REQUEST FOR PROPOSAL

Lottery Gaming System and Supporting Products and Services

RFP #RD271056

Issued Date: March 14th, 2025

Responses Due: May 28th, 2025, by 1:00 PM CT

Lottery Gaming System

TABLE OF CONTENTS

Lottery Gaming System

1 GENERAL INFORMATION

This section provides information about what the State of Wisconsin (State) intends to purchase, scope of the project, and primary objectives of the solicitation.

1.1 Definitions

For the purposes of this Request for Proposal (RFP) and resulting Contract, words, acronyms, and terms will be given their ordinary and usual meanings. Where capitalized in this RFP and resulting Contract, the following words and terms will have the meanings indicated.

"Acceptance Testing" An extensive verification process to demonstrate and ensure that the System conforms to all Requirements.

"Active Data Center" The current data center handling live transactions, either the primary or backup data center.

"Administrator" The Wisconsin Lottery Division Administrator or designee (see Director).

"Americans with Disabilities Act, as amended from time to time, 42 U.S.C. § 12101 et seq., and regulations thereunder, as modified. (ADA)" An act that prohibits private employers, State and local governments, employment agencies, and labor unions from discriminating against qualified individuals with disabilities in job application procedures, hiring, firing, advancement, compensation, job training, access to public accommodations, commercial facilities, transportation, and telecommunications, and other terms, conditions, and privileges of employment.

"Application Programming Interfaces (API)" a set of rules or protocols that enables software applications to communicate with each other to exchange data, features and functionality.

"Authorized User" Persons authorized by the Lottery for the activity described.

"Automatic Clearing House (ACH)" An electronic network for financial transactions which processes large volumes of credit and debit transactions for Retailers in batches (see EFT).

"Backup Data Center (BDC)" The data center that shall be ready at any moment to take over production of the System from the Primary Data Center.

"BAFO" Best and Final Offer.

"Bid Factor" An element of the RFP that does not appear in the RFP document, but the Proposer must respond to. Bid Factors can be seen and responded to in the eSupplier Portal if submitting a response electronically. If submitting a hard copy response, Bid Factors can be downloaded from the Supporting Documents and must be included with the hard copy response.

"Business Day" Each Calendar Day except Saturday, Sunday, and official State of Wisconsin holidays (see Calendar Day).

"BI" Business Intelligence.

"Calendar Day" A period of twenty-four hours starting at midnight.

"CAPS" Consolidated Agency Purchasing Services.

"Carton" A shipping box containing boxes or packs of tickets.

Lottery Gaming System

"Certificate of Destruction" A certificate created to document the destruction of Lottery records or property according to established policies and procedures.

"CGS" The MUSL acronym for a Computer Gaming System.

"Collect on Delivery (COD)" A transaction in which the delivery of a good or service can be completed only after the receiving party has paid in full for the billing due, for the good or service.

"Confidential Information" All tangible and intangible information and materials being disclosed in connection with this Contract, in any form or medium without regard to whether the information is owned by the State or by a third party, which satisfies at least one of the following criteria: (i) Personally Identifiable Information (PII); (ii) proprietary information; (iii) non-public information related to the State's employees, customers, technology (including databases, data processing and communications networking systems), schematics, specifications, and all information or materials derived therefrom or based thereon; (iv) trade secrets; or (v) information expressly designated as confidential in writing by the State. Confidential Information includes all information that is restricted or prohibited from disclosure by State or federal law.

"Consecutive" In an uninterrupted sequence.

"Consumables" Playslips, ticket stock, printer paper, and any other operational supplies required by Retailers to operate their terminals. This term does <u>not</u> include Point of Sale (POS) marketing items or Instant tickets.

"Contract Administrator" The agency employee responsible for oversight of the implementation, administration, and completion of the Contract.

"Contract Manager" The employee of an agency responsible for 1) resolving contractual matters that cannot be resolved with the Contract Administrator; and 2) facilitating and/or completing all official actions under the Contract including but not limited to amendments, renewals, and termination.

"Contract" The written agreement resulting from the successful Proposal and subsequent negotiations that shall incorporate, among other things, this RFP and the successful Proposer's Proposal, and all modifications hereto and thereto, and in addition shall contain such other terms and conditions as may be required by the Lottery.

"Contractor" The Proposer that has been awarded the Contract as a result of this RFP.

"Control Objectives for Information Technology (COBIT)" A standard for control and security in information systems, from the Information Systems Audit and Control Association.

"Conversion" The implementation activity during which the existing systems and terminals used by the Wisconsin Lottery for sales and management are replaced.

"Conversion Period" The period from Contract award until existing systems and equipment are replaced or converted to a new System.

"COOP" Continuity of Operations Plan (see Disaster Recovery).

"Customer Relationship Management (CRM)" A software application which allows the Lottery to view and manage information about its Retailers.

"Day" Unless otherwise specifically stated in this document, this means Calendar Day, as defined above.

Lottery Gaming System

"Director" Also referred to as Lottery Director, Executive Director, and Administrator; is the Chief Executive of the Lottery, see Administrator.

"Disabled Veteran-Owned Business (DVB)" A business that has been certified by the Department of Administration under State law (sec. 16.283, Wis. Stats.).

"Disaster Recovery (DR)" A written plan for processing critical applications in the event of a major hardware or software failure or destruction of facilities (NIST SP 800-34 Rev. 1).

"Department of Administration (DOA)" The State agency responsible for all State operations.

"Department of Revenue (DOR)" The State agency that includes the Lottery Division.

"Digital Playslip" A digital form used for creating and recording a player's number selections, generating a digital code such as but not limited to a QR or 2D code to be scanned to generate Lotto tickets.

"Down Terminal" A terminal or SST that is unable to sell Lotto or Instant products due to network, terminal, or peripheral failure.

"Draw Break" The period during which the selling of specific Lotto game's tickets is temporarily suspended due to an impending Drawing for a game or games.

"Draw Game" A Lotto game where the winners are selected using a Draw or Drawing.

"Draw" The selection of winners through a random process in accordance with State law (sec. 565.27(2)(b), Wis. Stats.) (see Drawing).

"Drawing" The selection of winners through a random process in accordance with State law (sec. 565.27(2)(b), Wis. Stats.) (see Draw).

"Duplexed" Consisting of two (2) functionally identical computer systems, one of which handles production, the other ready to assume production instantly and automatically with no loss of data.

"DWD" Department of Workforce Development. The State agency charged with building and strengthening Wisconsin's workforce.

"Effective Date" The date the Contract has been fully executed by the Contractor and the State.

"Electronic Funds Transfer (EFT)" A transfer of funds initiated through an electronic terminal, telephone, computer (including on-line banking), or magnetic tape for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit a retailer account.

"Emergency Orders" An order of Instant Packs that need to be entered and pick and packed as soon as reasonably possible by Contractor staff.

"Employer Identification Number (EIN)" Also known as a federal tax identification number and is used to identify a business entity.

"Encryption" The process of transforming information to make it unreadable to anyone except those possessing special knowledge that meets or exceeds the requirements of encryption and encryption key management used by the United States government as certified by the NIST, and that has not yet been broken or compromised, or determined by the Lottery to not be viable.

Lottery Gaming System

"Enhancements" Changes to the System requested by the Lottery that the Gaming System Contractor is not required to provide in its base cost. Changes to the System that are required to comply with Contract specifications are not Enhancements.

"Expected" A State requirement should be present in the proposed solution, exactly as stated, but the lack of the requirement would not disqualify the solution. However, the lack of one or more expected requirements will reduce a solution's technical score. Expected does not imply mandatory.

"Extract-Transform-Load (ETL)" Data integration process that extracts, transforms, and loads data from one-to-many sources into a data storage such as a data warehouse or other repository.

"Fast Play" A type of Lotto game with numbers, symbols, characters, or outcomes that are randomly selected immediately upon purchase by the CGS or the terminal.

"Field Marketing Representative (FMR)" A Lottery employee whose main responsibility is visiting Retailer locations.

"File" A block of information typically generated by a computer process that is stored and can be retrieved electronically. A File is durable in the sense that it remains available for use after the program that created it has completed processing the data.

"First Read Rate" A measure of scanner performance; the percentage of first scanning attempts that are successfully processed on a given item.

"Fiscal Year" For the Wisconsin Lottery, this is a 12-month accounting period from July 1st to June 30th.

"Games" A game is defined by the Features and Procedures of a game, under State law (sec. 565.27, Wis. Stats.). All Draw, Fast Play, and Instant game operations.

"Game Library" A collection of developed Games that are readily available for being configured and deployed to production environments.

"Go-Live" The start date in which all hardware and software have been deployed to begin sales in the CGS.

"Guaranteed Low End Prize Structure (GLEPS)" A minimum prize value guaranteed by Instant Ticket Producers to be in each Pack of Instant games. The exact amount varies from game to game based on prize structure.

"Graphical User Interface (GUI)" A computer interface that incorporates, at a minimum, windows, icons, and menus.

"HVAC" Heating, Ventilation, and Air Conditioning.

"Internal Control System (ICS)" The Internal Control System is used to process transactions independently from the CGS as a form of checks and balances. The audit system and its associated processes that perform balancing of the System to ensure the integrity, security, and accuracy of gaming Transactions. The ICS interfaces with the back office system, production, and test systems, and is capable of reprocessing all daily transactions, including Draw games, Fast Play games, and Instant data, from the System environment.

"Intrusion Detection System (IDS)" Software and hardware designed to detect unwanted attempts at accessing, manipulating, or disabling of computer systems, mainly through a network (e.g., the Internet).

"Implementation Plan" A plan that contains a detailed cutover strategy and timeline identifying the major milestones to be accomplished for successful launch of the System. This includes, but is not limited to,

defining business requirements, data center construction, assembling and delivering equipment, Software programming, server installation, testing software and hardware, file conversion, and installing equipment in the Retailer environment. The plan must make clear which items are on the critical path for timely implementation.

"Incident" An unplanned interruption, failure, error, or degradation to the System or associated services (event or occurrence) as defined in writing by the Lottery and as amended from time to time throughout the Life of the Contract.

"Initial Distribution" Program used by the Lottery to deliver new Instant game(s) on the official launch date of the game.

"Instant" When referring to games or tickets, scratch or pull-tab tickets that are not generated through the terminal.

"Instant Ticket Producer" Any vendor of preprinted Instant tickets.

"Intrusion Prevention System (IPS)" A network security device that monitors network or system activities for malicious or unwanted behavior and can react, in real-time, to block or prevent those activities.

"IRS" Internal Revenue Service.

"ISO 27001 & ISO 27002" The best practices for information system security standards.

"Journal Entry" A record of a financial transaction(s) and financial data in the State's accounting system, currently Peoplesoft/STAR.

"Key Business Requirement (KBR)" A significant task, function, feature, policy, or procedure, defined by the Lottery, that best supports its operation of the System and the underlying Contract.

"Know Your Customer (KYC)" A method that organizations can use to confirm its customer's authenticity.

"Legislative Audit Bureau (LAB)" The non-partisan oversight bureau established by the Wisconsin Legislature to review public finances and management of public programs.

"Life of the Contract" The initial term of the Contract between any Contractor and the Department of Revenue and all Contract renewals and extensions.

"Limited Time Offer (LTO)" A special offer for a Lottery product or products that is available to customers for a limited timeframe, see Promotion.

"Liquidated Damages (LD)" Assessments imposed to compensate the injured party for the other party's failure, non-compliance, or breach of Contract terms.

