

Questions and Answers
Lottery Gaming Services, Sales Channels and Related Services

NOTE: Amended RFP will be posted separately. Data requested will be sent to all vendors in electronic format.

PART 1

Would the Lottery please confirm if the RFP will be the contract, or if a separate contract will be drafted that incorporates the RFP by reference? Relatedly, could the Lottery provide an order of precedence for the terms that are included in the RFP, specifically the terms found in Section 2, Appendix C and Appendix D.

RESPONSE: A separate contract will be drafted, which will define the order of precedence of all contract attachments

Could the Lottery please provide the protest procedures and requirements for this RFP? The prior RFP contained protest provisions; similar provisions are absent in the current RFP.

RESPONSE: This RFP does not contain protest provisions.

1.8

In Section 1.8, Proposal Format, the Lottery specifies that proposals must be submitted in 3 separate packages, plus required equipment. Is it permissible that individual packages (Package B for instance) be submitted in multiple boxes, or does the Lottery require that all materials for each package be inserted into a single box?

RESPONSE: Individual packages may be in multiple boxes.

If the Bidder's Package A or Package C contains confidential information, will the Lottery please confirm that one (1) redacted copy of each package is required?

RESPONSE: The RFP has been amended. Pricing cannot be confidential.

Due to the potential volume and size of financial statements, would the Lottery be willing to accept submission of financial statement on electronic media only?

RESPONSE: No. The RFP has been amended to require the original and only one (1) copy.

1.8.3

Section 1.8.3, Equipment Submittal, requires Bidders to submit two proposed CARTs along with their proposals. Will the Lottery please specify whether or not, if a Bidder proposes multiple types of CARTs, either in the base proposal or as part of an Offered Option, the Lottery would require two of each type of CART to be submitted with the proposal?

Additionally, does the Lottery anticipate requesting assistance in the setup of the CARTs at some point after submission?

RESPONSE: The Lottery will not require multiple CARTs be submitted. The Lottery will not request assistance in setting up the CARTS unless necessary.

1.19

Would the Lottery please confirm our understanding that confidential information marked as confidential as set forth in Section 1.19 will not be disclosed by the Lottery, except: (i) to

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Lottery's advisors on a confidential basis, only for the purpose of evaluating the proponent's proposal; and (ii) as may be required by applicable law?

RESPONSE: Any and all bidder information obtained by the State in connection with this bid process is subject to the Vermont Public Records Law, 1 V.S.A. § 315 et seq. Nonetheless, the State intends to use and disclose such information for internal State business purposes, including for proposal evaluation, and further will not disclose such information to any party outside State government if a reasonable claim of exemption can be made pursuant to 1 V.S.A. § 317(c), including, but not limited to, trade secrets, proprietary information or financial information, including any formulae, plan, pattern, process, tool, mechanism, compound, procedure, production data, or compilation of information which is not patented, which is known only to the bidder, and which gives the bidder an opportunity to obtain business advantage over competitors who do not know it or use it.

We understand that we are directed to mark confidential information in proposals as confidential. Would the Lottery please confirm that all such information will not be subject to release under 1 V.S.A. §315 et seq., without first contacting the Bidder, or, in the alternative, specify how such confidential information will be protected from public disclosure?

RESPONSE: See answer above. Further, the State may, but is not required to, contact a bidder if the State has determined that the Vermont Public Records Law compels disclosure of some or all information the bidder has marked proprietary or confidential in its proposal.

1.28

It is a widely accepted practice in the lottery industry (and other industries undergoing public procurements) to include in Litigation Bonds a third condition that would need to be satisfied before the Bond may be drawn upon. Would the Lottery please add the following condition to conform to such industry standard:

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.

RESPONSE: The State will not add such condition.

1.29

Disclosure and Investigations During Proposal Evaluation, Page 21

Q: Given the sensitivity of personally identifiable information (PII), would the Department please confirm that "Subsequent to Proposal Submission" means this information will only need to be provided by the apparent successful vendor?

RESPONSE: The Lottery intends to only perform security background investigations of the apparent Successful Bidder.

PART 2

2.8

This section states that "the Successful Vendor must provide ninety (90) days' advance written notice of cancellation, termination or failure to renew any policy." The industry standard is thirty (30) days. This is also inconsistent with Section 8 in Attachment C, which states a 30-day Notice of Cancellation. Will the Lottery please amend this section to read thirty (30) days' notice of

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cancellation?

RESPONSE: The RFP has been amended to require thirty (30) days notice.

Section 2.8 Bonds and Insurance Company Qualifications, Page 25

RFP Section 2.8 states that: “The successful bidder must provide ninety (90) days advance written notice of cancellation, termination, or failure to renew any policy.” It is standard industry practice that a bidder provides thirty (30) days advance written notice of cancellation, termination, or failure to renew any policy.

Q: Would the Department please consider changing this requirement to thirty (30) days advance written notice of cancellation, termination, or failure to renew any policy?

RESPONSE: The RFP has been amended to require thirty (30) days notice.

Section 2.8 reads: “The Successful Bidder must submit copies of each required certificate of insurance or insurance contract, and any renewals thereof, to the Lottery upon the Lottery’s request.” It is industry standard practice that a Certificate of Insurance be sufficient evidence of an insurance program. Therefore, we respectfully request that the language “or insurance contract” be deleted from the paragraph.

RESPONSE: The RFP will not be changed as requested. The Lottery intends to only request certificates of insurance. However, the contract will provide the Lottery with the right to require a copy of the insurance contract if the Lottery deems reviewing the actual insurance contract to be in the Lottery’s best interest.

2.9.1

Regarding General Liability coverage, insurance policies today are written on a Combined Single Limit Basis (CSL) in lieu of Split limits. Will the Lottery accept evidence of \$10,000,000 CSL for Bodily Injury and Property Damage per occurrence and \$10,000,000 Aggregate in lieu of the split limits? This can be evidenced by a Commercial General Liability policy followed by an Umbrella (Excess) policy.

RESPONSE: Yes.

The third paragraph in Section 2.9.1 states “All other insurances covered by this Section must be effective when performance commences under the Contract and continue through the term of the Contract or any extension thereof. The Lottery must receive ninety (90) days' advance written notice of cancellation, termination or failure to renew any policy.” Per 2.8 above the industry standard is thirty (30) days’ notice of cancellation. This is also inconsistent with Section 8 in Attachment C which states a 30-day Notice of Cancellation. Will the Lottery please amend this section to read thirty (30) days’ notice of cancellation?

RESPONSE: The RFP has been amended to require thirty (30) days notice.

Will the Lottery please confirm that the \$20 million in required limits of Professional Liability and Cyber Liability Insurance (also referred to as Technology Professional Liability Insurance), as required in Attachment D, will also serve to satisfy the insurance requirement for Errors and Omissions Insurance required in RFP Section 2.9.1, Insurance Coverage and Limits, item C, Errors and Omissions Insurance?

