Price Proposal Evaluation) of the RFP Process Best Practice document.

The Lottery may request the Bidder to present price quotations as a Percentage of Sales Rate, a Monthly Fixed Fee, or any other pricing structures identified by the Lottery.

If a Percentage of Sales Rate is used, the pricing may be quoted as a single percentage of sales for both online and instant products or, if the Lottery desires, broken out as separate price quotes for each product.

If a Percentage of Sales Rate pricing model is used:

- The Lottery should provide an assumption of the currency amount of online sales (and the currency amount of Instant/Scratch Games sales, if applicable and desired) based on sales data of a specified fiscal year.
- Compensation should not be paid for cancelled or returned tickets.
- Compensation may be paid for free tickets.
- The Lottery should specify whether its estimate includes or excludes the provision of free tickets.

5.2.2 Base Price

Recommendations for RFP Content

This section should state the Lottery's requirements for the Bidder's base price.

The Lottery must specify in Appendix H to the RFP the format for how Bidders are to present the base price in their Proposals.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

Jurisdictional Variance

In some jurisdictions the following Sample Text may be appropriate to address the content requirements listed above and may be included in the RFP if applicable.

Jurisdictional Sample Text

If all the services, updates, changes, or other elements included in Section 3.23.1 (Services within Original Scope) are defined as within the scope of the Contract, they must be included in the Bidder's base price.

5.3 Pricing of Options

In addition to minimum requirements, the RFP can incorporate one or more of the following option types: Specified, Invited, and Offered. Option definitions and applications are explained in Section 1.1 (Terminology) of the RFP, and in Chapter 7 (Proposal Evaluation) of the RFP Process Best Practice document.

Recommendations for RFP Content

This section should:

- Define the format for the submission of pricing for options
- Include the statement that unless identified as priced at an additional cost, options will be considered to be included as part of the base price
- State whether pricing of options applies to the initial Contract period only, or also applies to extensions

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

5.3.1 Specified Options

Recommendations for RFP Content

This section should contain the policy for presenting Specified Options in the Price Proposal.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

5.3.2 Invited Options

Recommendations for RFP Content

This section should contain the policy for presenting Invited Options in the Price Proposal.

The Lottery should supply the Bidders with sufficient information to enable them to provide prices for Invited Options. Among other information, the Lottery should specify:

- Expected quantities of the optional items
- Estimated time of deployment/procurement
- Their required performance and other requirements

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

Additional Best Practice Guidelines

The Lottery may also request prices for other specified items/features.

Invited and Offered Options may be considered as part of the Proposal Evaluation process; see Chapter 7 (Proposal Evaluation) of the RFP Process Best Practice document.

5.3.3 Offered Options

Recommendations for RFP Content

This section should contain the policy for presenting Offered Options in the Price Proposal.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

Additional Best Practice Guidelines

The RFP must state the Lottery's policy on the use of to-be-determined (TBD) pricing for Offered Options.

Invited and Offered Options may be considered as part of the Proposal Evaluation process; see Chapter 7 (Proposal Evaluation) of the RFP Process Best Practice document.

6 Proposal Evaluation

This chapter provides guidelines for 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.

6.1 Introduction

Recommendations for RFP Content

This section should contain a general overview of the Lottery's Proposal Evaluation process.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

6.2 Evaluation Committee

Recommendations for RFP Content

This section should include general information on the roles and responsibilities of the Evaluation Committee and a high-level sequence of events related to those roles.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

The Lottery Executive should select the Evaluation Committee.

Additional Best Practice Guidelines

The Lottery is advised to refer to the best practice requirements defined in Chapter 7 (Proposal Evaluation) of the RFP Process Best Practice document.

6.3 Information from Other Sources

Recommendations for RFP Content

This section should include the Lottery's policy on obtaining information about the Bidder and the Bidder's capabilities from outside sources.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

6.4 Demonstrations and Site Visits

Recommendations for RFP Content

This section should include the policy for Demonstrations and Site Visits.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

Additional Best Practice Guidelines

Lotteries and Bidders are advised to refer to the best practice requirements defined in Chapter 7 (Proposal Evaluation) of the RFP Process Best Practice document.

