

MISSISSIPPI LOTTERY CORPORATION

LIST OF QUESTIONS RECEIVED BY JULY 8, 2019

RE: RFP NO. 4 – REQUEST FOR PROPOSALS FOR INSTANT TICKET LOTTERY GAME SERVICES

AND RFP NO. 5 -- REQUEST FOR PROPOSALS FOR ONLINE LOTTERY GAMING SYSTEM

ANSWERS TO WRITTEN QUESTIONS DEADLINE: JULY 16, 2019 (5:00 P.M. CST)

	VENDOR #2 QUESTIONS – RFP NO. 4 & RFP NO. 5	MS LOTTERY CORPORATION ANSWERS
1	General: Has the Corporation established a logo or color palette for the Mississippi Lottery that can be provided to Vendors?	No. The Corporation is working on finalizing the logo and color palette. The Corporation will provide it as soon as possible.
2	Section 1.5, pgs. 8-9: Would the Mississippi Lottery Corporation please confirm that any confidential information would not be released under the Mississippi Public Records Act of 1983, Miss. Code Ann. §§ 25- 61-1 et seq., as amended, and the Corporation’s Public Records Request Policy (the “Open Records Laws”) without first contacting the Bidder?	As stated in Section 1.5 of the RFP, “After all Vendors have been notified of the award of a Contract, Vendors’ Proposals will be available for public review, subject to the limitations of the Mississippi Public Records Act of 1983, <i>Miss. Code Ann.</i> §§ 25-61-1 <i>et seq.</i> , as amended, and the Corporation’s Public Records Request Policy.” Both the Mississippi Public Records Act and the Corporation’s Public Records Request Policy provide for notice to the Vendor prior to release as described therein, under certain circumstances as described therein.
3	Section 2.5 Proposal Submission, pg. 12: Will the Corporation please confirm that all copies of the cost/price portion of the Proposal required by Part VI may be submitted in one sealed and labeled envelope, rather than in individual envelopes, separate from the information required by all other Parts of this RFP?	The original of the cost proposal must be submitted in a single sealed envelope separate from a bidder’s response to the remainder of the proposal. No additional copies of the cost proposal are required.
4	Section 3.2 Contract Elements, pgs. 19-20: Would the Corporation kindly provide a version of the Contract in Microsoft Word so that a redlined version can be provided with the Proposal?	Such will be submitted via e-mail to the contact person for each vendor submitting an intent to bid letter or RFP questions.
5	Section 3.9 Ownership of Materials and Rights of Use, pg. 21: Would the Corporation kindly define what the Corporation’s intention is regarding what Corporation Intellectual Property the Successful Vendor may be asked to develop, produce, or provide exclusively for the Corporation?	The Corporation’s intention regarding Corporation Intellectual Property is to avoid an interruption of business that would negatively affect Lottery sales.

6	<p>Section 3.9 Ownership of Materials and Rights of Use, pg. 21: Would the Corporation kindly define what the Corporation's intention is regarding whether it is the Corporation's intent to allow the Successful Vendor, or the Lottery, to license the Corporation Intellectual Property to any third parties?</p>	<p>The Corporation's intention regarding the licensing of Corporation Intellectual Properties is 1) the Corporation may license the Corporation Intellectual Property to third parties and 2) the successful vendor may only license the Corporation Intellectual Properties to third parties upon the prior written consent of the Corporation.</p>
7	<p>Section 3.9 Ownership of Materials and Rights of Use, pg. 21: If we understand the intent of the language correctly, the Successful Vendor will be required to grant the Corporation a <u>perpetual, royalty-free license to use, sublicense the use of, modify and/or create derivative works of any and all of the very broadly defined "Vendor Licensed Intellectual Properties"</u>. The Corporation proposes to own and use, without fee, proprietary materials currently owned by a Successful Vendor, or materials the Vendor might obtain in the future whether those materials are ever used or needed by the Corporation. Our two primary concerns with this language are as follows: 1) The concept that all of the Successful Vendor's proprietary materials which are merely provided to the Corporation during the course of the proposed contractual relationship can be used as the Corporation desires upon the expiration of any such contract, and without additional fee to the Successful Vendor for the use thereof, violates sound business practice and prohibits our company from providing lottery solutions that benefit the entire lottery industry, not just the Corporation; and 2) Of equal concern is that at the expiration of the contract these same proprietary materials could be used, modified, and/or sublicensed by the Corporation to our competitors so that they may fulfill their contractual obligations to the Corporation. Accordingly, we respectfully request that the third paragraph of Section 3.9 of the Instant Ticket Lottery Game Services RFP issued by the Corporation either be deleted in its entirety or modified consistent with our comments above, this is language that is simply too risky to agree to. We would work with the Corporation to ensure that any of our material proprietary source code would be deposited into a third-party managed escrow account that would permit the Corporation access based upon mutually agreeable release terms so that the Corporation may continue to function if anything would happen to us/Vendor, but granting a free license to do anything with our IP should be amended.</p>	<p>The Corporation declines to delete the third paragraph of Section 3.9 of either the Instant Ticket Lottery Game Services RFP or Online Lottery Gaming System RFP. The Corporation's intention regarding Vendor Licensed Intellectual Properties is to avoid an interruption of business that would negatively affect Lottery sales. The Corporation's rights pertaining to Vendor Licensed Intellectual Properties are limited to Successful Vendors, Proprietary Materials used in connection with the System or performance of the contract in the event of breach, expiration or termination of the contract, but only for a period required for the Corporation to transition to a new vendor without disruption of business.</p>