RESPONSE: The Successful Bidder will need to provide adequate evidence of Professional Liability and Cyber Liability coverages.

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2.9.1 refers to the below and Attachment D for the insurance requirements. However, Attachment C also has insurance requirements. The insurance requirements in the RFP under Section 2.9.1 starting on page 26 differ from the State Contract Provisions. Do the insurance requirements in the RFP under Section 2.9 supersede the State Contract Provisions?

RESPONSE: Each bidder must state whether it takes exceptions to any of the terms in Part 2 of the RFP. The Successful Bidder may be subject to the insurance terms that are most favorable to the Lottery; however, the final insurance terms will be subject to contract negotiations.

2.10

The Performance bond section requires that along with the Proposal each Bidder must submit a letter from a qualified surety company or agent acting on behalf of such surety stating that the Bidder will be able to secure a Performance Bond in the amount required by the RFP. Section 1.27 requires each Bidder to submit a Proposal Bond in the amount of \$250,000. The proposal bond guarantees that the Performance bond will be written. It appears that this is duplication by providing a letter from the Surety as well as the Proposal Bond. Therefore, we respectfully request that the Lottery delete the last paragraph of Section 2.10.

RESPONSE: The last paragraph of section 2.10 has been deleted.

2.13

In specific cases where actual damages are proven to be materially lower than assessed liquidated damages under the Contract, would the Lottery consider such evidence and consider making a reasonable adjustment to lower the amount assessed against the Contractor to the amount of actual damages sustained by the Lottery?

RESPONSE: Liquidated damages will be assessed pursuant to the contract's liquidated damages provisions.

Further, would the Lottery consider working with the Successful Bidder to determine reasonable formulas for liquidated damages in instances where damages may not be known, such as damages for the Successful Completion of Data Conversion?

RESPONSE: The State would be open to negotiating additional liquidated damages provisions, if appropriate, after contractor selection.

It is our understanding that the Lottery would not seek damages from the Contractor to the extent that the incident causing or giving rise to damages is caused by the Lottery or third parties or events outside of the Contractor's direction, control, and responsibility, or Force Majeure events. Could the Lottery please explain how the Successful Contractor might present facts which are relevant to the Lottery's determination that damages apply prior to the Lottery finally assessing such damages?

RESPONSE: The determination as to whether to assess liquidated damages will be made by the Lottery on a case by case basis. The contractor will be free to present any mitigating circumstances to the Lottery for its review.

2.13 Liquidated Damages Provisions, Page 27

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Q: Would the Lottery please provide a list of all Liquidated Damages that have been assessed and paid as part of the current Vermont Lottery systems contract?

DRAFT RESPONSE: The Lottery has not assessed any liquidated damages under its current gaming systems contract.

RFP Section 2.13 states: “In no case shall liquidated damages be measured in terms of potential lost revenue or potential lost net profit to the Lottery, unless and to the extent that a court of competent jurisdiction should determine that a liquidated damages provision is unenforceable as a matter of law.”

Q: Will the Department please explain how the amounts for Liquidated Damages for each specific requirement were determined if potential net loss to the Lottery was not a factor?

RESPONSE: The Lottery’s liquidated damages amounts were set to reflect reasonable estimates of likely damages. RFP Section 2.13’s reference to “potential lost revenue or potential lost net profit to” is hereby revised to read “actual damages to”.

Section 2.13 Central System Degraded Performance, “Damages” Subsection (A), Page 30

In Section 2.13.6, the RFP states, “In all the below liquidated damages sections, the damages shall be pro-rated for partial periods.” However, in Subsection A. under the “Damages” portion of Section 2.13.10, the RFP states, “Liquidated damages in an amount up to ten thousand dollars (\$10,000) may be assessed for each hour of degraded time, or fraction thereof.” The assessment of liquidated damages on an hourly basis for a fraction of an hour under this Subsection A conflicts with the proration of liquidated damages for partial periods under Section 2.13.6.

Q: Will the Department please explain or resolve this apparent conflict between the assessment of liquidated damages on both a pro-rated hourly basis, and on a fraction of an hour basis?

Response: In relevant part, RFP Section 2.13.10 is hereby revised to read “Liquidated damages in the amount of ten thousand dollars (\$10,000) may be assessed for each hour of degraded time.

2.13.7, et al

In Section 2.13.7.A, 2.13.7.B, 2.13.22, and 2.18, there are references to the system being free of defects or all defects corrected prior to the system being ready for Lottery Acceptance Testing or to successfully pass Lottery Acceptance Testing while in Section 2.18.2 there is a reference to reasonable standards for readiness of the System for acceptance testing, known as “entry criteria.”

Would the Lottery please accept the use of jointly agreed entry criteria and exit criteria for entrance into Lottery Acceptance Testing and final system acceptance by the Lottery at the end of Lottery Acceptance respectively that allows for an agreed reasonable standard of readiness?

RESPONSE: The requested change is not acceptable. The Lottery will seek and welcome input from the Successful Bidder in determining appropriate entry and exit criteria during the system specification stage.

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2.13.11

In section 2.3.11, the RFP states that there is no cure period for Group A reports, and later on the same section it states that “when approved cure period has passed, liquidated damages will be applied”. Is it the Lottery’s intention to change the initial statement and provide an approved cure period for reports belonging to Group A?

RESPONSE: The RFP has been amended.

2.13.13

Could the Lottery kindly confirm that the time frame in which to repair issues would not run when the retailer is closed and therefore the Successful Bidder would not be penalized for hours in which a retailer is closed?

RESPONSE: The Successful Bidder will not be subject to penalties under the contract. Liquidated damages for not repairing equipment deployed in retail locations as within the allowed grace periods may be assessed.

In accordance with section 2.13.13, the period falling within both the subject retailers operating hours and the period from 8am ET and 8pm ET will be considered in determining the duration of time. However, the total allowed timeframe cannot exceed 24 actual clock hours (excluding full days the retailer is closed—see section 3.7.5.1).

Examples:

Retailer reports CART down at 7pm on Saturday. The CART is repaired at 5 pm on Monday.

Consideration of downtime for Saturday through Sunday would be:

- Saturday: 7pm until 8pm will be considered in the calculation if the retailer is open until 8pm or later. (depending on retailer’s hours: the minimum time=0 hours and maximum time=1 hour)
- Sunday: 8am until 8pm will be considered if the retailer is open during those hours. If the retailer is only open from 8am until noon, only those four hours would be considered. If the retailer is not open, no time would be considered. (depending on retailer’s hours: the minimum time=0 hours; maximum time=12 hours)
- Monday: 8am until 5 pm will be considered if the retailer is open during those hours. (depending on retailer’s hours: the minimum time=0 hours; maximum time=9 hours)

For a retailer who is open 24 hours a day, seven days a week, the Lottery would consider 22 hours of downtime (1 for Saturday, 12 for Sunday, and 9 for Monday).