"Local Data Center" The facility outlined in Section 6.1.3 (Local Data Center Requirements) that shall exclusively house the System hardware and a Lottery office space.

"Lotto" When referring to games or tickets, tickets that are generated through the terminal, including Draw tickets, Fast Play tickets, and raffle Game tickets.

"Lottery (or Wisconsin Lottery)" The Lottery Division of the Wisconsin Department of Revenue.

"Lottery Headquarters" Located at 2135 Rimrock Road, Madison, WI 53713.

Lottery Gaming System

"Maintenance" The work carried out on systems or equipment necessary to avoid its breakdown, security threats, or malfunction.

"Magnetic Ink Character Recognition (MICR)" A character recognition technology adopted mainly by the banking industry to facilitate the processing of checks.

"Major Procurement" As defined in under State law (sec. 565.01(4), Wis. Stats.), a procurement for materials, supplies, equipment or services which are unique to the Lottery and not common to the ordinary operations of State agencies, including security services, prize payout agreements, or annuity Contracts and materials, supplies, equipment, or services involving marketing, the printing of lottery tickets or lottery shares, the receiving or recording of a player's selection in any lottery game, and the determination of winners of a lottery game.

"Mandatory" A requirement labeled as such must be present in the proposed solution, exactly as stated, or the solution will not be considered by the State of Wisconsin.

"May" Indicates something that is not mandatory, but permissible.

"Minimal" To the smallest degree possible.

"Minimum Mandatory Requirement (MMR)" The least possible threshold, functionality, degree, performance, etc. needed to meet the mandatory requirement.

"Minority-Owned Business Enterprise (MBE)" A business that has been certified by the Department of Administration under State law (sec. 16.287, Wis. Stats.).

"Multi-Factor Authentication (MFA)" A system wherein two (2) or more different verification factors are used to authenticate or verify the identity of a person or other entity requesting access under security constraints.

"MUSL" Multi-State Lottery Association. An organization of which the Lottery is currently a member.

"National Automated Clearing House Association (NACHA)" An independent organization responsible for overseeing the ACH network, which is used to send money electronically between banks throughout the United States.

"National Fire Protection Association (NFPA)" The standards set for fire and building codes as defined by the organization with this name.

"Network Access Control (NAC)" A process that permits connection to a network only after confirming that the computer's software is current.

"NIST" National Institute of Standards and Technology.

"Non-Funds Transfer (NFT)" These are rejected funds transfer and must conform with NACHA and State banking rules and regulations.

"Non-Profit Organization (NPO)" A religious, charitable, service, fraternal, or veterans' organization or any organization, other than the State or a political subdivision of the State, to which contributions are deductible for federal income tax purposes or State income or franchise tax purposes (sec. 108.02(19), Wis. Stats.).

"North American Industry Classification System (NAICS)" A number that classifies a business's economic activity.

"North American Association of State and Provincial Lotteries (NASPL)" A trade organization, of which the

Lottery Gaming System

Lottery is currently a member, that provides certain standards and best practices across the lottery industry.

"Notice of Intent to Award" A writing issued by DOA notifying all Proposers of Division of Lottery's intent to Contract with the successful Proposer.

"Office of Enforcement & Compliance" Formerly known as the Office of Security, within the Wisconsin Lottery Division. Comprised of sworn Special Agents and IT security personnel responsible for the overall security of the Wisconsin Lottery.

"**On Demand**" As soon as or whenever required by the Lottery, without intervention by the Contractor.

"Optical Mark Reader (OMR)" A device capable of reading marks on a Playslip or ticket.

"Optional" or "Options" A feature or service for which the Lottery makes no schedule or quantity commitments at this time, but which may, at the Lottery's sole discretion, be included or added to the services provided by the Contractor at a later date.

"**Owner**" For purposes of background and tax compliance checks, this means the following:

    a) If a sole proprietor, the sole proprietor.
    b) If a partnership, the partnership, and each partner of the partnership.
    c) If a limited liability company, the limited liability company, and each member of the limited liability company.
    d) If an association or a corporation, the association or corporation, and each officer or director of the corporation or association.
    e) If a corporation, owner also includes each individual, directly or indirectly, of any equity, security, or other ownership interest in the corporation.
    f) If a publicly traded corporation, all individuals who are beneficial owners of 5 percent or more of the publicly held securities.

"Pack" A pre-determined quantity of Instant tickets in a game, packaged for ordering and sales.

"Pallet" A portable platform for storing or moving cargo or freight with flat surfaces on both the top and bottom.

"Player Account Management (PAM)" a platform used for managing and maintaining player data to identify players and their product interactions through the mobile app.

"Peripheral" Any device provided by the Contractor that is connected (regardless of connection type) to a Retailer Terminal. This excludes Retailer Telecommunications Network devices.

"Personally Identifiable Information (PII)" An individual's last name and the individual's first name or first initial, in combination with and linked to any of the following elements, if the element is not publicly available information and is not encrypted, redacted, or altered in any manner that renders the element unreadable: (a) the individual's Social Security Number; (b) the individual's driver's license number or State identification number; (c) the number of the individual's financial account, including a credit or debit card account number, or any security code, access code, or password that would permit access to the individual's financial account; (d) the individual's DNA profile; or (e) the individual's unique biometric data, including fingerprint, voice print, retina or iris image, or any other unique physical representation, and any other information protected by State or federal law.

Lottery Gaming System

"Play" A single valid transaction eligible to win one (1) or more Lotto game Drawings, EZ Match, or Fast Play games.

"Player Awareness Displays (PAD)" A device at a Retailer location which allows players to receive messages from the Lottery at the point of purchase.

"Playslip" A preprinted optical mark recognition readable form used for marking and recording a player's number selections, to be scanned by terminals to generate Lotto tickets.

"Pool" A number lower than the order quantity of Instant tickets, typically one that divides evenly into the order quantity, that allows for non-GLEPS prizes to be evenly distributed into an equal number of segments of the entire game. For Fast Play games, a pool, sometimes referred to as a "grid," is set number of tickets that is comprised of the total winning and non-winning tickets, used in the prize structure for each Fast Play game.

"Point of Sale (POS)" Materials used to support Retailer sales activities at the Retailer site.

"Preventative Maintenance (PM)" The act of performing regularly scheduled maintenance activities to help prevent unexpected failures.

"Primary Data Center (PDC)" The data center that shall handle the actual production of the System, while the Backup Data Center shall be ready to take over production.

"Procurement Specialist" The person responsible for managing this procurement process.

"Production" All processes and procedures used to develop, print, edit, finish, store, and ship tickets with the exception of the development of the Working Papers.

"Production File" An electronic File or set of data containing game definitions or programs that are used in the printing of a game.

"Promotion" A special offer for a Lottery product or products that are available to customers for a limited time, see Limited Time Offer. Promotion as defined here is different and separate from promotional advertising as described under State law (sec. 565.01(4r) Wis. Stats.), which prohibits expenditure of any public funds on promotional advertising.

"Proposal" The complete response to this RFP submitted on the approved forms, in the required manner and setting forth the Proposer's cost for providing the products and services described in the RFP.

"Proposer" The entity submitting a Proposal in response to this RFP.

"Radio Frequency Identification Device (RFID)" A unique tagging technology to identify objects, in which the object responds to an inquiry radio signal from a reader by broadcasting its identification tag value.

"Redemption Center" State-run offices, including mobile redemption centers, where Lottery tickets of preset amounts can be redeemed. Certain prizes must be claimed at a Redemption Center.

"Redundant" The duplication of critical components of a system with the intention of increasing availability of the system, usually in the case of a backup or fail-safe.

"Report" A document containing information or other content, which is tailored to the context of a given situation or audience. A Report can be printed from a File, from a set of Files, or from a computer process or other source. The purpose of Reports is to inform. A Report can either be saved electronically as a File or printed onto paper.

Lottery Gaming System

"Representatives" Any persons who have a business-related need to have access to such information in furtherance of the limited purposes of this Contract and who have been apprised of, and agree to maintain, the confidential nature of such information in accordance with the terms of this Contract.

"Requirement" A feature or capability that shall be included under the terms of this Contract.

"Responsible" A Proposer who has furnished information and data to prove that the financial resources, service, facilities, personnel, service reputation, and experience are adequate to make satisfactory delivery of such services and deliverables set forth in the RFP.

"Responsive" A proposal that conforms in all material respects to the requirements set forth in the RFP.

"Retailer" A business contracted with the Lottery to sell, validate, and when appropriate redeem and pay prizes on Lottery Games.

"Retailer Performance Program (RPP)" Additional compensation (as expressly described in Chapter Tax 61.085, WI Administrative Code) to Retailers above the standard commissions.

"Retailer Telecommunications Network (RTN)" All systems, devices, and services to provide and support reliable and secure connectivity between Retailer Terminals, Peripherals, and equipment, including Lottery Redemption Center validation terminals, check-writers, and the Data Centers.

"Retailer Terminal" or "Terminal" A device that is connected to the CGS used by Lottery retailers or the Lottery, to sell, validate, and when appropriate redeem and pay prizes on Lottery games. A retailer terminal can be any type of terminal, a counter-top device, self-service device such as an SST or SSVT, or any other device that may be used to sell products at a retailer location.

"RFP" Request for Proposal.

"Run Books" A compilation of routine procedures and operations that the system administrator or operator references for completing repetitive information technology processes within a company.

"Sales Goal Incentives" Payments to Retailers based on sales growth (as expressly described in Chapter Tax 61.085, WI Administrative Code).

"Secure File Transfer Protocol (SFTP)" An interactive file transfer program that encrypts both commands and data.

"Self-service Terminal (SST)" or "Self-service Vending Terminal (SSVT)" Player-activated lottery machine capable of dispensing Instant, Fast Play, and Draw tickets.

"Sensitive Information" Confidential information as determined by the Lottery, and federal and State law, including PII.

"Session" A continuous single play period that may contain multiple transactions.

"Short-Term Incentive (STI)" Component of the RPP that pays incentives to retailers who satisfy a performance expectation as established in short-term incentive features and procedures documentation. (as expressly described in Chapter Tax 61.085, WI Administrative Code).

"SME" Subject Matter Expert.

"Social Security Number (SSN)" The unique nine (9) digit number given to a person by the federal government.

Lottery Gaming System

"STAR" Wisconsin's Statewide financial accounting system, currently PeopleSoft.

"State" State of Wisconsin.

"State Holidays" New Year's Day, Martin Luther King Jr. Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Eve, Christmas Day, and New Year's Eve.

"State Standard Applications" The desktop software applications used by the State.

"Subcontractor" An individual, organization, or company under contract with the Contractor that provides services that are the obligation of the Contractor under the terms of the Contract.

"Successor" The Contractor that succeeds the current Contractor.

"Supplier" An individual, organization, or company that provides services to the Contractor that are outside the contractual obligations of the Contractor to the Lottery, but which may directly or indirectly impact the Contract.