8	<p>Section 3.13 pg. 23 and Lottery Gaming System Agreement 15(f), pg. 11: The requirement for Vendors to be qualified to conduct business in the state of Mississippi is both fair and reasonable. However, bearing in mind the tight turnaround time, would the Corporation be willing to accept a Vendor's application, submitted at the time the proposal is due, to be acceptable, with the understanding that the qualification would be in place prior to any work commencing?</p>	<p>The Corporation will accept a copy of a Successful Vendor's application to qualify to conduct business in Mississippi that has been submitted to the Mississippi Secretary of State, with proof that such has been transmitted to the Mississippi Secretary of State.</p>
9	<p>Section 3.19 Performance Bond, pg. 25, and Instant Ticket Lottery Games Services Agreement, pg. 14, Section 16, Obligations of Vendor, paragraph (c): In section 3.19 Performance Bond of the RFP, it states: <i>"The amount of the above-noted performance bond, letter of credit or securities may be reduced after the third year of the Contract term, in the sole discretion of the Corporation."</i></p> <p>Will the Corporation add the above language to the Instant Ticket Lottery Games Services Agreement Section 16 Obligations of Vendor paragraph (c) to be consistent?</p>	<p>The Corporation will amend the Agreement to reflect the requested verbiage.</p>
10	<p>Section 3.22 Force Majeure/Delay of Performance pg. 26 and Instant Ticket Lottery Games Services Agreement Section 18 Termination, paragraph (c), pg. 16: Would the Corporation please include terrorism in its description of Force Majeure events in both the RFP Section 3.22 Force Majeure/Delay of Performance and also in the Instant Ticket Lottery Games Services Agreement Section 18 Termination, paragraph (c)?</p>	<p>The Corporation amends the RFP and will amend the Agreement to reflect the requested verbiage.</p>

11	<p>Section 3.27 Consultants and Lobbyists, pg. 27: The Successful Vendor may have numerous subcontractors that will provide various services that may fall under the specifications of this RFP, including very small spend, or even a one-time spend.</p> <p>Would the Corporation consider only requiring the information described and required in Part IV to large or major subcontractors?</p> <p>For example, numerous other jurisdictions have the types of requirements laid out in Part IV for only “Major Subcontractors” that are or may be defined as providing either 25% of the total Successful Contractor contract spend, or provide a service that directly relates (1) to the official recording for lottery game play purposes of a player’s selection in lottery games involving player selections; (2) The receiving of a player’s selection directly from a player in lottery games involving player selections; (3) The drawing, determination, or generation of winners in lottery games; or (4) The security services required under this article.</p>	<p>The Corporation will limit the requirements of Part IV to subcontractors providing 10% or more of the total Successful Vendor’s contract spend.</p>
12	<p>Section 4.7 Subcontractors, pg. 29: Will the Lottery stipulate that United Parcel Service, Federal Express, and the US Postal Service are “Utilities” for the purpose of Section 4.7 and not “Subcontractors?” Even if a Vendor has a contract with any of these organizations, they cannot stipulate how these organizations will specifically carry out their duties just like the Vendors cannot stipulate how Entergy Mississippi, Mississippi Power Company or the Tennessee Valley Authority will provide a vendor with the electricity they need to operate their warehouse. Given the Lottery’s extremely tight proposal delivery schedule, Vendors may not be able to secure the necessary information in time to bid if these organizations were considered “subcontractors”</p>	<p>The Corporation will limit the requirements of Part IV to subcontractors providing 10% or more of the total Successful Vendor’s contract spend.</p>
13	<p>Section 4.8 Financial Soundness, pg. 29: Due to the potential volume and size of financial statements, would the Corporation please confirm submission of financial statements on electronic media only is acceptable?</p>	<p>An original hard copy and seven (7) additional copies are required. The additional copies can be provided in a digital format on a USB device which is compatible with both USB and USB-C. Be advised that blank, corrupt or unreadable forms of digital media will not be considered responsive to RFP requirements.</p>