For a retailer who is open from 7:30am to 7:30pm seven days a week, the Lottery would consider 17 hours of downtime (0.5 for Saturday, 11.5 for Sunday, and 5 for Monday).

For a retailer who is open from noon to midnight seven days a week, the Lottery would consider 14 hours of downtime (1 for Saturday, 8 for Sunday, and 5 for Monday). However, if the event provides 12 hours of allowed downtime (for example, equipment other than Retailer Terminals at a Class B retailer), the event would reach 24 hours of actual clock time as of 5pm on Sunday and

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the Lottery could assess damages for 3 hours on Sunday (5pm – 8pm) and 5 hours on Monday (noon to 5pm).

2.13.13 Retailer Terminals and Peripherals, Pages 31 and 32, Section 3.7.5.1, Page 94, Section 3.7.13, Page 98

The RFP references separate requirements for various Service Level Agreements and associated Liquidated Damages. For example, in 2.13.13 there are very specific Conditions and Damages detailed and references to allowed timeframes in 3.7.5.1. Section 3.7.5.1 contains very specific timeframes for Class A and Class B Retailers. Additionally, in 3.7.13 the RFP states “The Bidder must propose Service Level Agreements for sections 3.7.2, 3.7.5, 3.7.6, 3.7.7, and 3.7.8. The Service Level Agreement shall provide the Bidder’s target performance levels and the Bidder’s minimum guaranteed service levels.”

Q: Will the Department please clarify whether the Bidder should infer that the current SLA structure is subject to change and will be negotiated between the Successful Bidder and the Department upon contract award or is the intent to evaluate each Bidder’s proposed Service Level Agreement in the Evaluation Period?

RESPONSE: The Lottery will evaluate each Bidder’s proposed service level agreement in the evaluation period.

2.13.18

In section 2.13.18 Supply Shortage, the condition states the vendor has (2) hours to verify a retailer out of Terminal Ticket Stock. Under Damages it also states that if a retailer cannot sell because of a lack of ticket stock the vendor has (4) Hours to respond or liquidated damages may be imposed.

Question: Can the lottery clarify the two response times?

RESPONSE: The RFP has been amended to clarify that damages may be imposed after a two (2) hour period.

Supply Shortage, Page 33

RFP Section 2.3.18 states in the Condition section that: “The Successful Bidder shall ensure that a retailer that has been reported as not having Retailer Terminal ticket stock for a Retailer Terminal is verified as having Retailer Terminal ticket stock for the subject Retailer Terminal within two (2) hours of the reported outage.”

Additionally, RFP Section 2.3.18 states in the Damages section that: “If there is a delay beyond the allowable four (4) hours, the Lottery may impose liquidated damages up to fifty dollars (\$50) per terminal per hour or pro-rated fraction thereof.”

Q: Will the Department please clarify whether the correct time frame is two (2) hours or four (4) hours?

RESPONSE: The RFP has been amended.

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2.13.20

The RFP that “The network infrastructure fails to provide continuously reliable service to retailers”. Could the Lottery please elaborate further and quantify the “continuous service reliability” in the above statement?

RESPONSE: Common synonyms for “continuous” as used in this context include “constant,” “unbroken,” and “uninterrupted.” Service that is interrupted frequently enough or long enough that it is noticeable at the retailer location would not be considered to be “continuously reliable service.”

2.13.21

Failure to Remedy Audit Recommendations, Page 35

Q: Would the Department accept the following change in the Condition verbiage?

Condition If the Successful Bidder fails to address recommendations made as a result of a System or operational audit as agreed to by the Lottery and Successful Bidder within the agreed upon timeframe, there will be liquidated damages assessed.

RESPONSE: The language will be changed to:

“If the Successful Bidder fails to address recommendations made as a result of a System or operational audit as agreed to by the Lottery within the agreed upon timeframe, there will be liquidated damages assessed.”

2.24

Would the Lottery kindly consider the language to be amended below from Section 2.24?

While the Lottery and the Successful Bidder agree that Intellectual Property associated with any product or service provided by (or developed solely by) the Successful Bidder during the term of this Contract and used by the Lottery will remain the property of the Successful Bidder, the Successful Bidder will grant a license access to the Lottery to make use of any such Intellectual Property on an indefinite basis with respect to Lottery conduct of games. There shall be no additional charge for this right of the Lottery.

Intellectual Property fees for third-party products, logos, trademarks, brands or labels that the Successful Bidder deploys in the System under the Contract must be addressed prior to the introduction of the intellectual property or the Successful Bidder grants the Lottery perpetual use of such intellectual property without fees. The Successful Bidder may not separately charge the Lottery an Intellectual Property fee for any items owned by the Successful Bidder.

RESPONSE: The State will not so amend Section 2.24.

2.36

Indemnification, Page 44

Q: Will the Department please confirm that the Successful Bidder shall not be required to indemnify the State or its officers or employees (the “Indemnified Parties”) against damages or

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losses to the extent to which such damages or losses arise from the Indemnified Parties' own acts or omissions?

RESPONSE: RFP Section 2.36 and Attachment C Section 7 speak for themselves.

Part 3

Specifications and Business Requirements, Page 48

The RFP states that: "All systems, retailer devices, and other equipment must be new and unused."

Q: Would the Department please confirm that this requirement includes facilities, communications equipment (all components), furniture and fixtures, and support equipment (UPS, generator, etc.) to be new and unused?

RESPONSE: The language in the RFP speaks for itself.

The following sections within the RFP "Part 3 – Specifications and Business Requirements" have numbering scheme concerns. Will the bidders use the existing RFP numbering or will the Department correct the numbering and reissue a redlined version of the RFP?

Numbering after Section 3.2.7.1 Pages 56 – 58.

Numbering after Section 3.4.3.1 Pages 75 - 76.

Numbering after Section 3.4.8.1 Pages 82 - 83.

Numbering after Section 3.6.2 Pages 87 - 89.

RESPONSE: The RFP has been amended.

After Section 3.2.7.1, the RFP Sections numbering is off, starting with 3.2.6.2 Advertising Display until 3.2.9. Sales Channel Equipment for Lottery Acceptance Testing. Could the Lottery please correct the sequential numbering for requested RFP sections and sub-sections?

RESPONSE: The RFP has been amended.

Would the Lottery be willing to allow Bidders to adjust the numbering on the following subsections?

Change 3.2.3.1, Lottery Player Website, to 3.2.3.2, Lottery Player Website

Change 3.2.8, Optional Sales Channels, Device, and Peripherals to 3.2.9, Optional Sales Channels, Device, and Peripherals

Change 3.2.9, Sales Channel Equipment for Lottery Acceptance Testing to 3.2.10, Sales Channel Equipment for Lottery Acceptance Testing

RESPONSE: The RFP has been amended.