6.5 Evaluation Steps

Recommendations for RFP Content

This section should provide a high-level list of steps that must be carried out by the Lottery during the Proposal Evaluation process.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

Jurisdictional Variances

In some jurisdictions, Phase 2/Step1 (Pre-Qualitifcation and Evaluation of Bidder Capability) will additionally include background checks on the Bidders.

Additional Best Practice Guidelines

The Lottery is advised to refer to the best practice requirements defined in Chapter 7 (Proposal Evaluation) of the RFP Process Best Practice document.

The evaluation steps are as follows:

- Phase 1: Proposal Submission Requirements Review
- Phase 2: Technical Proposal Evaluation
  - — Step 1: Pre-Qualification and Evaluation of Bidder Capability

— Step 2: Independent Review & Assignment of Individual Technical Evaluation by Technical Proposal Evaluation Team Members

— Step 3: Technical Proposal Evaluation Team Review & Assignment of Consolidated Technical Evaluation

— Step 4: Demonstrations

— Step 5: Site Visits

— Step 6: Technical Proposal Evaluation Team Review & Assignment of Final Technical Evaluation (Confirmation/Modification of Consolidated Technical Evaluation)

- Phase 3: Price Proposal Evaluation
- Phase 4: Determine the Best Overall Proposal
- Phase 5: Final Decision on Contract Award Recommendation

6.6 Evaluation of Technical Proposals (or Evaluation Categories)

Recommendations for RFP Content

This section must include a general description of the mechanism used for evaluating the Technical Proposals.

Recommendations for RFP Policy and Process

The Lottery should use Standard Text for this section.

Additional Best Practice Guidelines

The Lottery may use one of the evaluation methods described in Section 6.6.1 below.

The Lottery is advised to refer to the best practice requirements defined in Chapter 7 (Proposal Evaluation) of the RFP Process Best Practice document.

6.6.1 Possible Evaluation and Scoring Methods (Jurisdictional Variance)

This section describes suggested evaluation and scoring methods for consideration in support of this Best Practice. No one method is required, but instead the Lottery should select the method that best achieves its business objectives.

For the avoidance of doubt, this section contains no formal best practice requirements or recommendations, but instead provides a description of several practices that have been refined and used by the lotteries in evaluating and scoring Proposals. There are multiple effective components of different lottery practices in this area, and often a best practice involves a combination of several of those components. This section provides a repository for the various principles, methods, and guidelines in use by different lotteries.

The essence of Proposal Evaluation is combining a judgment about the technical properties of Bidder Proposals with the costs of the Proposals to establish an overall preference among the contenders. In this case, "technical" is usually broadly interpreted to mean all those factors that are non-price in nature, thus it incorporates Bidder corporate capability, project plans, marketing plans and revenue projections, and perhaps other elements, as well as the items that strictly represent technology. (If desired, these non-technology "technical" items can be treated separately in the evaluation.)

Whatever mechanism is chosen, it is good practice for the evaluators to "model" the scoring system when it is being designed and long before it is used to evaluate actual Proposals. It is also good practice to have the selected evaluation method determined and frozen before the release of the RFP.

6.6.1.1 Qualitative Statement Ranking System

In a qualitative statement ranking system, the evaluator uses qualitative terms that have generally accepted meanings such as "not acceptable", "barely acceptable", "fully acceptable", "strong offering", and "outstanding offering" in regards to the response for each item that the RFP requests. These qualitative statements are used to draft a consensus statement of each Proposal's strengths and weaknesses. As a result, the evaluation committee can then determine whether the business objectives are met for each item of the RFP. Areas where each Proposal is fully acceptable are noted and then the comparison is for the different Bidders' strengths and weaknesses in relation to the Lottery's business objectives.

Another commonly used mechanism is PMIQ (for Plus, Minus, Interesting, and Question) in which evaluators identify aspects of the Proposal considered strong (P), weak or missing (M), needing discussion or documentation (I), and needing clarification from the other evaluators, consultants, or Bidders (Q). PMIQ entries are refined as the evaluation progresses. The list of Plus and Minus factors drives the final evaluation.