14	Section 5.4.7 Second Chance Loyalty Program, pg. 36: Due to a wide range of interpretations for section 5.4.7, would the Corporation consider amending the requirement of a loyalty program to an invited option? This will allow the Corporation the opportunity for a full program comparison determining which solution provides the greatest long-term benefit to the Lottery Proceeds Fund and the State of Mississippi. If the Corporation chooses not to make this section an invited option, could it please further define the program specifications?	The Corporation declines to amend the requirement of a loyalty program to an invited option. Second chance drawings are for instant game top prizes once a game is sold out, near sold out or ready to be ended. One top prize for each instant game will be held out for the second chance drawing. The Corporation anticipates 3-4 such drawings for multiple games. In addition, the Corporation may conduct 1-2 drawings per year for prizes other than cash. It is the Corporation's understanding that these second chance drawings are a common practice in the U.S. lottery industry. The Corporation looks to Successful Vendor to define the specifications of its second chance drawing program.
15	General: Will the Corporation please confirm that debit and/or credit cards will be accepted as an appropriate method of payment, and will this include offering debit card functionality through your vending machines?	Correct. Credit and debit cards will be accepted as an appropriate method of payment for purchase of lottery tickets, including through vending machines. The Corporation will also require that the vending machines have age verification capability through a driver's license swipe or scan.
16	General: It is understood that keno, or a keno-style game, is not being offered at start-up. Does the Corporation intend or foresee offering keno, or a keno-style game, at any point during the term of the contract?	As the Mississippi Lottery matures, the Corporation plans to consider several alternative games that are not prohibited by the Act.
17	General: While we understand that it is very early in the process, will the Corporation please advise us as to when it will make an MLC logo and an MLC color scheme available to Vendors?	The Corporation is working on finalizing the logo and color scheme. The Corporation will provide it as soon as possible.
18	General: If the Corporation has established a logo, color palette, and any other elements of a marketing identity system for the Mississippi Lottery, would the Corporation be willing to provide these to Vendors now?	The Corporation is working on finalizing the logo, color palette, or elements of a marketing identity system. The Corporation will provide it as soon as possible.
19	General: Will the Corporation please advise us as to when it will make MLC Rules, Regulations, and Policies available to Vendors?	All current Corporation rules, regulations, and policies are available at the Corporation's website at www.mslotteryhome.com .
20	General: Will the Corporation please advise us as to when it will be able to provide a potential retailer list to Vendors?	Retailer information will be provided to the Successful Vendor as Retailers are approved.