It appears that the numbering skips within 3.4.3, 3.4.8, and 3.6. Would the Lottery please confirm that requirements for 3.4.3.2, 3.4.8.2, and 3.6.3 have not been unintentionally omitted from the RFP?

RESPONSE: The RFP will be amended.

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3.1.2

Section 3.1.2 states “The configuration at the Backup Data Center must have the same processing capability and reliability as the configuration at the PDC.”

Would the Lottery please confirm that the Backup Data Center is only required to be a Simplex System, meaning a single system of full processing capability?

RESPONSE: Section 3.1.2 is correct as written; the processing capability and reliability at the Backup Data Center must be the same as that of the configuration at the PDC.

3.1.3

Can the Lottery please define the minimum specifications required for the pressure seal, print-to-mail capability machine?

RESPONSE: This machine is used for processing creating checks, renewal notices for subscriptions, confirmation cards for subscriptions, and tax forms. Machine must be capable of sealing single-sheet self mailers. The machine may be standalone—not connected to the printer. The existing machine is a Lasermate LM 5.5 with the following specifications. The replacement machine must have similar or better features.

Form size		
Standard Lengths	11”, 11.69”, 12” & 14”	
Standard Widths	8.27” & 8.5”	
Fold types		
Standard V-fold	8.5” x 11”	
Standard C-fold	8.5” x 11”	
Standard Z-fold	8.5” x 11”, 8.5” x 14”	
Eccentric Z-fold	8.5” x 11”	Form: top panel 4.25” Mid panel 4.25”, Bottom Panel 2.5”
	8.5” x 14”	Form: top panel 5.25” Mid panel 5.25”, Bottom Panel 3.5”
	or 8.5” x 14”	Form: top panel 5.5” Mid panel 5.5”, Bottom Panel 3”
Return Envelope	8.5” x 14” C-fold	Panel sizes of 3.25”, 5.38”, 5.38”
	8.5” x 14” Z-fold	Equal panel sizes of 4.66”
Paper weight	24 or 28 lbs bond	
Hopper capacity	Up to 350 sheets of 24 lbs bond	
Output tray capacity	Up to 225 mailers, 3-ply sealed of 24 lbs	
Operating speed	Up to 5,500 fph (8.5 x 11)	
Volume	Up to 65,000 documents per month	

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3.2.1

Retailer Terminals f) Power Cord, Page 52

RFP Section 3.2.1 (f) states: “Power Cord. Retailer Terminals must have power cord lengths that meet various retailer requirements.”

Q: Will the Department please specify the lengths of the power cord that are required?

RESPONSE: The Bidder should state any limitations on the length of cords that can be made available for the retailers.

3.2.1.1

Clerk Activate Retailer Terminals CARTS), Page 53

3.2.1.1 Clerk Activate Retailer Terminals (CARTs)

The RFP Section 3.2.1.1 (C) Document Scanners states: “The CART must be equipped with a document scanner(s) collectively capable of at a minimum:

a. Reading Play Slips with various colors and graphics. Special markers shall not be needed for the Play Slips.”

Q: Will the Department please define what is meant by “special marks” for the playslips?

RESPONSE: The term “special marks” is not used in the section cited. “Special markers” would be any marker that is not readily available at any general merchandise store with standard office or schools supplies. If the reader will accept black ink or #2 lead, it would not require “special markers.”

3.2.1.2

In point I, does the Lottery consider using the device’s own screen for signage purposes (e.g., screensaver mode) or the Lottery requires a different dedicated advertising display?

RESPONSE: The Lottery does not require a different dedicated display for the FSVM.

3.2.3.1

Mobile App, Page 55

Q: When the Lottery states their desire for players to have the “ability to cash tickets” inside the mobile app, would this apply to all cash prizes, or only those under \$600? Is there a specific form in which the Lottery wants players to receive their prizes, ACH deposit? Mailed check? A different method? Does the Lottery want this functionality for both instant and draw tickets?

RESPONSE: The Lottery is interested in innovative solutions and is open to solutions that are consumer-friendly and cost-effective. Cashing functionality for both instant and draw tickets would be preferred.

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In Section 3.2.3.1, the Lottery encourages the bidders to provide a Lottery Website for players. Would this website replace the Lottery's current website, or would the content and functionality requested within this section can be included in addition to that currently available at www.vtlottery.com?

RESPONSE: The Lottery's current homepage is a general public website and not solely for players. Although the Lottery's current homepage could be provide a link to a player portal, Bidders could propose a solution that would replace the Lottery's current website and provide a player website OR provide a player website that could be accessed from the Lottery's existing website.

Since both the mobile app and the player website do not have playing or wallet functionality, could the Lottery please clarify the purpose of requesting the Bidders to offer "cash tickets" functionality?

RESPONSE: This functionality would allow players to cash their tickets through the mobile app or the website.

3.2.3.2

Lottery Player Website, Page 55

Q: Would the Department please clarify or define the meaning of "Access to the Players' Club"?

RESPONSE: The Lottery website currently has a link to our 2nd Chance website. The Bidder's may propose additional functionality and host a Player's Club.

3.2.3.2

Q: Is the current Players' Club and related website pages being managed by another party, if so, please identify who (the Lottery, Agency, or other)?

RESPONSE: Yes, 2nd chance website is managed by Pollard Banknote. New player club functionality could be offered by the Bidders.

3.2.3.2

Q: In what form does the Department/Lottery envision this website would provide player's access to the Players' Club, by linking to it? Logging-in using pass-thru authentication? Or a different method?

RESPONSE: Linking to the home page of the 2nd chance website would be required. The website should provide a link to the Player's Club (if offered).

3.2.6.1

In this section, the Lottery states that "The mobile terminals do not have to meet the network throughput requirements defined in Section 3.2". Checking section 3.2, we were unable find any network throughput requirements defined. Could the Lottery please provide the correct section number where the Network throughput requirements are defined?

RESPONSE: The RFP has been amended.

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3.2.6.2

The Lottery states that “The quantities and sizes of displays must be appropriate for the retail environment for which they are proposed”. Is it in the discretion of the Bidder to propose displays quantities and sizes or is there (or will be) a “displays distribution plan” prepared by the Lottery?

Could the Lottery please provide a complete list of the Retail Locations with their distinctive characteristics (i.e., type, available space, etc.)?

RESPONSE: It is at the Bidder’s discretion to propose display quantities and sizes. A list of retailers has been provided.

The Lottery states that “Content for the units must be programmable from the Lottery management terminals”. Could the Lottery please clarify if the content needs to be centrally managed? If yes, could the Lottery please elaborate further on the requirement?

RESPONSE: The content can be managed by authorized individuals from any Lottery management terminals.