6.6.1.2 Weighted Scoring System

For the weighted scoring system, the Lottery defines a set of criteria and points award scale that reflect the Lottery's business objectives.

The scoring mechanism produces a set of numerical scores that represent the Evaluation Committee's assessments of the relative merits of the Proposals. The scores will be used to develop a preference rating based on technical (non-price) factors.

Below is an example of a criteria weight table that could be included in the RFP. The Lottery should only include the elements that are applicable to the RFP. They may add additional applicable elements to the table.

Criteria	**Weight**
Central Systems	
Terminals	
Communications	
Software Application and Files	

Criteria	Weight
Back-Office Management System	
Internal Control System	
Games and Marketing	
Facilities	
Security Plan	
Support Staffing and Services	
Implementation	
Corporate Capability	
TOTAL AVAILABLE	**100**

Points are "earned" based on the Evaluation Committee's consensus judgment using the following fifty to one hundred percent (50-100%) award scale:

Percentage	Description
95-100	The Bidder's Proposal was near perfect for this criterion and the Evaluation Committee could not determine any significant limitations or possible improvements.
85-94	The Bidder's Proposal was very good in this area, with no more than one (1) significant limitation and otherwise only minor items noted.
75-84	The Bidder's Proposal was good; however, the Evaluation Committee could identify at least two (2) significant limitations or concerns, and perhaps some minor items, regarding the system, solutions, or services.
65-74	The Bidder's Proposal was fair; however, there were several significant flaws and concerns with the approach or capability.
50-64	The Bidder's Proposal was the minimum acceptable, with numerous deficiencies.
0-49	The Bidder's Proposal had significant deficiencies and the response is deemed unsatisfactory.

Thus, for each of the criteria, the Bidder's Proposal will receive a score as a result of multiplying the points available by the award percentage. All scores are combined for the Proposal's total technical ranking.

Although the criteria may be scored using larger and smaller weights, the Bidder should understand that every mandatory requirement must be met regardless of the criterion's weight; and that a poor response to a lesser-weighted criterion may significantly impact the Bidder's Final Technical Evaluation as compared with other Bidders' ranking. Inadequate responses to mandatory requirements will result in rejection of the Proposal.

6.6.1.3 Price-Value Evaluation

Price-value evaluations integrate technical scoring results of Proposals with numerical pricing scores to develop a combined score that represents the "price-value" of each qualified Proposal.

When the Price Proposals are opened, the total dollar cost of each Proposal is calculated. In most price-value evaluation methods, the dollar cost of each Proposal is converted to a numerical score. Technical scores and the converted numerical value of the cost of each Price Proposal are then combined to formulate the score representing the price-value of each Proposal. In some evaluation methods, additional economic assessments may increase or decrease the combined technical and pricing scores of the Proposals. If the preferred Technical Proposal is the least costly after full evaluation, the outcome of the evaluation process is known (best and least costly). Proposals scoring lower in technical points may rise to become the apparent preferred Proposal due to favorably weighted pricing and/or economic scores.

6.6.1.4 Total Points Evaluation

The total points evaluation is the most common among lotteries. In simplest form, each Proposal will "earn" a certain number of points for technical performance and for price, and these will be combined into a total points value representing the overall merit of the Proposal.

Total Points = Technical Points + Price Points

Proposals are then ranked by their total points values, indicating preference. In this form of evaluation a key aspect is to establish the points available ("weights") for technical and for price. On the technical side, the points may be aggregated from several contributory criteria (such as central system, retailer terminals, communications, implementation plans, etc.). An award mechanism is required to assign how many points are earned from such criteria. For example, a Proposal may earn 80% of 200 points (160 points) available for the central system. On the price side, a formula is used to convert the Contract pricing (either rate value or estimated contracted value) into points. The typical formula is:

Price Points = Price Weight x (Lowest Bid/Bid)

where Bid is the bid being scored, and Lowest Bid is the lowest price acceptable bid. The Lowest Bid in this case earns all the price points available. Other formulas have been conceived for this price-to-points conversion but have been much less popularly used.