21	General: Will the Corporation please identify the address(es) where the Lottery's Headquarters will be permanently located?	1080 River Oaks Drive, Flowood, MS 39232.
22	General: Will the Corporation please identify the address(es) where the Lottery's headquarters will be temporarily located while their permanent headquarters are being built out?	1080 River Oaks Drive, Flowood, MS 39232. We will be on the 2 nd floor above our future permanent Headquarters.
23	General: Will the Corporation please provide the addresses where the MLC's three claim centers will be located?	The Claims Center Office locations have not been identified and will most likely not open until calendar year 2020.
24	Section 1.5, pgs. 8-9: Would the Corporation please confirm that any confidential information would not be released under the Mississippi Public Records Act of 1983, Miss. Code Ann. §§ 25- 61-1 et seq., as amended, and the Corporation's Public Records Request Policy (the "Open Records Laws") without first contacting the Vendor?	As stated in Section 1.5 of the RFP, "After all Vendors have been notified of the award of a Contract, Vendors' Proposals will be available for public review, subject to the limitations of the Mississippi Public Records Act of 1983, <i>Miss. Code Ann. §§ 25-61-1 et seq.</i> , as amended, and the Corporation's Public Records Request Policy." Both the Mississippi Public Records Act and the Corporation's Public Records Request Policy provide for notice to the Vendor prior to release as described therein, under certain circumstances as described therein.
25	Section 2.5, pg. 12: Will the Corporation please confirm that all copies of the cost/price portion of the Proposal required by Part VI may be submitted in one sealed and labeled envelope, rather than individual envelopes, separate from the information required by all other parties of this RFP?	The original of the cost proposal must be submitted in a single sealed envelope separate from a bidder's response to the remainder of the proposal. No additional copies of the cost proposal are required.
26	Section 3.2, pg. 20: Would the Corporation kindly provide a MS Word version of the contract, so that a redlined version can be provided with the Proposal?	Such will be submitted via e-mail to the contact person for each vendor submitting an intent to bid letter or RFP questions.
27	Section 3.9, pg. 21: Would the Corporation kindly define what the Corporation's intention is in regards to (a) what Corporation Intellectual Property the Successful Vendor maybe asked to develop, produce, or provide exclusively for the Lottery, and (b) is it the Corporation's intent to allow the Successful Vendor, or the Corporation, to license the Corporation Intellectual Property to any third parties?	The Corporation's intention regarding the licensing of Corporation Intellectual Properties is 1) the Corporation may license the Corporation Intellectual Property to third parties and 2) the Successful Vendor may only license the Corporation Intellectual Properties to third parties upon the prior written consent of the Corporation.

28 Section 3.9, pg. 21: If we understand the intent of the language correctly, the Successful Vendor will be required to grant the Corporation a **perpetual, royalty free license to use, sublicense the use of, modify and/or create derivative works of any and all of the very broadly defined “Vendor Licensed Intellectual Properties”**.

The Corporation proposes to own and use, without fee, proprietary materials currently owned by a Successful Vendor, or materials the Vendor might obtain in the future, whether those materials are ever used or needed by the Corporation.

Our two primary concerns with this language are as follows:

1) The concept that all of the Successful Vendor’s proprietary materials, which will only be provided to the Corporation during the course of the proposed contractual relationship, can be used as the Corporation desires upon the expiration of any such contract, and without any additional fee to the Successful Vendor for the use thereof, violates sound business practice and prohibits our company from providing lottery solutions that benefit the entire lottery industry, not just the Mississippi Lottery; and

2) Of equal concern is that, upon expiration of the contract, these same proprietary materials could be used, modified, and/or sublicensed by the Corporation to our competitors so that they may fulfill their contractual obligations to the Corporation.

Accordingly, we respectfully request that the Corporation consider either deleting the third paragraph of RFP Section 3.9 in its entirety or modifying it consistent with our comments above, as this language is simply too risky to agree to. We would work with the Corporation to ensure that any of our proprietary material source code would be deposited into a third-party managed escrow account that would permit the Corporation access based upon mutually agreeable release terms so that the Corporation may continue to function should anything happen to the Successful Vendor; however, the requirement to grant a free license to do anything with our IP should be amended.

The Corporation declines to delete the third paragraph of Section 3.9 of either the Instant Ticket Lottery Game Services RFP or Online Lottery Gaming System RFP. The Corporation’s intention regarding Vendor Licensed Intellectual Properties is to avoid an interruption of business that would negatively affect Lottery sales. The Corporation’s rights pertaining to Vendor Licensed Intellectual Properties are limited to Successful Vendors, Proprietary Materials used in connection with the System or performance of the contract in the event of breach, expiration or termination of the contract, but only for a period required for the Corporation to transition to a new vendor without disruption of business.