"System" The entire infrastructure outlined in this RFP including all computer hardware, software, terminals, validators, networks, peripherals and any other equipment, supplies, and services needed to provide, operate, and manage all Lottery Games, and other Lottery services. In addition, System definition includes but not limited to:

- A. Mobile App
- B. Multimedia player display / Winner Awareness
- C. Interfaces to external sites
    1. US Bank
    2. DWD (Department of Workforce Development)
    3. DOR (WINPAS – Tax System)
    4. DOA Financial system (STAR)
    5. Mobile App
    6. Lottery CaseLog
    7. ICS
    8. Lottery Website
- D. Back Office
    1. Customer Relationship Mgt (CRM) Application
    2. Lottery Interface Applications to Gaming System
    3. Business Intelligence Reporting (Datawarehouse)
    4. Statistical Analysis Product
    5. Wisconsin Lottery Retailer Services Portal
- E. sFTP - (direct to vendor office, scheduled reports to DOR sFTP server, ICS)

"**System Performance**" The time from when the "send" or "enter" key is pressed or a Playslip or ticket is read by a barcode scanner on the terminal to the completion of ticket, validation, or Report printing at the terminal, inclusive of any connection time.

"TCP" Transmission Control Protocol.

"Tel-Sell" A full-service telemarketing program handles about seven hundred (700) orders, three thousand three hundred (3,300) Packs, daily, predominately from outbound calls.

"Telemarketing Representative (TMR)" Contractors or Subcontractors that contact Retailers and enter ticket order information.

"TIN" Taxpayer Identification Number.

"Trade Secret" Any practice or process of a company that is generally and purposely not known outside of the company. Information considered a trade secret gives the company a competitive advantage over its competitors and is often a product of internal research and development.

"Transaction" A distinct Lottery event or action between a retailer, mobile device, or the System itself and the CGS that supports Lottery business purpose and function.

"UDP" User Datagram Protocol.

"UPC" Universal Product Code.

"Usufruct" The right to utilize and enjoy the profits and advantages of something belonging to another so long as the property is not damaged or altered in any way. (The Lottery may continue to use a Contractor's proprietary elements related to tickets even if the Contract is ended, other than for reasons of Lottery breach.)

"VRU" Voice Response Unit.

"Winning Ticket Incentives" Compensation paid to a Retailer for selling a ticket winning a prize of a specific value (as expressly described in Chapter Tax 61.085, WI Administrative Code).

"Wisconsin eSupplier Portal" State of Wisconsin's electronic purchasing information system.

"Wis. Stats." Wisconsin State statutes referenced in this document, viewable at: http://www.legis.state.wi.us/rsb/stats.html.

"WLA" World Lottery Association.

"Working Days" Monday through Friday excluding State Holidays.

"Working Papers" A contractor-initiated document, approved in writing by the Lottery, that includes the details for a Game's specifications. This includes, but is not limited to, the game/ticket art, prize structure, quantity ordered (if an Instant game), software programming, and Production (if an Instant game) and delivery specifications.

1.2 Introduction and Purpose

The Department of Administration (DOA), Consolidated Agency Purchasing Services (CAPS), on behalf of the Wisconsin Department Revenue (DOR), Division of Lottery, requests Proposals for Lottery Gaming System and Services and intends to use the results of this process to award a single Contract.

The State makes no express or implied warranties whatsoever that any particular quantity or dollar amount of services will be procured. The State reserves the right to cancel this RFP for any reason prior to the issuance of a Notice of Intent to Award.

The objective of this RFP is to select one (1) Contractor to provide Lottery products and services to support the Lottery in achieving the highest possible revenue for property tax credits by offering games in a socially responsible manner, while ensuring security, integrity, and public trust.

This RFP provides interested parties with information to enable them to prepare and submit a Proposal for the following products and services:

Lottery Gaming System

    A.   Lottery Gaming System and Services
    B.   Distribution and Warehousing Facility and Services
    C.   Telemarketing (Tel-Sell) Services

1.3 Background and Current Operations

The mission of the Wisconsin Lottery is to strengthen Wisconsin through fair tax and lottery administration, while educating and serving the public, our customers, and communities.

The Lottery currently has approximately 3,650 Retailers, along with 245 Non-Profit Organizations (NPO) without terminal equipment.

The Lottery Headquarters and primary Redemption Center is located at 2135 Rimrock Road, Madison, WI in the State of Wisconsin DOR Building. One (1) other Redemption Center is currently located in another DOR building at 819 North 6th Street, Milwaukee, WI. The Lottery maintains a special event mobile Redemption Center which is used at temporary locations throughout the year.

In the past five (5) Fiscal Years, the Lottery had total sales exceeding $4.4 billion and prize expenses in excess of $2.7 billion (Appendix 1 Ticket Sales). Total sales for the last five (5) Fiscal Years are as follows:

- Fiscal Year 20-$725.4 million

- Fiscal Year 21-$894.5 million

- Fiscal Year 22-$887.8 million

- Fiscal Year 23-$981.7 million

- Fiscal Year 24-$954.8 million (unaudited)

Tickets are sold throughout the State by the Lottery's Retailers. See the map in Appendix 2 (Retailers in Counties).

1.3.1 Lottery Gaming System

The Lottery currently contracts with IGT Global Solutions Corporation for the System and services. This contract expires on May 13, 2027. The Lottery intends to make an award for the new Contract and allow for a Conversion Period of approximately eighteen (18) months.

The Contract for the new System shall include the overall design, hardware, software, licenses, conversion, implementation, operation, upgrades, on-going maintenance, facilities, staffing, management, supplies, security, and services of the System, Distribution, Telemarketing (Tel-Sell) Services, Warehousing facilities and Services.

The Lottery uses its current gaming system and services contract to offer varied Lotto games in jackpot (e.g., Powerball), daily draw (e.g., Daily Pick 3), and raffle formats, as well as instant win formats like EZ Match add-on and Fast Play which currently includes approximately twelve (12) Fast Play games that contribute to a single progressive jackpot. It also offers Instant games with approximately thirty-two (32) scratch games and ten (10) traditional pull-tab games for order out of the warehouse at any given time, with approximately 85 to 90 new scratch games introduced per year.

Lottery Gaming System

In the future, the Lottery May modify its product offerings consistent with what is allowed by the Constitution and Statutes of the State. The System shall accommodate the current product offerings and be expandable, scalable, and upgradeable in a manner that allows for new product lines to be offered.

Organization Chart: The chart below provides a high-level overview of the Lottery's key organization chart and is provided for information purposes only.
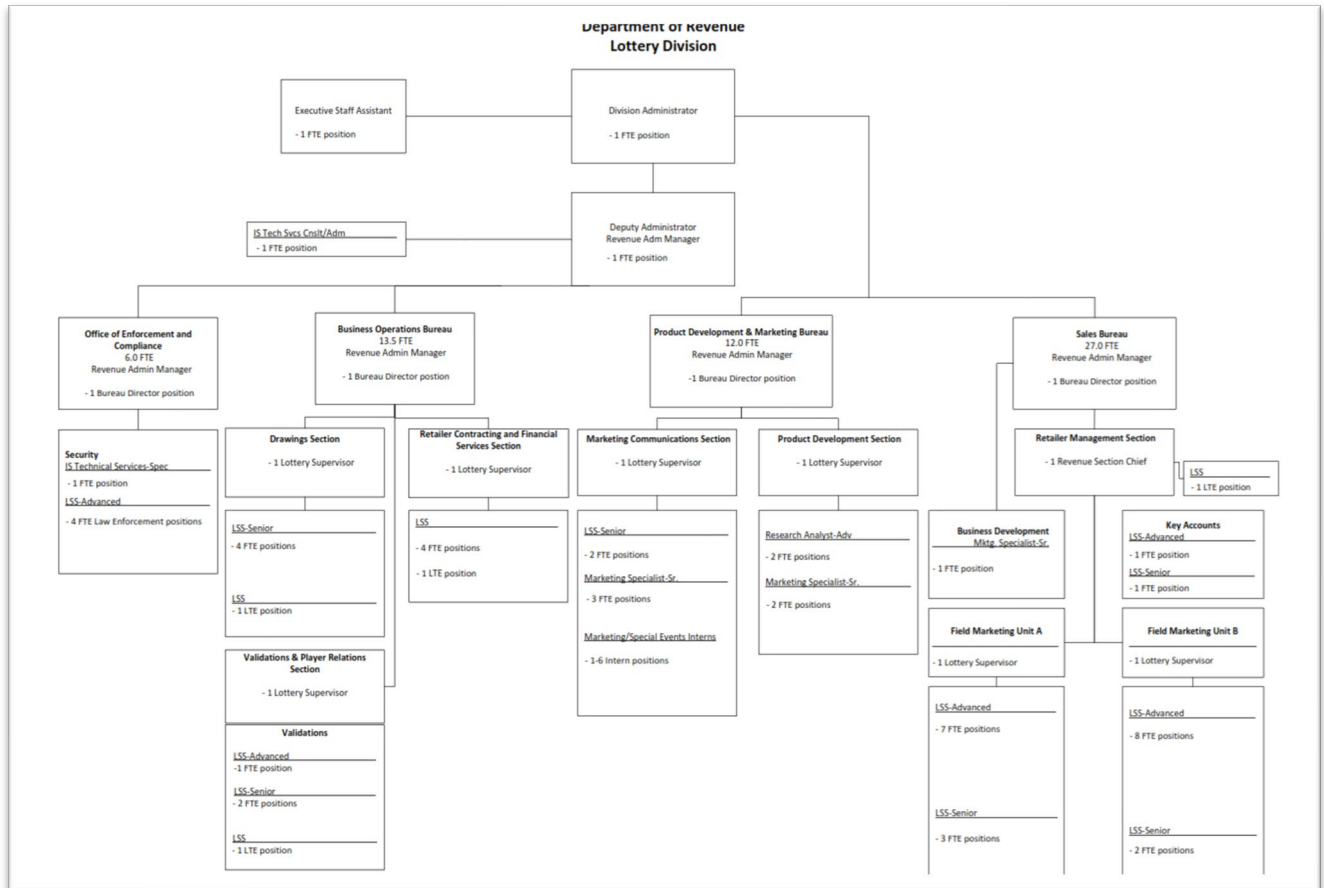
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1.3.2 Distribution Services

The Wisconsin Lottery requires next Business Day delivery services (Monday – Friday) of Lottery products to be delivered to Retailers across the State. The next Business Day delivery of Instant tickets is critical.

The Lottery has approximately four thousand (4,000) contracts with Retailers throughout the entire State. Approximately three thousand, three hundred (3,300) orders (physical packages) are shipped each week. However, neither the number of delivery locations nor the number of shipments included in the Contract is stable or consistent since the Lottery will approve new or end contracts with existing Retailers throughout the Contract period.

In addition to delivery of Instant scratch tickets, the Contractor delivers the Lottery's pull-tab tickets, Point of Sale (POS) materials and other Lottery materials to Retailers, as well as pull-tab tickets to NPOs, some (less

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[1] There may be additional personnel within the State that work with Lottery Division not listed in the chart.

than two percent (2%) of all orders) of which receive their tickets by Collect on Delivery (COD), under State law (ch. 63, Wis. Stats.) Wis. Tax 63. The following table includes more detail on the distribution program for the Wisconsin Lottery:

DESCRIPTION	NEXT BUSINESS DAY DELIVERY REQUIRED	TRACKING REQUIRED	APPROX. DEL/YEAR	HOW OFTEN PACKAGES MUST BE PICKED UP	AVERAGE WEIGHT
Scratch Tickets	Yes	Yes	130,000	Daily, most weeks	1 - 3 lbs.
Scratch Tickets	Yes	Yes	115,000	Daily, most weeks	4 - 6 lbs.
Scratch Tickets (Initial Distribution)	Yes	Yes	83,000	Every 1-2 weeks	1 lb.
Pickup Scratch Tickets[1]	Yes	Yes	2,600	Daily	1 - 3 lbs.
Point of Sale (POS) Materials	Yes	Yes	260	Occasionally	20 lbs.
Pull-Tabs	Yes	Yes	1040	Daily	4 - 12 lbs.
Pull-Tabs (C.O.D.)	Yes	Yes	520	Daily	4 - 12 lbs.