If the Lottery uses a Percentage of Sales Rate model, then based on each Bidder's pricing elements, as discussed in Chapter 5 (Pricing), the Evaluation Committee would then estimate a cost for the Term of the Contract, which will allow fair comparison of the Proposals.

If the Lottery is using a Total Points scoring mechanism, the Evaluation Committee should award up to a lottery-specified number of points for price.

If the scoring mechanism is based on a ratio of the Technical Proposal being evaluated *versus* the lowest cost acceptable Proposal, then:

- The formula for any particular Proposal being evaluated should be:

  Price Points = Total Price Points Available x (Lowest Proposal Cost/Proposal Cost)

- The lowest cost acceptable Proposal should receive all of the available price points.

A Proposal twice as expensive as the lowest cost acceptable Proposal should earn half as many price points.

6.6.1.5 Total Cost of Ownership Evaluation

There is a price evaluation method used by government procurement authorities outside of lotteries, which may give lotteries an even fuller picture of best value than the total points evaluation. In this approach – called Total Cost of Ownership (TCO) – evaluation committees consider total cost of ownership instead of the simple price of acquisition. TCO or best value evaluations are now required by law in some state and federal procurements, particularly for technology procurements, and particularly in the US market. Lotteries are highly dependent on technology to operate, and require a more complete assessment of which supplier can provide the best value over the length of a Contract, in terms of TCO. The proposed price is usually only one element of the overall costs of selecting a Proposal.

TCO evaluation goes one step beyond total points evaluation by allowing lotteries to make actual adjustments to Bidder prices to reflect certain hidden costs due to offering differences.

Although a facilities management contract on a percentage of sales compensation basis may mitigate some of the risks associated with TCO, unplanned costs due to delays, downtime, additional personnel costs, and other hidden costs and risks are quantifiable costs that would typically be considered in best value evaluations. For example, hardware upgrades for internal systems, software development and integration costs for new features, higher failure rates, and the capability to supply new game content and distribution technologies are all important criteria affecting the TCO evaluation.

Under an evaluation that includes a TCO calculation, evaluations should include an analysis of the specific value attributes of each component of the proposed technology products and/or services as well as the potential for hidden or additional costs. Often this will mean differentiating the proposed technologies based on the business cost/value to the Lottery and its strategic plan for growth. This can also mean that prior to assigning the points in the price evaluation to the lowest price, a process is deployed to normalize prices based on TCO factors. For example, the lowest price may be adjusted due to certain costs and risks associated with utilizing a lower cost, but less reliable technology. Similarly, the high priced Proposal may receive a discount if certain savings or additional revenue can be reasonably associated with higher quality products and services as well as lower risk. After these adjustments are made, the price points available in the scoring formula are allocated against the normalized prices.

For example, a terminal with a lower MTBF rating would result in more downtime and potentially reduced sales of $X per terminal per year, based on average sales in the jurisdiction. This number would be added to the price of the Proposal with the less durable terminal.

6.6.1.6 Value Index Evaluation

The value index evaluation uses technical scoring to determine technical merit for each Proposal, and then divides the technical score by pricing. This division yields a “points per dollar” type of value assessment for each Proposal. The Proposal that earns the most points per dollars is ranked first.

Based on each Bidder’s pricing elements, as discussed in Chapter 5 (Pricing), the Evaluation Committee would then estimate a cost for the Term of the Contract, which will allow fair comparison of the Proposals.

6.6.1.7 Return on Investment (ROI) Evaluation

A return on investment (ROI) evaluation is a straightforward financial analysis that measures the economic return of an investment. It is an evaluation tool that measures the value of the vendor offering and its effective use of generating net revenues *versus* the cost of the offering. An ROI analysis enables lottery evaluation committees to determine a vendor's capability to generate net profits under the contract agreement. By evaluating cost balanced with projected revenue (profits), the Lottery can measure, evaluate, and ultimately select the best vendor-delivered solution that provides the best financial value for the Lottery.