29	<p>Section 3.13, pg. 23 & Lottery Gaming System Agreement 15(f), pg. 11: The requirement for Vendors to be qualified to conduct business in the state of Mississippi is both fair and reasonable. However, bearing in mind the tight turnaround time, would the Corporation be willing to accept a Vendor's application, submitted at the time the proposal is due, to be acceptable, with the understanding that the qualification would be in place during a call with Lucien, prior to any work commencing?</p>	<p>The Corporation will accept a copy of a Successful Vendor's application to qualify to conduct business in Mississippi that has been submitted to the Mississippi Secretary of State, with proof that such has been transmitted to the Mississippi Secretary of State.</p>
30	<p>Section 3.20, pg. 25: Will the Corporation please confirm that the requirement for Crime Insurance is to evidence Employee Dishonesty Coverage?</p>	<p>A commercial crime policy typically provides several different types of crime coverage, including, but not limited to, employee dishonesty coverage; forgery or alteration coverage; computer fraud coverage; funds transfer fraud coverage; kidnap, ransom, or extortion coverage; money and securities coverage; money orders and counterfeit money coverage; and theft by employees and non-employees. Commercial crime policies typically do not include Cyber Liability Insurance coverage, which must be obtained separately.</p>
31	<p>Section 3.19, pg. 25 & Lottery Gaming System Agreement 16(c), pg. 14: RFP Section 3.19, Performance Bond, states: <i>"The amount of the above-noted performance bond, letter of credit or securities may be reduced after the third year of the Contract term, in the sole discretion of the Corporation."</i></p> <p>Would the Corporation be willing to consider adding the above language to the Lottery Gaming System Agreement Section 16, Obligations of Vendor (c), to be consistent?</p>	<p>The Corporation will amend the Agreement to reflect the requested verbiage.</p>
32	<p>Section 3.22, pg. 26: Would the Corporation be willing to include terrorism in its description of Force Majeure events in both RFP Section 3.22, Force Majeure/Delay of Performance, and in the Lottery Gaming System Agreement Section 18 Termination paragraph (c)?</p>	<p>The Corporation amends the RFP and will amend the Agreement to reflect the requested verbiage.</p>

33	<p>Section 4.7, pg. 30: The Successful Vendor may have numerous subcontractors that will provide various services that may fall under the specifications of this RFP, including very small spend, or even one time spend.</p> <p>Would the Corporation be willing to consider limiting the requirements in Part IV to only large or major subcontractors?</p> <p>For example, numerous other jurisdictions limit the types of requirements laid out in Part IV to only “Major Subcontractors” that are or may be defined as providing either 25% of the total Successful Vendor’s contract spend, or provide a service that directly relates to (1) the official recording for lottery game play purposes of a player's selection in lottery games involving player selections; (2) the receiving of a player's selection directly from a player in lottery games involving player selections; (3) the drawing, determination, or generation of winners in lottery games; or (4) the security services required under this article.</p>	<p>The Corporation will limit the requirements of Part IV to subcontractors providing 10% or more of the total Successful Vendor’s contract spend.</p>
34	<p>Section 4.8, pg. 31: Due to the potential volume and size of financial statements, would the Corporation please confirm that submission of financial statements on electronic media only is acceptable?</p>	<p>An original hard copy and seven (7) additional copies are required. The additional copies can be provided in a digital format on a USB device which is compatible with both USB and USBC. Be advised that blank, corrupt or unreadable forms of digital media will not be considered responsive to RFP requirements.</p>
35	<p>Section 5.1.2.2, pg. 38: Would it be acceptable for a Vendor to propose a vending machine that includes more than 20 bins? Are there any limitations on the type of vending machines that the Vendor may propose?</p>	<p>Yes, it will be acceptable to propose vending units which offer the ability to purchase both online and instant products with more than 20 games. The Vendor is free to propose additional vending machine options. The Corporation will also require that the vending machines have age verification capability through a driver’s license swipe or scan.</p>
36	<p>Section 5.1.3, pg. 39: Will the Corporation please confirm that the instant ticket warehouse that will support the Lottery’s instant ticket program must be located within one of the following five counties: Copiah, Hinds, Madison, Rankin, and Simpson, so that vendors can properly plan for the appropriate communications connectivity?</p>	<p>The instant ticket warehouse is required to be located in the Greater Jackson Metropolitan Area, defined in the RFP as Hinds, Rankin and Madison Counties.</p>
37	<p>Section 5.2.1, pg. 43: Would the Corporation be willing to allow Vendors to propose alternative solutions with regard to retailer training to make it easier on retailers while accomplishing the goals of the Corporation?</p>	<p>No, the Corporation will not allow Vendors to propose alternative solutions with regard to retailer training.</p>