[1] **Pickup at Retailer's or other designated location**

At the end of an Instant game and other approved times, Retailers may return Packs of tickets to the Lottery for credit. In any given week, this amounts to approximately 2% of sales. The Contractor has three (3) Business Days after receipt of a pickup tag in conjunction with the Field Marketing Representative (FMR) to pick up the package(s) from the Retailer and deliver them to the Lottery's warehouse. Other Lottery materials such as Instant ticket dispensers are also picked up periodically at Retailer locations.

Lottery introduces new games approximately three (3) times per month. There is Initial Distribution for each introduction. The size of the Initial Distribution will vary depending on the number and price of games introduced. POS materials will periodically be included with shipments including Initial Distribution.

Keeping track of each Retailer's order is vital. Retailers order tickets on a weekly basis and expect their orders to be delivered the next Business Day. Scratch tickets cannot be activated, validated, or redeemed until they are delivered to the proper Retailer.

The Contractor's package tracking system electronically records delivery at the Retailer's location, ensures and verifies that the packages were delivered, and to whom. The Contractor records delivery information into its tracking system including the date, the time, and the name of the person accepting the delivery for each package.

Next Business Day delivery is also required for POS. These items include posters, brochures, ticket dispensers, playcenters, and other miscellaneous materials that are used by the Retailer to inform players about Lottery products.

1.3.3 Warehousing Operations

The Warehouse Operations includes Instant Ticket warehouse, which houses and distributes Instant tickets, warehousing for retailer equipment and POS, and other miscellaneous Lottery supplies and equipment. The warehouse is provided and operated by contractor personnel.

The full-service warehouse handles about seven hundred (700) Instant ticket orders, three thousand, three hundred (3,300) Packs, daily. Orders are placed by the TMRs using a contractor-provided system. These orders are transmitted to the warehouse where contractor-provided employees process all orders for

shipment. These employees also process all Initial Distribution orders for shipment, usually three (3) times per month. In addition to order processing, these employees receive and inventory all ticket and POS shipments. POS orders are processed for shipment as requested by Retailers. Weekly inventories are conducted for tickets and POS. Physical inventory count is performed once a year with the involvement of Lottery personnel.

1.3.4 Telemarketing (Tel-Sell) Services

A full-service telemarketing program handles about seven hundred (700) orders, three thousand three hundred (3,300) Packs, daily, predominately from outbound calls. The annual volume of the operation is:

Metric	Performance/Annual Volume
Direct Inbound	51,069 calls
Direct Outbound	202,231 calls
Average Talk Time	1:35 minutes/call
Duration of Calls	401,058 minutes
Average Hold Time	00:58 seconds/hold

These functions are performed by contractor personnel.

TMRs use a contractor-provided system equipped with suggested-ordering software. This allows TMRs to pinpoint the needs of the Retailers by informing them of Games on hand and the validation history of those Games, preventing ticket outages, thus maximizing sales and profitability. Calls are placed through the contractor's telephone system and dialed using a Customer Relationship Management (CRM) software. In addition to orders, inbound calls often require special handling due to Retailer requests.

Occasionally the Lottery itself will order tickets via the TMRs to offer for sale at special events (e.g., at the Wisconsin State Fair) or for testing purposes.

Other functions include selling Short-Term Incentives (STIs), updating Game availability on Retailer website and on the terminal game calendar, facilitate an Instant ticket return, and creating and scheduling terminal messages.

1.4 Scope of Work

The scope of work of this procurement is to obtain services and goods in the following areas:

1.4.1 Lottery Gaming System

The goal is to acquire a secure, state-of-the-art Lottery Gaming System that can adapt to changing markets and technologies to maximize profits by offering a wide array of products using multiple technologies and sales channels including the Internet and wireless networks.

To meet the Lottery's goal, the Contractor will be expected to:

a. Complete a Conversion of services and all historical data from the current system, smoothly and within the timeline approved by the Lottery.

b. Provide uninterrupted operation of all components of the System.

c. Provide a System that is operationally sound and incorporates high levels of integrity and security, thus minimizing risks to the Lottery.

d. Provide upgrades on a regularly scheduled basis to avoid technological obsolescence.

e. Provide appropriate controls and interfaces that allow the Internal Control System (ICS) to perform all intended functions with high integrity and security.

f. Provide accurate and up-to-date data from all parts of the System, with checks to assure security and integrity.

g. Provide services to internal and external Lottery customers in the most effective and efficient manner.

h. Utilize state-of-the-industry telecommunication technologies to provide efficient, scalable, and reliable telecommunications.

i. Provide a Business Intelligence (BI) system and services that will allow the Lottery to transform data into information that can be used to make more informed and more profitable business decisions.

j. Ensure the System integrates and communicates with all Lottery systems (e.g., accounting, public-facing website, etc.) as required.

1.4.2 Distribution and Warehousing Facility Services

The goal is to procure reliable, secure, and cost-effective warehouse facilities and delivery services that include next Day delivery service and return service.

1.4.3 Warehousing Facility and Services

The goal is to procure a warehouse facility and services that maintain a high level of customer service, value, security, and integrity.

1.4.4 Telemarketing (Tel-Sell) Services

The goal is to procure Tel-Sell services that maintain a high level of customer service and integrity.

1.4.5 Mobile App

The goal is to procure a mobile app that will maintain a high level of customer service.

1.5 Procuring and Contracting Agency

This RFP is issued by DOA through CAPS on behalf of the Lottery. The point of contact for the State during the selection process and the person responsible for managing the procurement process is Amber Rademacher, Procurement Specialist.

The Contract resulting from this RFP will be administered by Department of Revenue, Division of Lottery. The Contract Administrator will be determined at the time of Contract negotiations.

1.6 Clarifications and/or Revisions to Specifications and Requirements

If at any time prior to the Proposal due date a Proposer discovers any significant ambiguity, error, conflict, discrepancy, omission, or other deficiency in this RFP, the Proposer should immediately notify the Procurement Specialist of the issue in writing.

The Wisconsin eSupplier Portal is the preferred method for submitting questions and/or clarifications. Email is also accepted for the submission of questions and/or clarifications and must refer to RFP RD271056 and be directed to Amber Rademacher at Amber.Rademacher@wisconsin.gov.

Any Proposer questions received will be documented and posted to the Supporting Documents as an amendment. It is the Proposer's responsibility to check the Wisconsin eSupplier Portal for any questions and answers pertaining to this RFP. In the event that it becomes necessary to provide additional clarifying data or information, or to revise any part of this RFP, amendments or addendums will be posted on the Wisconsin eSupplier Portal.

1.7 State of Wisconsin Point of Contact and Contact with State Employees

From the date of release of this RFP until Contract execution, all contacts with State personnel regarding this RFP will be made through Amber Rademacher, Procurement Specialist via email or through the Wisconsin eSupplier Portal. Procurement Specialist: Amber.Rademacher@wisconsin.gov.

Prospective Proposers who hold a current contract with the Division of Lottery may continue to communicate with the Division of Lottery contact regarding the performance of that current contract only.

No phone calls, emails, or other correspondence to other State staff regarding this procurement are permitted during the procurement process unless otherwise noted in writing as required as part of the solicitation process. Violation of these conditions may be considered sufficient cause for automatic rejection of a Proposal.

All oral communications are unofficial and non-binding on the State. Proposers must rely only on written statements issued by the Procurement Specialist.

1.8 News and Social Media Releases

A Proposer must not issue news or social media releases or make any statements to the news or social media pertaining to the subject of this RFP or any Proposals or Contracts resulting therefrom without the prior written approval of DOA. The Proposer is bound by this clause from the time the RFP is issued until the time the Contract has expired. Release of broadcast emails pertaining to this procurement must not be made without prior written authorization of DOA.

1.9 Reasonable Accommodations

DOA will provide reasonable accommodations, including the provision of informational material in an alternative format, for individuals with disabilities upon request. If you need accommodations contact Amber Rademacher at Amber.Rademacher@wisconsin.gov or 608-264-9593.

1.10 Calendar of Events

Listed below are important dates and times by which actions related to this RFP will be completed. In the event that the State finds it necessary to change any of these dates and times, it will do so by issuing an amendment to this RFP.

Lottery Gaming System

DATE / TIME	EVENT
3/14/2025	Request for Proposal Issued
3/28/2025 at 1:00 PM CT	Deadline for submitting Proposer written questions (Round 1)
4/7/2025	Tentative date for State responses to Proposer questions (Round 1)
4/25/2025 at 1:00 PM CT	Deadline for submitting Proposer written questions (Round 2)
5/14/2025	Tentative date for State responses to Proposer questions (Round 2)
5/28/2025 at 1:00 PM CT	**Proposal due date and time for Proposer responses**
8/28/2025	Tentative date for notification of intent to award sent to Proposers
11/20/2025	Tentative date for Contract Start Date

1.11 Contract Term and Funding

The Contract period will be an initial eight (8) years from the effective date. The Contract is eligible for one (1) eight (8) year, and four (4) one (1) year renewals to be used at the discretion of the Lottery and at any point during the Contract period, if mutually agreeable to the State and the Contractor, unless terminated.

The original Contract term or any renewal period may be extended at the State's request on a month-to-month basis for a period not to exceed one (1) year for the purpose of completing a future solicitation or transition to new contractor(s). Contract conditions, terms, and costs will not be modified during such a month-to-month extension.

To ensure the delivery of improved services and competitive pricing, to address potential performance issues, changes in technology or industry consolidation, the State reserves the right to negotiate the pricing and terms at the time of Contract renewal.

As required by Wisconsin Statutes, continuance of a Contract beyond the limits of funds available will be contingent upon appropriation of the necessary funds, and the termination of the Contract by lack of appropriations must be without penalty.

1.12 Wisconsin eSupplier Portal Registration

Once vendors are registered in the State of Wisconsin's eSupplier Portal (the State's electronic purchasing information system) they will receive official notices throughout the procurement process for this RFP.

Vendors that register on the Wisconsin eSupplier Portal after the posting of this RFP will receive official notices of future procurement solicitation opportunities for the State and University of Wisconsin System campuses.

To register on the Wisconsin eSupplier Portal access the following website for instructions
https://esupplier.wi.gov/psp/esupplier/SUPPLIER/ERP/h/?tab=WI_GUEST&wimsg=Logo

Proposers may obtain additional State of Wisconsin purchasing information at
https://doa.wi.gov/Pages/StateEmployees/SBOP-Vendors.aspx

Vendors without internet access may request to receive a hard copy.

1.13 Wisconsin Sales and Use Tax

The State is prohibited from entering into any Contract or order for the purchase of materials, supplies, equipment, or contractual services with vendors or their affiliates who are not registered, collecting, and remitting Wisconsin sales or use tax on sales of tangible personal property or taxable services in Wisconsin.

2 PREPARING AND SUBMITTING A PROPOSAL

This section explains how the Proposal should be constructed and on what terms before it can be considered Responsive.

2.1 General Instructions

The evaluation and selection of Contractors and award of the Contract will be based on the information submitted in the Proposer's Proposal, references, any required on-site visits, oral interviews, and demonstrations. Failure to respond to each of the requirements as directed in the RFP may be the basis for rejecting a response.