An ROI evaluation for the base system offering, and the options, will encourage vendors to compete on a value-add basis aligned with the Lottery's mission to generate profits *versus* a cost reduction basis, which ultimately restricts a Lottery's ability to invest in its growth capabilities. It is an evaluation method that encourages investment in new technologies and services that ultimately increase net profits generated by the Lottery.

The typical ROI formula is:

$$\text{ROI} = \frac{\text{(Gain from investment – Cost of investment)}}{\text{Cost of investment}}$$

Gain from investment: The RFP should require vendors to clearly document the assumptions used as the basis for calculating the projected investment gain from the proposed product and/or service.

Cost of investment: The cost of the investment can be calculated as a percentage of sales or fixed fee, dependent on the purchase options available to the Lottery.

The Lottery may employ independent third-party consultants with expertise in financial analysis from other jurisdictional agencies to assist in the establishment of the price presentation requirements and the validation of the veracity of a vendor's ROI assumptions and metrics.

This method may also be used as an option to select projects on an ongoing basis and can be included as a pricing option in the contract for future development projects.

6.6.1.8 Price-Only Evaluation

Price-only evaluations determine the lowest Price Proposal from among all Proposals that meet the minimum qualifications of an RFP. All Proposals that are determined to meet the minimum technical standards of the RFP are considered technically equal for purposes of determining the outcome of the Proposal Evaluation process. Price Proposals are opened after the technical qualification phase of the RFP process. The qualified Proposal that represents the lowest cost based only on pricing is determined to be the preferred Proposal. Preferred Proposals selected under price-only evaluations may not necessarily represent the best Technical Proposal or the Proposal with the lowest total costs for the Term of the Contract identified in the RFP.

6.6.1.9 Lowest Qualified Evaluation

By some mechanism, such as technical points award, the evaluators determine which Proposals remain "acceptable" on a technical basis (for example, any Proposals that exceed 80% of the technical points available). Of those, the immediate winner is the Proposal that is least costly

when the Price Proposals are opened. This mechanism does not support optimizing value for price, and could risk leaving the Lottery with inflexible and possibly non-productive solutions, unless all possible developments over the Term of the Contract have been foreseen.

6.6.1.10 Present Value Analysis

A present value analysis is used to determine which of the Bidder's price options along with support service (if relevant) is the best financial choice for the Lottery.

Whichever Proposal has the lowest percentage may over time be cheaper. If the pricing format permits the rate to vary over time, then Present Value Analysis may be relevant. If the pricing format allows options or additions during the lifetime of the Contract, then the Lottery needs to consider when they will be incorporated into the system. It is very different to add 1,000 terminals at the beginning of the Contract than to add them in the last year.

6.6.1.11 Evaluation Stages

Lottery evaluations may be done in multiple stages, or can be designed to be accomplished in a single stage.

In typical two-stage evaluation, the evaluators review a Proposal and assign some judgment of merit to the Proposal. After various discussions, Proposal clarifications, and Site Visit/Demonstrations, the evaluations are revised by the evaluators to accommodate the new information. By the end of the process, the evaluators' evaluations must be combined and finalized. At this point, the Lottery has two options: to determine by consensus the final evaluation of the group, or to detail the changes in the evaluation, which creates a trail of evaluations for which a change rationale will be recorded.

In single-stage scoring, the evaluators individually record findings about each Proposal. These findings are discussed, revised, and combined as the Proposal Evaluation progresses into final findings representing each Proposal. Then the evaluators determine the appropriate evaluations for each Proposal based on the findings. Thus scores do not exist until the end of Proposal Evaluation under this approach.

6.6.1.12 Determination of Apparent Successful Bidder

Once the technical evaluation and pricing evaluation have been accomplished, the Evaluation Committee combines the technical and pricing evaluations according to their model to determine the final evaluation for each Bidder. The Committee is then ready to proceed to the stage of identifying and recommending an apparent Successful Bidder.

6.7 Evaluation of Options

6.7.1 Specified Options

Specified Options are defined in Section 1.1 (Terminology) of the SRT.