38	Section 5.3.4, pg. 46: With regard to fixed-length ticket stock, some player transactions, such as a five-board wager or multi-draw tickets, may require longer than 4.66 inches of paper, while other one-board wagers could require less. Since retailer terminals are much more advanced and can determine the amount of paper needed for lottery transactions, would the Corporation be willing to accept variable-length tickets instead of fixed-length tickets?	Yes.
VENDOR #4 QUESTIONS - RFP NO. 4 & RFP NO. 5		MS LOTTERY CORPORATION ANSWERS
39	Section 1.1: The number of initial terminals is stated as between 1,300 and 1,500, but could be up to 3,000. Given that pricing is fixed for the term and the Corporation is seeking to maximize net proceeds, will the Corporation allow for pricing for terminals in excess of the first 1,500 to be negotiated between the parties on an as-needed basis? If all 3,000 terminals are priced into the single percentage of sales figure, it will not deliver best value.	No.
40	Section 2.11.4: Would the Corporation please advise the intended distribution of evaluation points, scoring and weighting across the technical evaluation areas and the cost to technical weighting that will be used for Vendor selection? Understanding how points will be allocated and how the bids will be scored helps ensure a fair evaluation and bid selection process.	No. Evaluation weights will be available once the apparent successful bidder is selected.
41	Section 2.16: If a bidder elects not to submit a redlined contract (per 3.2), is it still permitted to negotiate contract terms with the Corporation as stated in 2.16? Please clarify.	No.
42	Section 2.5 Proposal submission: Given the extremely short timeframes for submission and in order to allow for the best quality proposals, will the Corporation permit submissions in electronic format (e.g. PDF), rather than hard copies?	An original hard copy and seven (7) additional copies are required. The additional copies can be provided in a digital format on a USB device which is compatible with both USB and USB-C. Be advised that blank, corrupt or unreadable forms of digital media will not be considered responsive to RFP requirements.
43	Section 3.21 Liquidated damages: Are there exclusions for aspects such as a delay to launch if this is outside of the control of the Vendor (i.e. due to the Corporation and/or State or other Vendors of the Corporation)?	Liquidated damages apply to failures resulting from the performance or non-performance of the successful bidder.

44	Section 4.9 Overall Plan: Would the Corporation please share details of its retail recruitment plan and how the Lottery's organizational structure will evolve over time as the time and availability of the Lottery personnel will be critical to support the implementation plan.	A formal post-start-up retailer recruitment plan will be developed and implemented with the support and participation of the successful bidder. For start-up the Corporation will advertise through its website that it is accepting Retailer applications.
45	Section 4.9 Overall Plan: Would the Corporation provide details of requirements for the independent testing phase for both Instants launch and Online game launch?	The Corporation will share this information with the Successful Vendor.
46	Section 4.9 Overall Plan: Are Lottery personnel resources available and planned to support UAT of activities for Lottery business requirements operations (for example: claims and payment centers, retailer management and draw processing)?	The Corporation will have quality assurance testers on staff.
47	Section 5.1.2.1 Fixed Ticket Length: Why is the restriction in place? It does not appear to provide any benefit. If anything, returns could be maximized by having the ticket length determined by the number of lines purchased by a player, e.g. if 1 line, then shorter, if 10 lines, then longer. Would the Corporation be willing to remove this requirement?	Variable ticket length is acceptable.
48	Section 5.1.2.1 Fixed Ticket Length: If the request above is not acceptable, please advise the preferred length. 5.3.4 states a length of 4.66 inches, and Attachment F states 5 inches. Please confirm which is required.	N/A.
49	Section 5.1.2.2 Vending Machines: We recommend this requirement remove the 20 bin reference as the latest technology available in market offers various bin configurations that are of better value to the Corporation and its retailers.	It will be acceptable to propose vending units which offer the ability to purchase both online and instant products with more than 20 games. The Vendor is free to propose additional vending machine options. The Corporation will also require that the vending machines have age verification capability through a driver's license swipe or scan.
50	Section 5.1.4: Would the Corporation please modify this section requirement for dedicated, on-site development teams to request vendors provide recommended solutions for development support. Modern lottery systems do not require dedicated resources on a full-time basis. At a minimum, onsite availability should be required as appropriate for development projects and as mutually agreed. This is a more cost effective and better value staffing approach for the Lottery.	The vendor may propose an alternative option to having a dedicated on-site resource to meet the requirements and expectations of the Corporation.