3.2.6.3

Jackpot Signs, Page 57

RFP Section 3.2.6.3 states: “The Proposal must include at least one unit for each Retailer and necessary spares to replace faulty and damaged units.”

Q: Will the Department please confirm whether or not each Retailer currently has a jackpot sign installed?

RESPONSE: Please see retailer data provided [VT-01]

3.2.7.2

Can the Lottery please confirm that:

3.2.6.2 should be 3.2.7.2.

3.2.6.3 should be 3.2.7.3.

3.2.6.4 should be 3.2.7.4.

There is a duplicate of 3.2.7.

RESPONSE: Section numbers in the RFP will be corrected.

3.4.1.4

Large Dollar Transaction Verification. Can the Lottery please clarify if this large transaction verification process applies only to Validation transaction types and not to Sales transactions?

RESPONSE: This clause applies to Sales transactions. Clauses pertaining to dollar amounts for validation/query transactions include C, D, and E in section 3.4.1.4 Ticket Validation and Query Controls.

3.4.1.6

Promotions and Promotional Features, Page 71

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Q: Are the prize drawings referenced in this requirement second-chance drawings or a different type of prize drawing?

RESPONSE: Only C, D, and F relate to drawings; none of these are second chance drawings.

Q: Can an alternative entry mechanism be proposed?

RESPONSE: Yes.

Could the Lottery please provide additional information on the Bonus Draw promotion features requested in point D of this section? (3.4.1.6)

DRAFT RESPONSE: For example, the Lottery could offer a bonus draw for Pick 3. The Lottery could have two drawings for the evening draw. All players holding tickets for that drawing would win on either set of numbers drawn.

3.4.2

Would the Lottery please provide its retailer instant settlement terms?

RESPONSE:

The following settlement terms are in use:

- a) Settle upon receipt
- b) Settle upon activation
- c) Settle based on # of days since activation (can be any number of days from 1 to 120)
- d) Settle based on % of validations (based on low-ties) – can be any %
- e) Manual settle by retailer or lottery sales rep.

3.4.4.1

Applications item (B) and Section 3.4.4.2 Set-up and Activation item (B), Pages 76 – 77

Both sections have identical requirements. RFP states: “B - The System may securely interface with other State agencies to determine whether the business entity and the owners are State debtors...”

Q: Is this the Department’s intent?

RESPONSE: Section B in 3.4.4.2 will be removed.

3.4.6

Can the Lottery please confirm the location(s) where the Lottery expects the Primary, Backup & Test ICS systems to be installed?

RESPONSE: The Bidders should propose locations for the ICS systems that it believes will be most efficient for the Lottery and meet all MUSL requirements.

Questions and Answers
Lottery Gaming Services, Sales Channels and Related Services

3.4.15

In this Invited Option, the Lottery is considering setting up a player registration system for player loyalty purposes. Does the Lottery desire this registration system employ single sign- on methodology and be included within the Lottery's existing website?

RESPONSE: Single sign-on would be preferred. The Lottery's public facing website should be one point of access to the player registration system.

3.5

Revenue Generation Services and Support, Page 85

Q: Will the Department please provide all draw game logos in a high res Illustrator format.

RESPONSE: Please see draw game logos provided [VT-02]

Would the Lottery please provide its instant ticket pack sizes by price point?

RESPONSE: See table below

Price Point	Book Size (# of tickets)
\$1	150
\$2	100
\$3	75
\$5	75
\$10	35
\$20	25
\$25	25

3.5

Would the Lottery please provide instant game prize structures for games launched in FY18 and FY19 to date?

RESPONSE: Please see instant game prize structures [VT-03]

3.5

Would the Lottery please provide weekly instant sales data by game from FY16 through FY19 to date?

RESPONSE: Please see instant game sales data by game [VT-04]

3.5

Would the Lottery please provide instant game schedules for FY18 and FY19 including information such as individual game prize payout percentage and ticket quantities?

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RESPONSE: Please see instant game schedule [VT-05]

3.5

Would the Lottery please provide any marketing research results summaries pertaining to draw and instant games from the previous three years?

RESPONSE: Please see instant marketing research [VT-06]

3.5

Section 3.5 Revenue Generation Services and Support, Page 85

Q: The Lottery introduced Fast Play with progressive prizes in June 2014; however, prior to that change, the Lottery experienced significant YOY growth (90% in FY13 and 40% in FY14), would the Department/Lottery please describe what was responsible for this growth?

RESPONSE: From 6/12/2006 through 10/27/2012 VT only offered one \$1 game at a time. On 10/28/2012 that was increased to four games – two \$1 games, one \$2 game, and one \$5 game.

3.5

Q: Would the Department/Lottery please provide the Fast Play game name, ticket artwork, sales by game, price point, and prize structures for each Fast Play game launched from FY14 – FY20?

RESPONSE: Please see Fast Play tickets [VT-07], Fast Play prize structures [VT-08], and Fast Play sales [VT-09]

Q: In an Excel format, could the Department/Lottery please provide sales by retailer for FY18 with the following attributes:

- Retailer name
- Physical address (street address, city, zip code, county)
- Tradestyle
- Number of terminals
- Terminal type
- Retailer status (active/inactive)
- Retailer activation or deactivation date
- Chain Name or Chain ID

RESPONSE: Please see retailer data [VT-10]

Q: Please provide details relating to new draw games or draw game changes that the Lottery plans to implement prior to the launch of a new contract.

RESPONSE: There are no current plans to launch new games or change existing games prior to June 2020.

Q: To better customize our response, please provide any marketing plans and advertising campaigns that are currently scheduled, and the historical marketing plans and advertising campaigns for the last two years.

RESPONSE: Please see marketing and promotions [VT-11]

Questions and Answers
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Q: Please provide any research reports for the last three years (playership data, segmentation studies, internet/website/loyalty, new game research instant/draw, etc.)

RESPONSE: Please see marketing research [VT-06]

Q: Please provide summaries of your promotional initiatives (instant, loyalty and draw), timing and ROI/sales impact for the last two years.

RESPONSE: Please see marketing and promotions [VT-11]

What is the total square footage of the current instant ticket warehouse?

RESPONSE: Please see warehouse square footage and inventory [VT-12]

Will the Lottery please provide the number of tickets, by price point, that were in your warehouse on January 1, 2019? In addition, how many games by price point?

RESPONSE: Please see warehouse square footage and inventory [VT-12]

3.5.1.1

Comprehensive 18 Month Play Excluding Expansion of Gaming, Page 86

The RFP indicates the plan must not include the introduction of games or sales channels that would be considered an expansion of gaming.

Q: Would the Department please define what games or sales channels are considered to be an expansion of gaming?

RESPONSE:

Sales channels that would be considered an expansion of gaming would include:

- Sales through a channel located outside licensed retailer locations

Games that would be considered an expansion of gaming would include:

- Video lottery games
- Games only available through a self-service device

In this section, the lottery is requesting a comprehensive 18-month plan excluding expansion of gaming. Could the Lottery please further elaborate on the matter and define what it considers as “Expansion of Gaming”?