Elaborate Proposals (e.g., expensive artwork), beyond that sufficient to present a complete and effective Proposal, are not necessary nor desired. Unless specifically requested, promotional literature is not desired and will not be considered to meet any of the Requirements of this RFP.

2.1.1 Response Basis

Proposals shall be based solely on the terms, conditions, and Requirements contained in the RFP including revised amendments, addenda, or supplements, if any. Proposers may not rely upon any draft materials received, newspaper advertisements, oral statements, or news reports.

2.1.2 Complete Responses

Proposal responses to each of the requests for information and Requirements in the numbered sections shall be in the same sequence and numbered as the RFP. Responses must be concise yet complete. One-word responses, such as "yes", "no", "acknowledged", or "agreed" may be deemed non-responsive and scored as such. In responding, the Proposer is to provide all information concerning that subject area required to establish the Proposer's ability to perform the Requirements of this RFP. Emphasis should be on completeness and clarity of the Proposal without restatement of Requirements in the RFP; do not simply restate the Requirement verbatim as the response to a Requirement. If the Requirement calls for a process description, include a process map as well as the frequency at which that map will be updated. **Proposer's response to all scored questions shall be limited to 1,200 pages. Should a scored question request sample documents or examples, the sample documents or examples may be excluded from the page limit and will be noted in the scored question. Proposers must not incorporate excluded pages in their page numbering.**

The Proposer's response must not direct the reader to a website (or any other sources outside of the submitted Proposal) as part of its response to the requirement or question unless it is a map, diagram, or schematic included in another section within the RFP.

Only information that can be identified as a trade secret, proprietary and confidential on required form DOA-3832 will be treated as such. Proposers must not label or identify their entire Proposal as confidential.

Any material within the response including images, pictures, depictions, or diagrams that are not explicitly identified as outside the base product will be considered part of the base System.

2.1.3 Failure to Respond

Failure to respond to the requests for information and Requirements stated in this RFP may be the basis for rejection of the Proposal. Failure to meet Mandatory Requirements will result in the rejection of the Proposal. See Section 3.1 (Preliminary Evaluation) for further details.

2.1.4 Deviations or Exceptions

Proposers are cautioned to avoid deviations or exceptions in their Proposals, which may be cause for rejection of their Proposals. If a Proposer intends to deviate from or take exception to any Requirement or term and condition, it is recommended that **the Proposer describe the deviation or exception being requested during the question-and-answer process, see Section 1.6 (Clarifications and/or Revisions to Specifications and Requirements)**. The Proposer shall also propose alternate language for each deviation or exception when submitting their questions.

Any revisions to the RFP will be in the form of an amendment issued by the State.

The Requirements and terms and conditions stated in this RFP shall be incorporated into the Contract with the successful Proposer. Changes to Contract terms and conditions will be considered (but not necessarily agreed to) only if the Proposer suggests changes during the question-and-answer process and only if the Proposer identifies a deviation or exception to the term or condition and proposes alternative language in the questions it submits as per Section 1.6 (Clarification and/or Revisions to Specifications and Requirements) and Section 5 (Terms and Conditions).

Failure to raise any deviation or exception during the question-and-answer period shall be deemed unqualified acceptance of the RFP Requirement, term, or condition, and the Proposer shall be held liable accordingly.

2.2 Proposal Organization and Format

Proposers responding to this RFP outside of the Wisconsin eSupplier Portal must comply with the following format requirements. The State reserves the right to exclude any responses from consideration that do not follow the required format as instructed below.

A printed Proposal must be typed and submitted on 8.5 by 11-inch paper bound securely. Responses to the Proposal must be in English. The Proposal cover page must include, at a minimum, the RFP name and number, and the Proposer's name.

Proposals should be organized and presented in order and by the number assigned in the RFP. Proposals should be organized using headings and subheadings outlined below. Each heading and subheading should be separated by tabs or otherwise clearly marked. Pagination of a Proposal response should be consecutive, and individual sections should be separable. A Table of Contents including the RFP Section number and the Proposer's page number should be included in the Proposal.

2.2.1 Technical Proposal

The Technical Proposal shall include descriptive and technical matter only and no cost figures shall be contained in the Technical Proposal.

Tab 1 – Introduction Cover page, Table of Contents, Glossary, Bonds and Sureties (see Section 5.1.29.10 (Bonds and Sureties)) signed and completed DOA-3832 Bidder Required Form, Attachment B: Response to

Terms and Conditions, Attachment C: Minimum Mandatory Requirements (MMR) Matrix, Attachment D: Key Business Requirements (KBR) Matrix, and Attachment E: Bid Factors (Hard Copy Response Only).

Tab 2 - Response to General Proposal Requirements Provide a point-by-point response to each requirement specified in Section 4 (General Proposal Requirements) of the RFP. Responses to requirements must be in the same sequence and numbered as they appear in the RFP.

Tab 3 - Response to Technical Requirements – Gaming System Provide the information and documentation specified in Section 6 (Technical Requirements - Gaming System and Services) of this RFP. Responses to requirements must be in the same sequence and numbered as they appear in the RFP. Include all required documentation.

Tab 4 - Response to Technical Requirements – Distribution Services Provide the information and documentation specified in Section 7 (Technical Requirements - Distribution Services) of this RFP. Responses to requirements must be in the same sequence and numbered as they appear in the RFP. Include all required documentation.

Tab 5 - Response to Technical Requirements – Warehouse Facility and Services Provide the information and documentation specified in Section 8 (Technical Requirements - Warehouse Facility and Services) of this RFP. Responses to requirements must be in the same sequence and numbered as they appear in the RFP. Include all required documentation.

Tab 6 - Response to Technical Requirements – Telemarketing (Tel-Sell) Services Provide the information and documentation specified in Section 9 (Technical Requirements - Telemarketing (Tel-Sell) Services) of this RFP. Responses to requirements must be in the same sequence and numbered as they appear in the RFP. Include all required documentation.

2.2.2 Attachment A Cost Proposal

<u>Under Separate Cover</u> **- Attachment A - Cost Proposal:** Provide cost information as directed in Section 10. Include all costs for furnishing the product(s) and/or service(s) included in this Proposal. Failure to provide any requested information in the prescribed format may result in disqualification of the Proposal. <u>No mention of the Cost Proposal is permissible in the response to any other section of the RFP</u>.

2.2.3 Response Glossary

Any Proposal submitted should provide a glossary of all abbreviations, acronyms, and technical terms used to describe the services or products proposed. This glossary should be provided even if these terms are described or defined at their first use in the Proposal response. The Proposer must not change the meaning of any definitions as stated within this RFP. The Response Glossary is not subject to the page limit requirement for scored questions.

2.3 Proprietary Information

Any information or data in a Proposer's response that the Proposer claims is proprietary and confidential and should not be disclosed to third parties shall be clearly identified in the Proposal (each page shall be marked as "Proprietary and Confidential") and specified on the DOA-3832 Bidder Required Form found in Section 11 (List of Required Forms and Supporting Documents).

Proposal prices cannot be held confidential. Disclosure of other data and information in a Proposer's response to this RFP will be governed by Wisconsin Public Records law, under State law (secs. 19.35, et. seq.,

Wis. Stats.), under which Proposal responses are refutably presumed to be open to public inspection and copying. A Proposer should consider seeking legal advice before submitting information the Proposer considers to be proprietary and confidential and, therefore, exempt from public disclosure because it is a trade secret under State law (secs. 19.36(5) and 134.90(1)(c), Wis. Stats.), or otherwise exempt from disclosure under other provisions of the Public Records law. It is the Proposer's responsibility to provide legal counsel or other necessary assistance at its own expense to defend or assist in the defense of the Proposer's claim of confidentiality in the event of any appeal or litigation.

All data and documentation developed specifically for the Lottery are property of the Lottery and cannot be copyrighted or patented by the Contractor. All innovations developed specifically for the Lottery by the Contractor are the property of the Contractor but shall be subject to a non-exclusive, non-transferable, and royalty-free license in favor of the Lottery, which is irrevocable for the Life of the Contract.

2.4 Proposals are Property of the State

All Proposals become the property of the State upon receipt. All rights, title, and interest (including the right to exploit for the Lottery's purposes) in all materials and ideas prepared by the Proposer for the Proposal to the Lottery shall be exclusive property of the Lottery and may be used by the Lottery at its option.

2.5 Conflict of Interest

A Proposer or Contractor shall not give money or any other thing of value to DOA Procurement staff, members of the RFP evaluation committee, an employee of the Lottery, or the DOR under State law (secs. 565.05(1)(d), and 19.45, Wis. Stats.).

2.6 Proposal Disclosure Prohibition

Disclosure of Proposal contents by a Proposer prior to the award of a Contract under this RFP may result in rejection of a Proposal.

2.7 Submitting the Proposal

Proposers must respond to this RFP in either the Wisconsin eSupplier Portal or by providing a hard copy response. Email and faxed proposals will not be accepted.

2.7.1 Electronic Proposal Submittal (Strongly Preferred)

Respond as directed herein and in the pages presented in the Wisconsin eSupplier Portal for this event. The State has developed questions (Bid Factors) that provide online guidance for an electronic response to the RFP. The electronic submission must have the ability to be electronically searched by key word(s).

Proposers must click "Submit" in the Wisconsin eSupplier Portal to have their Bid received. Only clicking "Save" does not submit the Proposal response; therefore, it will not be received nor reviewed. The Proposer will receive email notification that the submission has been received. If the Proposer does not receive an email notification, the Proposer should reach out to the DOA Procurement Specialist.

Certain Requirements and qualifications will be presented as itemized questions that require an affirmative response from the Proposer that indicate these can be met (i.e. "yes/no" prompt; drop down menu; required attachment). Other Requirements may be presented in a grouped manner (e.g. "Does your company meet Requirements 2.1-2.8"). For any (itemized or grouped) Requirements that cannot be met, a "no" must be checked and a supplemental document must be provided as an attachment to explain.

Lottery Gaming System

Proposer will follow the instructions given in the eSupplier Portal system, including any Frequently Asked Questions (FAQs).

Proposers must allow time for entering a Proposal Response in eSupplier. Keep in mind the following if an error occurs:

- File names must be no longer than 64 characters, including the file extension (e.g., ".docx).

- File names cannot contain any special characters (e.g., commas, percent signs, hash symbol). Bid Factors that require an attachment, list a specific file name to be used in response to the Bid Factor.

- The maximum file size for any attachment is 80MB.

- The eSupplier system will not allow a file with macros included and enabled.

- Proposers may only upload a single file in response to a Bid Factor. Uploading additional files will overwrite the previous upload. If a Proposer has the need to attach multiple files, the Proposer must consolidate the documents into a single file. Alternatively, the Proposer may upload one (1) file in response to the Bid Factor and upload the rest of the documents using the Upload File button on the Submit Online Response page.

- In order to officially submit a Bid response, the Proposer must click the Submit button and receive verification that the Proposer response has been submitted.

2.7.2 Hard Copy Proposal Submittal

Proposers still have the option to mail or otherwise provide a hard copy Proposal when responding to this RFP. If submitting a hard copy (instead of the electronic Proposal option described in 2.7.1), Proposers must submit an original of its Proposal document with all materials required for acceptance of its Proposal, by the deadline shown below.

The State is not responsible for deliveries that do not reach the Procurement Specialist by the required due date and time. While hard copy Proposals will still be allowed in response to the Wisconsin eSupplier Portal's sourcing events, the State has no liability for errors made in inputting any information submitted via a hard copy Proposal.