Recommendations for RFP Content

This section should specify the policy for scoring of Specified Options.

Recommendations for RFP Policy and Process

Specified Options should be evaluated in the same manner as the base products and/or services and the evaluation should be part of the overall assessment of the Proposal.

The Lottery should use the Standard Text from the SRT for this section.

Additional Best Practice Guidelines

The Lottery is advised to refer to the best practice requirements defined in Chapter 7 (Proposal Evaluation) of the RFP Process Best Practice document.

6.7.2 Invited Options

Invited Options are defined in Section 1.1 (Terminology) of the SRT.

Recommendations for RFP Content

This section should indicate the policy for scoring of Invited Options.

Recommendations for RFP Policy and Process

Evaluation of Invited Options is used to determine whether the Lottery wishes to obtain such option(s), in the event that the Bidder in question becomes the Successful Bidder.

Invited Options should not be evaluated as part of the overall assessment of the Proposal. However, the Lottery may evaluate the Proposal more favorably in general if at least some Invited Options are available. There should be no negative evaluation of a Proposal that does not offer Invited Options.

Evaluation of Invited Options may constitute a potential deciding factor in Bidder selection in cases where the Proposal evaluation ranking is equivalent or close to equivalent.

The Lottery should use the Standard Text from the SRT for this section.

Additional Best Practice Guidelines

The Lottery is advised to refer to the best practice requirements defined in Chapter 7 (Proposal Evaluation) of the RFP Process Best Practice document.

6.7.3 Offered Options

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

Recommendations for RFP Content

This section should indicate the policy for scoring of Offered Options.

Recommendations for RFP Policy and Process

Offered Options should be evaluated and otherwise treated in the same way as Invited Options (see Section 6.7.2).

Evaluation of Offered Options is used to determine whether the Lottery wishes to obtain such option(s), in the event that the Bidder in question becomes the Successful Bidder.

Offered Options should not be evaluated as part of the overall assessment of the Proposal. However, the Lottery may evaluate the Proposal more favorably in general if at least some Offered Options are available. There should be no negative evaluation of a Proposal that does not offer Offered Options.

Evaluation of Offered Options may constitute a potential deciding factor in Bidder selection in cases where the Proposal evaluation ranking is equivalent or close to equivalent.

The Lottery should use the Standard Text from the SRT for this section.

Additional Best Practice Guidelines

The Lottery is advised to refer to the best practice requirements defined in Chapter 7 (Proposal Evaluation) of the RFP Process Best Practice document.

6.8 Evaluation of Price Proposals

Recommendations for RFP Content

This section should indicate at a high-level the mechanism to be used for evaluating and scoring the Price Proposals.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

Additional Best Practice Guidelines

The Lottery may consider using one of the scoring methods outlined in Section 6.6.1 (Possible Evaluation and Scoring Methods) for evaluating and scoring Price Proposals.

Additional Best Practice Guidelines

The Lottery is advised to refer to the best practice requirements defined in Chapter 7 (Proposal Evaluation) of the RFP Process Best Practice document.

6.9 Evaluation Committee Recommendation

Recommendations for RFP Content

This section must contain the policy and procedure for making the final recommendation.

Recommendations for RFP Policy and Process

The Evaluation Committee will take into account the evaluation of the Technical Proposal and Price Proposal to determine the ranking of all eligible Proposals, including selecting the apparent overall preferred Proposal.

Upon completion of the evaluation, the Evaluation Committee will rank the Proposals regarding the apparent preference to provide the requested products and/or services to the Lottery.

Additional Best Practice Guidelines

The Lottery is advised to refer to the best practice requirements defined in Chapter 7 (Proposal Evaluation) of the RFP Process Best Practice document.

6.10 Negotiation and Recommendation

Recommendations for RFP Content

This section should contain:

- The policy and procedures for finalizing the recommendation
- The policy and procedures for any negotiation that may take place with the Successful Bidder

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

Refer to Section 7.3.8 (Role of Negotiation Team) of the RFP Process Best Practice document for further description of negotiation.