RESPONSE: See answer above.

3.5.1.2

In this section, the Lottery is requiring a five-year plan for gaming expansion including sales and profit estimates associated with new games and sales channels. Does the lottery require a sales and profit estimate for the five-year plan including existing and new games or only the new games?

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Lottery Gaming Services, Sales Channels and Related Services

RESPONSE: Sales and profit estimates should be provide for all games to ensure the estimates include any expected cannibalization or synergies. It is acceptable for all instant games to be included as a single game and all Fast Play games to be included as a single game.

3.5.3.E

Message Content, Page 86

The RFP states: “The Bidder is encouraged to propose providing message content (dynamic and static) for inclusion in marketing assets that can be updated (i.e. social media, web page, retailer messages, advertising displays, Terminal Game ticket messages, etc.)”

Q: Would the Department/Lottery please provide additional information as to the type, format and frequency of content desired?

RESPONSE: The Lottery desires content types offered in frequencies and formats that will promote sales and enhance the Lottery brand.

3.7.2.1

In this section, under point A. System Releases, the Lottery requires the Bidders describe the process, timeline, and approach for the quarterly batches, while in section 2.13.14, Lottery states that the successful to provide at least three (3) major software releases per year. Could the Lottery please clarify if three or four software releases are required per year?

RESPONSE: Section 3.7.2.1 has been amended by replacing “the quarterly” with “periodic.”

3.7.5.1

Maintenance and Service Program, Page 94

RFP Section 3.7.5.1 states: “On a monthly basis, retailers shall be classified as Class A or Class B Retailers. Class A will consist of the top 20% of retailers based on total sales for the previous quarter. Class B will consist of all other retailers.”

Q: Will the Department please confirm whether or not the total sales used for Retailer classification are draw/online only or a combination of draw/online and instant?

RESPONSE: “Total sales” means the sum of all sales. The Vermont Lottery sells draw/online game products and instant game products. Therefore, “Total sales” is the sum of draw/online games and instant games.

Will the Department please clarify whether it is the responsibility of the Successful Bidder or the Department to classify the Retailer base as Class A or Class B Retailers?

RESPONSE: It will be the Successful Bidder’s responsibility to ensure the retailer database is updated on a monthly basis to reflect which retailers are Class A and which are Class B. If necessary, the Lottery can assist the Successful Bidder in determining which retailers are in the top 20%.

Questions and Answers
Lottery Gaming Services, Sales Channels and Related Services

3.7.6

Q: Is the Department seeking an overall Service Level metric for the call center? Similar to 85% answered in 90 seconds?

RESPONSE: The Lottery is seeking an optimal service level/cost ratio that can be provided by the Bidders. 85% in 60 seconds would be marginally acceptable.

3.7.10

Invited Option – Player Support, Page 98

Q: In order to properly scope a program for the Vermont Lottery, would the Department please provide the following details?

- Types of calls received by the player hotline.
- Average number of calls daily.
- Average call duration.
- Call arrival patterns by day, week, month, and year.
- Percentage of calls answered by automation (IVR).
- System, tool, or knowledgebase used to provide service to the caller.
- Special skills required to perform role.
- Weeks of training to perform the role.
- Hours of operation desired.
- Days of week required.
- Channels required (e.g. phone, email)

RESPONSE: This data is not tracked by the Vermont Lottery. These calls are currently handled by existing Vermont Lottery staff. We estimate that there are less than 50 calls per week.

3.7.13

Service Level Agreement, Page 98

Q: Is the Department willing to remove the metric “# of calls abandoned” as it is difficult to know how many calls will be received in a given day?

RESPONSE: Yes, the metric will be removed.

3.8.8

Conversion Support, Page 105

RFP Section 3.8.8 states: “Retailer Terminals and peripheral devices currently installed and in use by Retailers under the current Contract(s) will be removed by the current Vendor. Any Terminal, Retailer equipment or peripheral devices that have not been removed by the current Vendor must be removed by the Successful Bidder at its cost.”

Q: Will the Department please clarify whether or not the intent of the above paragraph is for the Successful Bidder of this RFP to remove any remaining equipment the current Vendor fails to remove?

RESPONSE: The RFP has been amended.

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Section 2.13.8 states the Successful Bidder shall install, move, and remove Retailer Terminals in accordance with the provisioning schedules that are agreed to by the Successful Bidder and the Lottery.

Section 3.8.8 states that any retailer equipment not removed by the current vendor must be removed by the Successful Bidder at its cost.

It is typical industry practice that the current vendor is responsible for the removal of their retailer equipment and the Successful Bidder on installs and removes their own retailer equipment unless there is a separate agreement between the two vendors for compensation for the Successful Bidder to remove the current vendor's equipment.

Would the Lottery please clarify that in all areas of the RFP where removal of equipment is required by the Successful Bidder that it relates only to the Successful Bidder's equipment and that the current vendor is responsible for removing all of their current equipment including such equipment that is located at the retailers?

RESPONSE: The RFP has been amended to clarify that references to the Successful Vendor's requirement to remove equipment will be limited to the equipment provided by the Successful Bidder.

3.9.8

Section 3.9.8 states that the Successful Bidder must provide secure storage space for lottery ticket stock but only requests a description of the management process of printing through distribution to the retailer, without clearly stating whose responsibility it is to perform that management process.

Would the Lottery please clarify the party that is expected to perform the ticket stock management process?

RESPONSE: The RFP requires the Bidder to describe the ticket stock management process because the Successful Bidder will be expected to perform the ticket stock management process. The Successful Bidder or one of its subcontractors will be in possession of the ticket stock from the time it is printed until it is distributed to the retailer.

Section 3.10, Value Added Offerings, and associated subsections 3.10.1, 3.10.2, and 3.10.3 request that Bidders estimate the value and/or cost savings of enhancements and/or options included in their proposals. What type of justification does the Lottery desire for vendors to prove any claims of value or cost savings of enhancements and/or options? If added values are provided by a Bidder, how would the Lottery determine that each of the value-added offers are not either underestimated and/or overestimated?

RESPONSE: The Bidders should provide the best evidence available for their estimates. Verifiable results from actual case studies would be very good evidence. The Lottery will evaluate the rationale and data provided.

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Lottery Gaming Services, Sales Channels and Related Services

PART 4

Could the Lottery please confirm our understanding that the financial statements and information required by Section 4.6 have to be included only in Package A and therefore such information will not be evaluated and scored based on the evaluation criteria defined for PART 4 as these are described in page 119 of the RFP.

RESPONSE: Financial statements only have to be included in Package A. Financial capability will be considered in scoring for Section 4.