 All materials required for acceptance of the Proposal must be sent to:

> Amber Rademacher, Procurement Specialist
> Department of Administration
> 101 E. Wilson Street, 6th Floor
> Madison, WI 53703-3405

Proposals must be received no later than 1:00 PM CT on May 28th, 2025. All hard copy Proposals must be received by Bureau of Procurement on or prior to the stated opening date and time. Proposals not stamped will be considered late and rejected. Receipt of a Proposal by the State mail system does not constitute receipt of a Proposal by the Bureau of Procurement.

All Proposals must be packaged, sealed, and show the following information on the outside of the package:

> Proposer's Name and Address
> RFP #RD271056 Lottery Gaming System
> Due: May 28th, 2025 by 1:00 PM CT

Lottery Gaming System

2.7.3 Cost Proposal Submission

Electronic Cost Proposals must be submitted in accordance with the online instruction in the Wisconsin eSupplier Portal.

For hard copy Cost Proposal submissions, Proposal must submit an original hard copy. The Cost Proposal must be sealed and submitted as a separate part of the Proposal. The Cost Proposal is due to the addressee on the same date and time previously mentioned. Cost Proposals (hard copies) that arrive unpackaged or unsealed will not be accepted.

No mention of the Cost Proposal is permissible in the response to any other section of the RFP. The outside of the envelope must be clearly labeled as follows:

> Proposer's Name
> Proposer's Address
> COST PROPOSAL for RFP #RD271056 Lottery Gaming System
> Due: May 28th, 2025 by 1:00 PM CT

2.7.4 Hand Delivered Proposals

If you are unable to submit your Proposal electronically, email Amber Rademacher at Amber.Rademacher@wisconsin.gov prior to the Proposal due date and time to make arrangements for your hard copy Proposal submission. All responses must be received and time-stamped at the above location no later than May 28th, 2025 at 1:00 pm CT. The Department of Administration, at 101 E. Wilson St., Madison, has a security checkpoint on the first-floor lobby and no visitors will be allowed past this security checkpoint.

The State is not responsible for deliveries that do not reach the Procurement Specialist by the required due date and time. Hard copy Proposals will still be allowed in response to the RFP. However, the State has no liability for errors made in inputting any information into the eSupplier Portal submitted via hard copy.

2.7.5 Samples

Regardless of electronic or hard copy Proposal submittal, Proposers shall submit ten (10) duplicate samples, at no cost to the Wisconsin Lottery, in order to verify product compliance with the Proposal Requirements. See Section 6.4.7 (Consumables).

Samples must be clearly labeled as "sample" and identify the Proposer's name, the RFP number, and RFP due date.

Samples must be delivered no later than May 28th, 2025 no later than 1:00 pm CT to:

> Amber Rademacher, Procurement Specialist
> Department of Administration
> 101 E. Wilson Street, 6th Floor
> Madison, WI 53703-3405

All samples provided by the Proposer will be reviewed by the Evaluation Committee in an identical manner in order to verify product compliance with the Proposal Requirements. The Wisconsin Lottery will be sole judge of sample compliance with the Bid Requirements.

Lottery Gaming System

The Wisconsin Lottery will retain the samples submitted by Proposers. Once a sample has been approved, the awarded Proposer must supply the Wisconsin Lottery with the same product, of the same quality, from the same manufacturer as the original samples submitted, for the Life of the Contract, unless approved by the Wisconsin Lottery.

2.8 Incurring Costs

The State will not be responsible for any costs incurred by Proposer to prepare its Proposal, conduct its due diligence, or negotiate any agreements whether or not finally awarded. Such Proposal and business development costs must not be included in the cost basis of services to be provided to the State.

2.9 Late Proposals

Any responses received after the Proposal due date and time specified in Section 1.10 (Calendar of Events) will not be reviewed.

2.10 Withdrawal of Proposals

The Proposal will be irrevocable until Contract award unless the Proposal is withdrawn. A Proposer may withdraw a Proposal in writing at any time up to the Proposal closing date and time or upon expiration of one hundred and eighty (180) days after the due date and time if received by the Procurement Specialist. To accomplish this, the written request must be signed by an authorized representative of the Proposer and submitted to the Procurement Specialist. If a previously submitted Proposal is withdrawn before the Proposal due date and time, the Proposer may submit another Proposal at any time up to the Proposal closing date and time.

2.11 Presentations and Site Visits

Top scoring Proposers based on an evaluation of the written Proposal may be required to participate in presentations and site visits to support and clarify their Proposals, if requested by the State. The State will furnish specific details concerning the presentations and site visit and any required materials at the time it notifies Proposers of the presentation and site visit schedule. Proposer representative(s) attending the presentation and site visit will be technically qualified to respond to questions related to the Proposal and its components.

The State will make every reasonable attempt to schedule each presentation or site visit at a time and location that is agreeable to the Proposer. Failure of a Proposer to present or permit a site visit on the date scheduled may result in rejection of the Proposer's Proposal. Should a Proposer refuse to honor the request for a presentation or site visit, it may result in rejection of the Proposal. Selection of the Proposers for presentations or site visits is at the evaluation committee's discretion.

2.11.1 Oral Presentations

Proposers may be required to make oral presentations regarding their Proposal, at a location determined by the evaluation committee. In conducting the presentations, there shall be no disclosure of any information obtained from any competing Proposer. The presentations will be scheduled and held after receipt of the Proposals to provide an opportunity for the Proposer to clarify its Proposal and for the evaluation committee to ask questions. Any presentations will be scheduled by the State and will occur at the Proposer's expense. Not all Proposers may be invited for presentations, or site visits.

Lottery Gaming System

The State may request the Proposers to submit their proposed Retailer equipment loaded with stand-alone test software (from an existing state is acceptable) and if requested, the Proposer shall provide this equipment and shall have it installed and ready for the presentation within five (5) Business Days of the request.

Failure of a Proposer to furnish the requested products it has proposed for presentation within the time constraints of the preceding paragraph may result in rejection of that Proposal. Failure of any products to meet the State's specified MMR during any presentation may result in rejection of the Proposer's Proposal.

The successful presentation of the Proposer's products and services does not constitute acceptance by the State. Any products or services furnished by the Proposer for the purposes of a presentation shall be identical in every respect to those that will be furnished if a Contract results.

2.11.2 Site Visits

The evaluation committee consisting of approximately four (4) to nine (9) people may visit one (1) or more of the Proposer's working installations, corporate headquarters, manufacturing facilities, or selected retailers, to inspect the Proposer's operations, including security features, procedures, methods, and controls, as well as operational and organizational capabilities. Proposers will be present during site visits.

Site visits (if conducted) will be scheduled by the State and will occur at the Proposer's expense. All transportation and per diem costs incurred by the evaluation committee (using State of Wisconsin travel guidelines found at https://dpm.wi.gov/Pages/HR_Admin/Class-and-Comp-HR-Admin.aspx will be the responsibility of the Proposer. The costs incurred by a specific Proposer will only be those costs directly attributable to visiting its specific plants and facilities. Failure of a Proposer to promptly reimburse the Lottery for costs of a site visit may exclude the Proposer from consideration for future Contracts. Not all Proposers may have requested site visits.

3 PROPOSAL SELECTION AND AWARD PROCESS

This section explains how Proposals will be accepted, evaluated, and how the State will engage in negotiations if it opts to do so.

3.1 Preliminary Evaluation

All Proposals will be reviewed initially to determine if mandatory requirements are met. Failure to meet Proposal Requirements shall result in the rejection of the Proposal.

All Requirements identified as Minimum Mandatory Requirement (MMR) must be met without exception. Failure to meet every MMR shall result in Proposal disqualification unless it is determined that no Proposer can meet one or more MMR(s) in which case the State reserves the right to waive such MMR(s) and continue to review Proposals meeting all remaining MMR(s). In addition, Proposers must respond using Attachment C: Minimum Mandatory Requirement (MMR) Matrix to every MMR.

Proposers must meet at minimum four hundred sixty-five (465) Key Business Requirements (KBR) in order to be considered responsive. Failure to meet at minimum four hundred sixty-five (465) KBRs shall result in Proposal disqualification unless it is determined that no Proposer can meet one or more KBR(s) in which case the State reserves the right to waive such KBR(s) and continue to review Proposals meeting at minimum four hundred sixty-five (465) of all remaining KBR(s). Proposers must use the Attachment D: Key Business Requirement (KBR) Matrix in order to be considered responsive. In addition, Proposers must respond as instructed below to every KBR.

3.2 Evaluation Committee

An evaluation committee for this RFP will consist of individuals who, in the State's sole judgment, possess specific knowledge and skills essential to the RFP evaluation. The evaluation committee participates fully in the evaluation process, including reviewing and scoring Proposals. Subject Matter Experts (SMEs) may be used to provide additional expertise (e.g., technical and functional subject matter expertise, administrative, and procurement knowledge) to the evaluation committee. SMEs are non-scoring individuals or an ad/hoc group that serves only as technical advisors to the evaluation committee.

3.3 Evaluation Criteria

Accepted Proposals will be reviewed by the evaluation committee and scored against the stated criteria.

All items listed in the Proposer's response, except for the Optional items, shall be included in the respective Cost Proposal(s). Optional items and any additional features offered by the Proposer not requested or required in the RFP will not be scored. Proposals will be scored in the following areas:

RFP Section and Description	Points
Section 6: Lottery Gaming System and Related Services	11,195
Section 7: Distribution Services	270
Section 8: Warehouse Facility and Services	425
Section 9: Telemarketing (Tel-Sell) Services	460
Section 10: Cost Proposal	650
TOTAL	13,000

Lottery Gaming System

The points stated above are the maximum amount awarded for each section.

The results of presentations (if required) will be used to clarify and substantiate information in the written Proposals and may be considered when scoring the responses to the general, technical, and system interface requirements in the RFP. Reference checks may be used to substantiate information in the written Proposals and may be considered when scoring the responses.

3.4 Proposal Scoring

3.4.1 General and Technical Requirements Proposal Scoring

General and Technical Requirements evaluation points given by each evaluator will be summed and divided by the number of evaluators to compute an average score for each Proposal. Cost Proposal information will not be available to the evaluation committee during the Requirements evaluation phase.

3.4.2 Cost Proposal Scoring

Cost Proposals will be scored as follows:

The cost score for the Proposal will be calculated with the most points awarded to the Proposal with the lowest cost. Other cost Proposals will be assigned points proportional to those assigned to the lowest Cost Proposal. The formula is as follows:

LC - Lowest Cost (constant)   **MP** - Maximum Points Given to Cost   **CS** - Cost Score
OPC - Other Proposer's Cost

$$\frac{LC}{OPC} \times MP = CS$$

Example using the % of sales offered as the Base Cost Price. 1.20% is the lowest % offered by any Proposer; therefore, this Proposal would receive 1,000 points as its cost score. The next lowest offer is 2.10%. The score for this Proposal is 571.43

$$\frac{1.2}{2.1} \times 1000 = 571.43$$

Calculation of points awarded to subsequent Proposals will use the lowest cost amount as a constant numerator and the cost of the Proposer being scored as the denominator. (This result will always be less than one). The result then is multiplied by the number of points given to the cost in Section 3.3 (Evaluation Criteria).

Proposals from certified Minority Business Enterprises (MBE) or Disabled Veteran-owned Businesses (DVB) may have points weighted by a factor of 1.00 to 1.05 to provide up to a five percent (5%) preference to these businesses under State law (sec. 16.75(3m), Wis. Stats.).