Jurisdictional Variances

In some jurisdictions, the Lottery may be required to negotiate a Contract with all Bidders in the competitive range approved by the Lottery Oversight Organization.

Additional Best Practice Guidelines

The Lottery is advised to refer to the best practice requirements defined in Section 7.4.2.5 (Phase 5: Final Decision on Contract Award Recommendation) of the RFP Process Best Practice document.

A Technical Specifications

This appendix describes the technical specifications the requesting Lottery requires of the proposed system to be submitted for consideration. As described in the RFP Process Best Practice document, Section 4.3.1 (Business Requirements Definition), the Lottery should clearly establish its business objectives and all functional requirements associated therewith. Unless the Lottery has explicit requirements on the exact technical solution to a functional requirement, it is strongly recommended for the Lottery to specify **what** functionality and performance it wishes to obtain, rather than **how** such functionality and performance shall be achieved. By specifying "what" but not "how", the Lottery leaves the field open for the most creative and cost-effective solutions to be proposed by the Bidders.

Functions, features, or capabilities specifically noted as being "desirable" are *not* required from the Bidder; however, the evaluation of the Technical Proposals may be more favorable if desirable functions, features, and capabilities are offered.

Each section below includes suggested categories. Please note that the suggested categories represent a possible maximum framework. The Lottery should revise them as appropriate. The template for this section is based on a supply/purchase-type RFP. The requirements for an operations or facility management-type RFP would look very different.

A.1 Summary-Level Responses

A.1.1 Overview

Recommendations for RFP Content

This section should request an overview of the Bidder's proposed system.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

A.1.2 Flexibility of the System

Recommendations for RFP Content

This section should ask for clarification of the flexibility of the Bidder's proposed system.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

A.1.3 Tested and Certified Equipment

Recommendations for RFP Content

This section should contain the policy for assuring that the Bidder's equipment has been or will have been inspected and approved for safety and compliance with regulations suitable for devices of the class proposed in the jurisdiction of the Lottery; e.g., those of the Federal Communications Commission (FCC).

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

A.1.4 New and Unused Equipment

Recommendations for RFP Content

This section should contain the Lottery's policy with respect to new and unused equipment included in the Bidder's proposed system and any standards compliance applicable to such equipment required by the Lottery.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

Additional Best Practice Guidelines

The Lottery should be clear on its expectations regarding new or used equipment. This could include, for example, the following type of clarification:

Unless the Lottery specifically provides for Bidders to propose used equipment, the Bidder's Proposal must be for new, unused equipment. If the Lottery does provide for Bidders to propose used equipment, the Proposal should specify what equipment and under what conditions.

A.1.5 Block Diagrams

Recommendations for RFP Content

This section should request block diagrams and configuration tables for hardware and system software components of the Bidder's proposed system.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

A.1.6 System Hardware and System Software Upgrades

Recommendations for RFP Content

This section should state the Lottery's policy with respect to hardware and software upgrades and maintenance of the Bidder's proposed system.

Recommendations for RFP Policy and Process

The Lottery should use the Standard Text from the SRT for this section.

A.2 Detailed Technical Responses

Recommendations for RFP Content

All of the SRT sections and subsections under this heading (A.2.1 through A.2.9) should contain the Bidder's technical specifications for all of the technical components that are part of the Bidder's Technical Proposal.

The Lottery must complete the RFP Standard Compliance Box in all sections and subsections (A.2.1 through A.2.9) as applicable.

If a component is not applicable to the RFP being issued, the Lottery must indicate as such using the conventions defined in Section 1.1 (Terminology) of the SRT.

Recommendations for RFP Policy and Process

If applicable, the Lottery should clearly define the requirements to be met by the Bidder's proposed system.

B Bidder Expression of Interest

Recommendations for RFP Content

The Lottery may use this section to provide a Bidder Expression of Interest form; see Section 1.10 (Bidder Expression of Interest).

C RFP Compliance Table

Recommendations for RFP Content

The Lottery must use this section to compile the RFP Compliance Table to be completed by the Bidder; see Section 1.14.5 (Compliance Table).