51	Section 5.1.6 Independent Control System: When is the Corporation committed to selecting and contracting with an ICS Vendor? The determination of the format for the event file needs to be identified as part of the plan submission in response to this RFP.	The RFP for an Internal Control System is in the process of being prepared. The Corporation anticipates selecting an apparent successful bidder for an Internal Control System in the near future.
52	Section 5.2.3: Cash Drawers are mentioned and that these will be provided at a cost to the retailer. Who will manage that process and is the intent to integrate these to the terminal? For clarity, is the Corporation asking for these cash draws to be provided by the Online Gaming System Vendor? Experience states that not all retailers adopt cash drawers. Is this a mandatory requirement for all retailers?	The Cash Drawers are optional to the Retailer but must be made available for Retailers who request them. The Corporation will coordinate with the Retailer and Successful Online Vendor for the acquisition of the Cash Drawer. The Successful Online Vendor is responsible to procure upon request from the Corporation as requested by Retailers. Retailers would absorb the cost and pay the vendor directly.
53	Section 5.3: Will the Corporation issue an RFP to select a marketing/advertising agency? If yes, what is the timing for selecting an agency of record to support the launch and ongoing marketing operations of the Lottery to the public? Effective marketing is a critical component of the Lottery to maximize brand awareness, player engagement and positive public relations.	The RFP for a Marketing/Advertising Services is in the process of being prepared. The Corporation anticipates selecting an apparent successful bidder for a Marketing/Advertising Services in the near future.
54	Section 5.3.1 Location of Retailer Hotline: This section states the Retailer hotline should be housed at the main data center. This appears to be a restriction that could result in additional, unnecessary cost when alternative, cheaper options may be available. Would the Corporation be willing to remove the restriction on the location of the Retailer hotline?	The vendor may propose the use of a consolidated retailer call center based in the United States which may or may not be located at the same physical location as either Primary or Backup Data Center locations.
55	Section 5.3.5 Number of Play Stations: Given the number of terminals is up to 3,000, will the Corporation reduce the number of play stations needed from 5,000 to 3,000?	No. Over the term of the Contract, many will need to be replaced.
56	Section 5.3.6 Electronic Displays: Can the Corporation provide a more expansive description of what these items are? For example, are they LCD display monitors to be used to display marketing messages?	The vendor should propose the best solution for Electronic Displays based on current industry practices.

57	Section 5.4 Security: Reference to all facilities being the responsibility of the Online Gaming Vendor but it is assumed that this excludes the Corporation's facilities centrally, at claims centers and elsewhere. Please confirm.	The reference to "all facilities" is for the Vendor's facilities only.
58	Section 6.5 Portable terminals: Are these to be operated by the Corporation, existing retailers, or new retailers? Can the Corporation provide details on the maximum number that may be required for use on any given day?	These are anticipated to be terminals for selling lottery tickets at promotional events in which the Corporation, existing retailers or new retailers may participate (3-6 depending on the number of events that day).
59	Section 6.2 Pricing formula: We welcome the focus on the Lottery profits rather than just topline sales. As such, will the Corporation consider alternative pricing mechanisms that can deliver better value for the State (e.g. for both the Online and Instant RFP, a combination of a fixed monthly fee and a percentage of sales less prizes)?	A Vendor's Proposal must contain a cost quotation utilizing the pricing formula in the RFP. Alternative options can be proposed in addition to the pricing formula in the RFP.
60	Section 6.3 Determination of Net Sales: Can the Corporation confirm the intention is for Net Sales to be based on the face value of tickets sold (i.e. for at \$2 Instant ticket the face value is \$2)? We ask this question as the RFP refers to (for both Instants and Online) the quantity of tickets sold, not value.	Net sales is to be based on the face value, not number, of tickets activated.
61	Section 6.5 Portable terminals: Are these to be operated by the Corporation, existing retailers or new retailers? Can the Corporation provide details on the maximum number that may be required for use on any given day?	These are anticipated to be terminals for selling lottery tickets at promotional events in which the Corporation, existing retailers or new retailers may participate (3-6 depending on the number of events that day).