3.4.3 General, Technical and Cost Score Total

The final average points received from a Proposal's Technical Requirements will be subtotaled and added to the final Cost Proposal score. In the event of a BAFO, only those Proposers in the best and final process will be included in the calculation.

The final total score will be weighted per RFP Section 3.3 (Evaluation Criteria).

3.5 Clarification Process

Clarifications from Proposers may be requested by the State for the purpose of clarifying ambiguities or questioning information presented in the Proposal. Clarifications may occur throughout the Proposal evaluation process. Clarification requests will include appropriate references to the RFP or the Proposal. Clarification responses shall be in writing and shall address only the information requested. Responses shall be submitted to DOA Procurement within the time required. Generally, no more than three (3) Business Days will be given for responses to clarification requests. See Section 1.6 (Clarifications and/or Revisions to Specifications and Requirements) for instructions on providing clarifications to the State.

3.6 Right to Reject Proposals

The State reserves the right to reject any and all Proposals.

Issuance of this RFP in no way constitutes a commitment by the State to award a Contract. The State may reject any Proposal if it is considered incomplete, conditional, contains irregularities, or does not meet Requirements.

Failure to furnish all information or to follow the Proposal format requested in this RFP will cause rejection of the Proposal. The State may waive any nonmaterial deviation in a Proposal. The State's waiver of nonmaterial deviation shall in no way modify the RFP Requirements or excuse the Proposer from full compliance with the Contract Requirements, if the Proposer is awarded the Contract.

The State reserves the right to make an award without further negotiations with the highest scoring Proposer. Proposals should be submitted with the most favorable terms and pricing the Proposer can offer. However, the State reserves the right to request a Best and Final Offer (BAFO) prior to issuing a letter of intent to award.

If at any time prior to the signing of a written agreement, the Lottery reasonably determines that the Proposer does not possess adequate financial ability or organizational stability to carry out the obligations of the Contract, that Proposer may be disqualified from further consideration. The State reserves the right to request additional information from third parties.

The Lottery may negotiate the terms of the Contract, including the award amount, with the selected Proposer prior to entering into a Contract.

3.7 Accepted Proposals

An evaluation committee will assess and score all accepted Proposals against predetermined criteria. A uniform selection process, as outlined in this section, will be used to evaluate all Proposals using a point system. Proposers are cautioned to clearly and completely describe in their responses how their products and services meet each of the Minimum Mandatory Requirements (MMRs) and Key Business Requirements (KBRs). Failure to demonstrate in the Proposal response that the Proposer can meet both MMRs and KBRs stated will cause the rejection of the Proposal.

The committee may review references, request oral presentations, or conduct site visits and use the results in scoring the Proposals, see Section 2.11 (Presentations and Site Visits). Evaluation and selection of the Contractor, as well as any subsequent negotiations, will be based on the information submitted in the Proposals, references, site visits, and requested oral presentations.

The State reserves the right to obtain additional information concerning any Proposer or Subcontractor associated with or named in the response to this RFP and to consider this information in evaluating the Proposer's Proposal.

During the evaluation process, the State will determine if there is any conflict of interest, security risk, or integrity risk in awarding a Proposer the Contract. In the event the State has concerns, it may request an independent contractor or governmental agency to review, audit, and make a recommendation on any conflict of interest, security risk issues, or integrity risk before the evaluation committee recommends an award. The cost of the review, audit, and recommendation shall be borne by the Proposer.

If the State determines that the highest scoring Proposer has a conflict of interest, a security risk, or integrity risk, the State will discuss with the Proposer, prior to announcing any Contract award decisions, whether that Proposer is willing and able to implement adequate controls to eliminate the conflict of interest or mitigate any security or integrity risk. If the State determines that the Proposer with the highest scoring Proposal is not able to implement adequate controls to eliminate the conflict of interest or mitigate any security or integrity risk, the highest scoring Proposal will not receive the award, and the State reserves the right to negotiate with the next highest scoring Proposer.

3.8   Proposer References

Using the Bidder Required Form DOA-3832, Proposers must provide a minimum of three (3) lotteries or comparable businesses (including company name, address, and name and telephone number of English-speaking contact persons) that can be used as references for work performed in the area of service required. Proposers may <u>not</u> use the Wisconsin Lottery as a reference. For each reference, complete the requisite information on DOA-3832 Bidder Required Form.

If needed, attach additional information clearly indicating the reference that the information is applicable to.

The evaluation committee will determine which, if any, references are contacted. The results of any reference checks may be used when scoring the Proposal. The State will use reference information to validate information provided in response to the RFP; therefore, the relevancy of the experience, compatibility of the experience to this RFP, and the performance record of the experience is essential. The State reserves the right to verify all submissions and perform further background checks of experience and performance. The State or Evaluation Committee may contact one or more references that have been provided by the Proposer or other sources that may not have been named by the Proposer but can assist in determining performance.

3.9   Supplier Diversity

3.9.1   Minority-Owned Business Enterprise

Minority-Owned Business Enterprises (MBEs) are certified by the Wisconsin Department of Administration. This program can be found at:

http://www.doa.wi.gov/Divisions/Enterprise-Operations/Supplier-Diversity-Program.

The Contractor will furnish appropriate quarterly information about its efforts, including the identities of such businesses certified by the Wisconsin Supplier Diversity Program, their Contract amount, and spend for

each period to the Procuring Agency. A listing of certified MBEs, as well as the services and commodities they provide, is available at: https://wisdp.wi.gov/search.aspx.

3.9.2 Veteran-Owned Business

The State Bureau of Procurement encourages the participation of veteran-owned businesses (VBs) in the statewide purchasing program by inviting VBs to actively solicit public purchasing business and by reducing undue impediments to such participation. VBs are certified by the Department of Veterans Affairs (DVA). Applicants will complete a Veteran-Owned Business Request for Certification form (WDVA 1037). Contact the DVA at: http://dva.state.wi.us   There is no price preference for certified VBs that compete for State Contracts.

3.9.3 Disabled Veteran-Owned Business

Disabled veteran-owned businesses (DVBs) are certified by the Wisconsin Department of Administration. This program can be found at: http://www.doa.wi.gov/Divisions/Enterprise-Operations/Supplier-Diversity-Program.

The Contractor will furnish appropriate quarterly information about its efforts, including the identities of such businesses certified by the Supplier Diversity Program and their Contract amount. A listing of certified DVBs, as well as the services and commodities they provide, is available at: https://wisdp.wi.gov/search.aspx.

3.9.4 Woman-Owned Business Enterprise

Woman-owned business enterprises (WBEs) are certified by the Wisconsin Department of Administration. This program can be found at: http://www.doa.wi.gov/Divisions/Enterprise-Operations/Supplier-Diversity-Program.

State certified WBEs are able to provide both governmental entities and private companies with a credible recognition of the business' ownership. The WBE certification may serve as an additional marketing tool when seeking Contract opportunities with entities that place a value on having a diverse supplier base. There is no price preference for certified WBEs that compete for State Contracts. A listing of certified WBEs, as well as the services and commodities they provide, is available at: https://wisdp.wi.gov/search.aspx.

3.10 Award and Final Offers

The State will compile the final scores for each Responsive Proposal. Award will be granted in one of two ways. The award may be granted to the highest scoring Responsive and Responsible Proposer.

Alternatively, the highest scoring Proposer(s) may be requested to submit BAFO. If a BAFO is requested by the State and submitted by Proposer(s), they will be evaluated against the stated criteria, scored, and ranked by the evaluation committee. An award may be granted to the highest scoring Proposer. However, Proposers must not expect that the State will request a BAFO.

Notwithstanding anything else to the contrary herein, the award will be made to the Proposer who best meets the needs of the Lottery and will not necessarily be the lowest Cost Proposal.

In the event of a tie, the State shall provide the preference set forth under State law (sec. 565.25(2)(a)3, Wis. Stats.).

Lottery Gaming System

The awarded Proposer shall be responsible for all Requirements, specifications, terms and conditions as stated in the RFP and the offers presented in the response.

3.11 Contract Negotiation

The State intends to initiate Contract negotiations with the Proposer who has been determined by the evaluation committee to be the highest scoring Proposer, calculated as outlined in Section 3.4 (Proposal Scoring). The State may negotiate the terms of the Contract, including the cost, with the highest scoring Proposer prior to execution of a Contract. If the Contract negotiations cannot be concluded successfully with the highest scoring Proposer, the State may negotiate a Contract with the next highest scoring Proposer.

Section 5 (Terms and Conditions), of the RFP is part of the Contract between a Contractor and the Lottery. These terms and conditions are not all-inclusive, and the Lottery reserves the right to incorporate additional provisions in the Contract.

3.12 Contract Negotiations Impasse

If a Contract between the State and the successful Proposer cannot be executed by both parties within sixty (60) Business Days after the Notice of Intent to Award the Contract (or the conclusion of an appeal of the award under State law (ch. Adm 10, Wis. Adm. Code), whichever is later), the State reserves the right to unilaterally reject the Proposer's Proposal and proceed to award the Contract to the next highest scoring Proposer. The Proposal bond of the Proposer whose Proposal is rejected shall be forfeited to DOR.

3.13 Notification of Intent to Award

Any Proposer who responds with a Proposal will be notified in writing of the State's intent to award the Contract resulting from the RFP.

3.14 Disclosure of Interest

A copy of the disclosure of interest, if required as stated in the applicable sections of the Contractual terms and conditions, shall be sent to the Lottery Administrator, prior to signing the Contract.

3.15 Protest and Appeals Process

3.15.1 Notices of Intent to Protest

Notices of intent to protest must be made in writing. Protestors should make their protests as specific as possible and should identify Wisconsin Statutes and Wisconsin Administrative Code provisions alleged to have been violated.

The written notice of intent to protest both the solicitation and the intended Contract award must be filed with:

David M. Casey, Secretary
Wisconsin Department of Revenue
2135 Rimrock Road MS 624A, PO Box 8933
Madison, WI 53708-8933

In addition, a copy of the protest must be sent electronically to:

Lottery Gaming System

Amber Rademacher, Amber.Rademacher@wisconsin.gov.

The decision of the Secretary of DOR, or designee, may be appealed to the Secretary of the Department of Administration within five (5) business days of issuance, with a copy of such appeal filed with DOA, provided the appeal alleges a violation of a Wisconsin Statute or a provision of the Wisconsin Administrative Code.

Appeals must be sent to:

Kathy K. Blumenfeld, Secretary
Wisconsin Department of Administration
PO Box 7864
101 E Wilson Street, 10th Floor
Madison, WI 53703-7864

3.15.2   Protest Concerning a Solicitation

A Proposer or labor organization who is aggrieved in connection with a solicitation may protest to DOR. A notice of intent to protest must be submitted in writing to the Secretary of DOR, or designee, see Section 3.15.1 (Notices of Intent to Protest), within five (5) Business Days after issuance of the solicitation or the date of issuance of any amendment to the solicitation if the Proposer or labor organization seeks to protest that amendment.

The protest must be submitted in writing to the Secretary of DOR, or designee, within ten (10) Business Days after issuance of the solicitation or the date of issuance of any amendment to the solicitation. A Proposer or labor organization is prohibited from protesting solicitation requirements past ten (10) Business Days after issuance of the solicitation or the date of issuance of any amendment to the solicitation.