Section 4.6 Financial Viability, Page 114

The RFP states that: “In order to ensure the Bidder's financial ability to perform under the contract, the Lottery requires the following financial information. An original and two (2) copies of this information must be provided and must be submitted with the original Proposal (not with copies).

A. Submission of Financial Statements. All Bidders and substantial subcontractors must submit certified financial statements, or federal income tax returns if the Bidder or substantial subcontractor does not have certified financial statements prepared for the last two (2) fiscal years. Certified financial statements must be the result of an audit of the entity’s records, prepared in accordance with Generally Accepted Auditing Standards (GAAS) by a certified public accountant. The certified financial statements shall be prepared in accordance with Generally Accepted Accounting Principles (GAAP), and must include balance sheets, income statements, statements of cash flows, statements of retained earnings, notes to the financial statements for both years, and any management letters that have been received for those years. For non-U.S. entities the equivalent non-U.S. accounting standards apply.”

Q: Due to the voluminous amount of material and to assist with the reduction of paper use, will the Department allow the bidders to include their financial statements (required by Section 4.6) on a USB drive in the place of the paper copies?

RESPONSE: The RFP has been amended to require the original and only one (1) copy.

6.4

Could the Lottery please confirm that the evaluation criteria and scoring system specified herein is the sole source of the proposals evaluation and scoring process? If this is not case, could the Lottery please specify any other evaluation criteria/instructions/guides that are not contained in the RFP?

RESPONSE: The evaluation criteria and scoring process are described in Section 6.4 of the RFP.

Technical Points, Page 118

The section numbers and sections titles in the technical points/evaluation criteria table do not match the RFP sections or titles in Section 3.

Q: Would the Department please consider correcting the table and reissuing it?

RESPONSE: The table has been amended.

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Will the Lottery please confirm that the numbering of the Technical Points should be as follows:

- 3.1 should be 3.5
- 3.2 should be 3.7
- 3.3 should be 3.9
- 3.4 should be 3.2
- 3.5 should be 3.8
- 3.6 should be 3.4
- 3.7 should be 3.3
- 3.8 should be 3.1
- 3.9 should be 3.6

RESPONSE: The RFP has been amended.

In page 118, the RFP contains a chart listing the sections that will be scored/evaluated for technical points. The listed section numbers appear to be mis-labeled and don't match the RFP sections. Could the Lottery please provide the correct chart?

RESPONSE: The table has been amended.

Each section that is being scored for technical points has multiple sub-parts. The scoring chart on page 118 does not provide any criteria for how the sub-parts are to be scored or weighted. How will the sub-parts be scored or weighted by the Evaluation Committee?

RESPONSE: Sub-parts will not be scored individually but will be considered within the context of their contribution to the comprehensive offering.

Could the Lottery please specify how will the scores for each bidder be calculated? Will each Evaluation Committee member provide his/her own scores? If so, will those scores be summed or averaged? Will the high and low score of each Evaluation Committee member be disregarded? Alternatively, will the Evaluation Committee instead reach a consensus score for each category?

RESPONSE: The Evaluation Committee will reach a consensus score for each category.

In page 119, the RFP states that proposals with deficiencies or risks in a category will be reduced at the rate of one point for each ten thousand (\$10,000) of lost value or added cost related to the deficiency. What are the criteria that will be used to determine the dollar amount of lost value or added cost? Will the reductions for deficiencies be reflected in the score sheets, so that bidders will be able to determine what reductions were made. Will bidders be provided with an explanation regarding what the deficiencies or risks were and how the lost value or added cost was determined?

RESPONSE: The criteria will be based on the Evaluation Committee's professional judgment of lost value or added cost. The evaluation report may provide general descriptions of the areas of deficiency.

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In page 119, the RFP states that option points will be assigned for each invited option and offered option that potentially adds value. What are the criteria that will be used to determine the dollar amount of the added value? Will the additional points for added value be identified in the score sheets, so that bidders will be able to determine what additional points were awarded for the added value items? Will bidders be provided with an explanation regarding what the added value items were that resulted in additional points, and what the dollar amount of the added value items were determined to be?

RESPONSE: The “estimated annual value” is the annual dollar value the Evaluation Committee determines the Vermont Lottery should be willing to pay to obtain for a specific option. The evaluation report will contain the number of Bonus Points assigned for each category for each Bidder and the points assigned for Invited Options and Offered Options that are evaluated as “likely options” per section 6.4.

In page 119, the RFP states that “After completing the scoring enumerated above, Lottery will determine which Invited Options and Offered Options recommended by the Evaluation Committee are likely to be exercised and, if so, in what time frame. Based on that determination, likely options will be included in the final evaluation and their pricing will be evaluated.” Will the bidders be notified which options are likely to be exercised? If so, will bidders be provided the opportunity to submit a supplemental proposal for the options that are likely to be exercised?

RESPONSE: The final evaluation report will include the options that were determined to be “likely to be exercised.” The Bidders are expected to provide their best solutions for each option in their Proposal. Supplemental proposals will not be allowed.

Section 6.4, Method of Award, Technical Points, states that “Option Points will be assigned for each Invited Option and Offered Option proposed by a Bidder that the Evaluation Committee determines to potentially add value. Option Points will be awarded at the rate of one point per ten thousand (\$10,000) of estimated annual added value as determined by the Evaluating Committee. There is no limit on Option Points.”

Since an estimate of the value-added and evidential support can only be assumed to be conjecture on the part of the Bidder, and therefore almost impossible for the Lottery to verify, would the Lottery be willing to provide additional guidance in terms of on what basis and/or methodology the Lottery will award additional points and what models the Lottery will be using as a benchmark to quantify the added values presented by each Bidder? Will the Lottery please provide clarification or additional insight into how an assessment of the financial impact/viability of Invited and Offered Options will be made?

RESPONSE: The “estimated annual value” is the annual dollar value the Evaluation Committee determines the Vermont Lottery should be willing to pay to obtain a specific option.

Could the Lottery please confirm that the Total Price Points are calculated as the addition of NSP Points and GGRP Points?

Could the Lottery please specify what will be the maximum Total Price Points that a bidder can score?

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RESPONSE: The Total Price Points awarded for each Bidder will be the higher of NSP Points or GGRP Points as calculated under “Base Price Scoring.” Mathematically, the maximum Total Price Points score would be 800. If a Bidder provided a % of Net Sales as 0.000%, the calculation would be: $NSP\ Points = 400 - [((0.000\% \times 130,000,000)/10,000) - 400] = 800$

Additional examples:

3.000% NSP → $NSP\ Points = 400 - [((3.000\% \times 130,000,000)/10,000) - 400] = 410$

3.500% NSP → $NSP\ Points = 400 - [((3.500\% \times 130,000,000)/10,000) - 400] = 345$

In page 121, the RFP states that the State may select one or more vendors with which to negotiate a contract, based on the evaluation findings and “other criteria deemed relevant[.]” Could the Lottery please clarify what are the “other criteria”? Will the other criteria be disclosed to the bidders? Will the bidders be provided with an opportunity to supplement their proposals in response to the other criteria?