D Lottery Organization Chart

Recommendations for RFP Content

The Lottery must use this section to provide an organization chart; see Section 2.2.1 (Lottery Organization).

E Lottery Financial Statement

Recommendations for RFP Content

The Lottery may use this section to provide its most recent financial statement; see Section 2.4.7 (Lottery Sales/Financial Results).

F Telecommunications Network Architecture

Recommendations for RFP Content

The Lottery should use this section to provide the current layout of the telecommunications network with the Lottery's current vendor; see Section 2.10 (Online Communications Network).

G Code of Ethics

Recommendations for RFP Content

The Lottery should use this section to include the Lottery's Code of Ethics; see Section 2.2.3 (Lottery Ethics and Integrity).

H Pricing Format

Recommendations for RFP Content

The Lottery must use this section to specify the required pricing format; see Section 5.2.1 (Pricing Format).

I Additional Appendices

The Lottery may add additional appendices to the RFP as appropriate. Examples include:

- Listing of Current Lottery Retailers
- Online Games Sales Information
- Current Gaming System
- Minimum Standards
- Non-Discrimination/Affirmative Action Information/Forms
- Sample Management and Administrative Reports
- Brochures of Current Games and Ticket Samples
- Bid Bond and Litigation Bond Forms
- Sample Contract
- Specification (system, hardware, software and other specifications – e.g., retail counter measurements for terminals, etc. – in existence within the current organization as applicable)
- Other Required Forms (e.g., Bidder Personnel Staffing Form, Conflict of Interest and Disclosure Form, Business Entity Disclosure Form, etc.)

J Additional Appendices (Jurisdictional Variance)

This appendix contains all of the known forms that apply to jurisdicational variances. Some jurisdictions may require the submission of these forms by Bidders as part of their Proposal, in which case they should be included as additional appendices in the RFP.

Statement of Non-Collusion

In some jurisdictions the following form/format may be appropriate to address non-collusion requirements – see Section 1.41.1 (Statement of Non-Collusion) – and may be included in the RFP as an additional appendix if applicable.

STATEMENT OF NON-COLLUSION

This is to certify that the undersigned 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 this Proposal submitted this date to the _____ Lottery.

Name of Bidder .....

Authorized Representative
(Please type or print).....

Signature .....

Title .....

Subscribed and sworn before me this _____ day of _____, 200__.

Notary Public (Seal).....

My commission expires .....

Bidder Agreement to Abide by RFP Terms Form

In some jurisdictions the following form/format may be appropriate as certifying that the Bidder understands and is in compliance with the RFP's general requirements and with specific pricing and competition rules and regulations with respect to the RFP, and may be included in the RFP as an additional appendix if applicable.

BIDDER AGREEMENT TO ABIDE BY RFP TERMS

The undersigned Bidder certifies that:

The Bidder is a legal business entity authorized to do business in the <*variable: jurisdiction*>.

The Bidder fully understands the requirements of the RFP, and the Bidder's Proposal is in compliance with all the requirements, specifications, terms, and conditions of the RFP.

The Bidder has and will abide by the requirements, specifications, terms, and conditions of the RFP and will not make any claims for or have any cause of action or right to relief against the <*variable: jurisdiction*> Lottery because of any misunderstanding or lack of information.

The prices in the Bidder's Price Proposal have been arrived at independently without consultation, communications, or agreement for the purposes of restricting competition as to any matter relating to the prices with any other Bidder.

Unless otherwise required by jurisdictional law, the prices that have been quoted in the Proposal have not been knowingly disclosed by the Bidder prior to awarding directly or indirectly to any other Bidder or any competitor.

No attempt has been made or will be made by the Bidder to induce any person or other person or firm to submit or not submit a Proposal for the purpose of restricting competition.

The Bidder warrants that no person or agency has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee except for *bona fide* employees of the Bidder or a *bona fide*, established commercial or selling agency maintained by the Bidder.

Name of Bidder .....

Authorized Representative
(Please type or print).....

Signature .....

Title .....

Subscribed and sworn before me this _____ day of _____, 200__.

Notary Public (Seal).....

My commission expires .....