RESPONSE: Evaluation criteria and information sources are discussed in section 6.4.

Attachment B

In Attachment B (Price Quotation Sheet), the Lottery includes many, but not all invited options included within Part 3 of the RFP document. Is it the Lottery’s intent that those invited options not included are not to be considered for scoring purposes, or do the lists provided serve as a suggested starting point only?

RESPONSE: The Invited Options listed in the two sections were intended to illustrate that Invited Options could be included in neither, either, or both sections. Bidders may propose Invited Options in either or both sections.

In Attachment B (Price Quotation Sheet), the Lottery includes some invited options within the top section (If implemented at start-up) that are not included in the lower section (If implemented in Year 3), and vice versa. Is it the Lottery’s intent that the invited options included in each section are to remain in those sections and should not be portable or editable?

RESPONSE: The Invited Options listed in the two sections were intended to illustrate that Invited Options could be included in neither, either, or both sections. Bidders may propose Invited Options in either or both sections.

Attachment C

Standard State Provisions for Contracts and Grants, Section 7, Page 1 of 6

Q: Will the Department please confirm that the Successful Bidder shall not be required to indemnify the Indemnified Parties against damages or losses to the extent to which such damages or losses arise from the Indemnified Parties’ own acts or omissions?

RESPONSE: RFP Section 2.36 and Attachment C Section 7 speak for themselves.

Attachment D

Given that the Lottery has fulsome remedies, including full indemnification protection and

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liquidated damages, would the Lottery consider a commercially reasonable cap on a Contractor's liability for damages under the Contract?

RESPONSE: A LIMITATION OF LIABILITY clause will be added to Attachment D and be a subject of contract negotiations.

Professional Liability and Cyber Liability Insurance Coverages page 7

This section requires \$20,000,000 in coverage; will the Lottery please confirm that this can be under the Errors and Omissions policy as required by Section 2.9.1 of the RFP.

RESPONSE: The Successful Bidder will need to provide adequate evidence of Professional Liability and Cyber Liability coverages. The required Professional Liability Insurance is typically covered under the Errors and Omissions policies for lottery contracts. Cyber Liability Insurance coverage is not typically covered under Errors and Omissions policies.

Would the Lottery be willing to accept the Bidder's Professional Liability and Cyber Liability Insurance, which provides Additional Insured status for the State of Vermont and its officers and employees, under the liability coverages (Professional/Technology/E&O liability and Cyber liability) to satisfy the Additional Insured requirement in Attachment D, Section 8?

RESPONSE: Yes.

Document title – Claims and Payments

Aside from the ticket and claim form are there any other artifacts required to be retained? (driver's license, government ID, etc.)

Please confirm: the Lottery stated that nothing is retained but it is noted that identification is viewed to confirm.

RESPONSE: Correct. The claimant's ID is viewed to confirm but the Lottery does not make or retain a copy of the ID.

Claim at PUB – when ticket information is communicated by telephone, entry of the TSN is entered manually while both persons are on the phone?

Please confirm: when the Teller calls the Lottery, they review a script of questions and then placed on hold to enable the Lottery to process and confirm or deny.

Fax is in a preliminary phase and not in place today.

RESPONSE: When the Teller calls the Lottery, the Lottery asks the Teller a series of questions and then places the Teller on hold while the Lottery processes the claim. The Lottery will reconnect with the Teller and confirm or deny the claim.

What is the process of handling setoffs when claim is at PUB?

Please confirm: The claim is denied or partially paid depending on the debt setoff amount. The Lottery enters the setoff amount and a check is issued to the agency for the amount owed and the balance made payable to the claimant.

RESPONSE: If there is an offset, the player is required to submit the claim directly to the Lottery.

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When a setoff consumes the claim, how is this communicated to the claimant?

RESPONSE: At the Lottery, the claimant is provided documentation regarding the offset.

When the PUB settles a claim is it by cash? Or Check? If by check is the check numbering a different sequence, then lottery office?

RESPONSE: Whatever the PUB provides the claimant (check, cash, or direct deposit).

How are the funds paid by the PUB reimbursed?

RESPONSE: The claim is processed through the gaming system but the flow of money is not (claim shows up on a Lottery HQ Retailer ID). Money is withdrawn by the PUB from the Lottery's bank account. The transfer of money occurs outside of the gaming system.

How and when are the debt set-offs collected paid to the setoff agency?

RESPONSE: By a check created by the gaming system at the time of the claim.

Document title – Instant ticket Allocations

In the other section, number list 9, when the Marketing rep is in the store and determines a replenishment of inventory is necessary, an order is placed directly on the lottery terminal to the warehouse or does the Representative travel with inventory to replenish as necessary?

RESPONSE: The Representative travels with inventory to replenish retailer stock.

Number list 10, requested orders directly to LCS that are to be reviewed before processed, what is the criteria used

RESPONSE: Criteria include 1) time of next order, 2) whether money is owed, 3) current inventory level

Document title – Terminal Game Drawings

Number list 1 – numbers received are they received by lottery team or vendor operations team?
Both

RESPONSE: Correct. Both.

How are the numbers communicated to the vendor winning numbers entry team? (and ICS)

Please confirm: Vermont staff person with access to MARS enters the information or an email is sent to the vendor

RESPONSE: Correct, via MARS for games coordinated by MUSL. For Tri-state and Vermont games, the New Hampshire draw room emails them.

Number list 2.a & b; first entry made by vendor staff and second entry by different vendor staff, are both staff (vendor and ICS) in the same room/building?

RESPONSE: The two vendor staff members are typically in the same room. Lottery and vendor staffs are in different locations.

Number list 3.a & b; enabling of payments - what time the next morning are payments enabled?

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RESPONSE: 3a – the following day and after receiving draw reports from MUSL; 3b – as early as possible the following morning and after receiving certification from ICS.

Document title – VT Lottery application process

Number list 2 – from receipt until application checked and letter mailed indicating missing information what is the typically duration?

RESPONSE: Typically, two to three business days.

Number list 3, the copy provided to the sale rep, is this a photo copy of the complete application and what is the duration following receipt by lottery the copy is made available to the sale rep?

RESPONSE: Yes, it is a photocopy of the application. Can be up to seven business days.

Number list 5, the fax memo, to CT Tax Department, how is it communicated back to lottery clearance or denial?

RESPONSE: The VT Tax Department provides denials verbally.

Number list 6, the return of documents from number list 3, 4, & 5, are these delivered to the same person that originally received the application?

RESPONSE: Yes

And they are responsible for delivering to the Director of Marketing for sign off? **RESPONSE:**

RESPONSE: Yes

What is the typical duration after Director receipt until sign off?

RESPONSE: Maximum of two business days.