3.15.3   Protest Concerning the Intent to Award a Contract

A Proposer who is aggrieved by the Intent to Award may protest to DOR. A notice of intent to protest must be submitted in writing to the Secretary of DOR, or their designee, see Section 3.15.1 (Notices of Intent to Protest), and be received in their office no later than five (5) Business Days after the Notice of Intent to Award is issued.

The written protest must be received by the Secretary of DOR, or their designee's office no later than ten (10) Business Days after the Notice of Intent to Award is issued, see Section 3.15.1 (Notices of Intent to Protest).

4 GENERAL PROPOSAL REQUIREMENTS

This section is not scored and is not subject to the page limit requirement for scored questions. Completion of this section is **Mandatory.** Failure to provide details for any of the following Requirements will result in the rejection of the Proposal.

Unless requested to do so, Proposer must not direct the reader to a website or any other source outside of the applicable RFP section as part of its response to the requirement or question unless it is a map, diagram, or schematic included in another section within the RFP.

Responses that merely restate the requirement or only indicate an acknowledgement of understanding and a willingness to comply will be considered unresponsive.

4.1 Proposer Information

The Proposer shall provide the following basic information in its Proposal response:

A. Name and address of the entity making the Proposal including telephone numbers, fax numbers, and e-mail addresses.

B. Type of business entity (i.e., corporation, partnership, limited liability corporation, limited liability partnership, sole proprietorship). If corporation, include place of incorporation.

C. Organization chart showing all parents and subsidiaries and specifically identifying those that will be involved in the performance of the terms of this RFP and Contract. Name and location of major offices, plants, and other facilities that relate to the Proposer's performance under the terms of this RFP and Contract.

D. Date and proof of local registration to do business in Wisconsin. Foreign Corporations (any business not located in Wisconsin) shall register to do business in Wisconsin. To register, call Wisconsin Department of Financial Institutions, Division of Corporation and Consumer Services, Corporations Section, at (608) 261-9555. For licensing information, contact the Wisconsin Department of Safety and Professional Services at (608) 266-2112.

E. Name(s) of all attorneys and law firms representing the Proposer in the State of Wisconsin.

F. Name(s) of Proposer's accounting firms located in North America.

G. Name(s) of lobbyists authorized under State law (sec. 13.63, Wis. Stats.), retained by the Proposer in any matter.

H. Name(s) and address of any outside firm(s) or person(s) who provided any consulting or help in responding to this RFP.

I. Organization chart and the total number of Proposer's employees and Proposer's Subcontractor's employees who will produce, distribute, supply, or sell any materials, supplies, equipment, or services under the Contract resulting from this RFP including key staff, site director/account manager(s). Each job position shall be listed along with the percent of full-time effort this position will work when performing work under the Contract resulting from this RFP.

4.2 Subcontractor Evaluation

The State reserves the right to review Subcontractors. The State will not have a contractual relationship with the Subcontractors for any services provided under this Contract (existing contracts between the State and

any potential Subcontractor do not apply). Proposed Subcontractors may be required to participate in the presentations.

For all Subcontractors, Proposer must provide:

A.   Name, address, contact name, and telephone number.

B.   Explain its relationship with the Subcontractor.

C.   Describe the role and description of the products or services to be provided.

D.   Experience of the Subcontractor in performing the services (or producing the products) to be provided.

E.   Subcontractor references: Provide at least three (3) references for each Subcontractor. Include name, address, contact name, and telephone number. Proposers may not use the Wisconsin Lottery as a reference. Selected organizations may be contacted to determine the quality of work performed and personnel assigned. Clearly identify response as "Subcontractor References".

4.3   Financial Viability

A financial analysis may be conducted to determine whether the Proposer is financially capable of timely and complete performance of its obligations under the Contract resulting from this RFP prior to Contract execution. The State reserves the right to request any additional information necessary, including from a third party, to determine the financial integrity and responsibility of the Proposer.

The requested financial information mentioned below shall be submitted for the Proposer providing the System and services.

Audited financial statements described below shall be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and shall have been audited by a certified public accountant licensed to practice in the state in which the Proposer's principal place of business in the United States is located or, if the Proposer has no principal place of business in the United States, by an individual or entity with a comparable professional designation licensed to practice in the jurisdiction in which the Proposer's principal place of business is located. Financial Reports shall be in English.

A.   Submit audited financial statements (income statement, balance sheet, and statement of cash flow) for the Proposer for the last three (3) years (most recent year and two (2) prior fiscal years), together with a current certification made by the chief financial officer (or individual with comparable responsibilities) stating that the statements are current, accurate, and complete with the exception of any material adverse changes specifically described that have occurred in the status of the Proposer since the effective date of the most recent financial statements.

B.   If the Proposer is a subsidiary of another corporation, submit the unaudited subsidiary financial statements with certification made by the chief financial officer (or individual with comparable responsibilities) that these statements were used to prepare the audited parent company financial statements in addition to submitting the audited consolidated financial statements of the parent company.

   The State will allow Proposers to furnish its annual Report on Form 10-K and, if the Proposer is a subsidiary of a corporation that is subject to the Securities Exchange Act of 1934, to furnish an annual Report on Form 10-K of its parent, provided that the parent is the sole shareholder of the Proposer and the only material asset of the parent is its investment in the Proposer.

C.   If the Proposer is a parent corporation, parent-only financial statements, if available, and statements for the operating division that will perform these services shall be submitted.

D.   Proposers shall also submit annual Reports to shareholders for the last three (3) years. Provide any quarterly Reports to shareholders or owners for the current fiscal year. If applicable, include any other communications to shareholders for the past three (3) years.

E.   Provide any Reports to or filings with the Securities and Exchange Commission (or the appropriate non-U.S. equivalent) for the past three (3) years.

4.4   Contracts Evaluation

The Proposer shall provide the following information concerning all contracts for systems and services at lotteries within the last five (5) years. Excluding any contracts may be cause for rejection of the Proposer's Proposal.

A.   Name and address of the lottery, and the name, telephone number, and e-mail addresses of a contact person.

B.   Description of the scope, term, and dates of the contract, and whether contract extensions were executed. State the reason for contract end if the contract is no longer in effect.

C.   Describe the size of the contract by providing annual sales and population of jurisdiction, if applicable.

D.   Types of services directly provided by the Proposer under the contract and whether the Proposer was a prime contractor or subcontractor.

E.   A full explanation of the circumstances and resolution of each instance in which the Proposer's delivery of goods or services under the contract was not timely or within contract specifications.

F.   Details of any litigation between Proposer and the other party to the contract.

G.   A full explanation of each instance in which the other party to the contract claimed the Proposer did not perform its contractual obligations and demanded Liquidated Damages, monetary settlement, non-monetary settlement, renegotiations of contractual terms and conditions, or terminated the contract.

H.   The number and types of terminals operating under contract.

I.   The number and a description of all Lotto games, or other products provided under the contract. For all games listed, state whether the game is currently being run, the number of terminals on which the game was run, and average weekly sales, by game, for each of the last five (5) years.

4.5   Disciplinary Actions

Proposers shall provide details (including jurisdiction, case number, narrative of facts and circumstances, and disposition) of any disciplinary or other administrative action relating to gaming or gambling taken by any jurisdiction or person against Proposer or any person listed below or Subcontractors.

A.   For the sole proprietor for Proposers that are sole proprietorships.

B.   For each partner where Proposers are partnerships. Where the partner is itself a corporation, limited liability corporation, or another partnership, the information required by this section shall be provided for the partners, members, officers, directors, and owners of that ownership entity.

C. For each member for Proposers that are limited liability corporations.

D. Where Proposers are corporations, for each officer or director of the corporation and each owner, directly or indirectly, of any equity security or other ownership interest in the corporation. In the case of owners of publicly held securities in a publicly traded corporation, only those persons who are beneficial owners of five percent (5%) or more of the publicly held securities. Where an owner of securities in the Proposer is itself a corporation, partnership, or limited liability corporation, then the information required by this section shall be provided for partners, members, officers, directors, and owners of that ownership entity.

4.5.1 Disciplinary Details

Proposers shall provide details, including whether the Proposer or any person listed in Section 4.5 (Disciplinary Actions) A – D, above, or a Subcontractor:

A. Are aware of being currently the subject or target of any criminal investigation anywhere in the world.

B. Has been charged with a felony or a gambling related offense.

C. Is currently being investigated by the Securities and Exchange Commission or similar regulatory entity either in the United States or anywhere else in the world.

D. Has been charged with a violation of State or national securities laws or regulations anywhere in the world.

E. Has paid a monetary settlement or entered into an agreement with a regulator in lieu of being charged with a securities violation.

4.6 Licensing Issues

Proposers shall provide details (including specification of jurisdiction, case number or reference, and a narrative of the facts and circumstances) relating to each instance in which Proposer (or its Subcontractor(s) for the Contract) have been denied, or has had revoked or non-renewed, a license or certification of any kind, or in which an application for a license or certification of any kind is pending and has been pending for longer than six (6) months.

4.7 Litigation

To the extent that the information has not been otherwise provided under this Section 4.0 (General Proposal Requirements), the Proposer shall list (caption, case number, and jurisdiction) and summarize all judicial or administrative proceedings involving its lottery activities, claims of unlawful employment discrimination, and anti-trust suits in which the Proposer has been a party within the last five (5) years. Also include litigation of lottery industry Contract awards within the last ten (10) years. If the Proposer is a subsidiary, this information shall also be submitted for all parent companies. If Proposer uses Subcontractors, associated companies, or consultants that will be involved in any phase of a Contract, Proposer's responses shall include pertinent information for these entities or individuals. If the Proposer, its parent, a Subcontractor, associated company, or consultant has been a party in a criminal conviction, the Proposer shall include in their response all pertinent information regarding the party. There shall be no time limit on the required disclosure of criminal conviction information of the party. Litigation and criminal conviction disclosures should specifically address each of the following points:

A. Name of case or proceeding.

B. Case or docket number.

C. Jurisdiction involved, including foreign countries.

D. Date case or proceeding was commenced.

E. Summary of allegations.

F. Amount of monetary damages sought.

G. If the Proposer has been accused of, or has been found to have committed, malfeasance or negligence in operating or assisting in the operation of a lottery, specifically describe those allegations.

H. Current status.

I. Summary of final outcome.

J. If the case or proceeding was settled, summarize the terms of the settlement and the amount of consideration paid by the Proposer as part of the settlement.

K. For pending cases and proceedings, explain how an outcome adverse to the Proposer would affect its ability to fully perform its obligations under a Contract with the Wisconsin Lottery.

5 TERMS AND CONDITIONS

5.1 GENERAL - TERMS AND CONDITIONS

This section is not scored. The following requirements are Mandatory and the Proposer must satisfy them at no additional cost to the State.

Respond to this section and provide any required documentation as indicated. Responses to each requirement must follow the instructions. No explanation is required when the Proposer cannot certify a statement is true, as non-compliance with any of the following requirements will result in Proposal rejection and remove that Proposal from further consideration.

Failure of a Proposer to meet the mandatory requirements will result in rejection of the Proposer's Proposal. In the event there is an individual mandatory requirement that no Proposer is able to meet, the State reserves the right to eliminate that individual mandatory requirement; in such case, the State will continue the evaluation of Proposals and select the Proposal that most closely meets the remaining requirements specified in the RFP.

The State of Wisconsin reserves the right to incorporate standard State Contract provisions into any Contract negotiated with any Proposal submitted responding to this RFP (Standard Terms and Conditions (DOA-3054) and Supplemental Standard Terms and Conditions for Procurements for Services (DOA-3681). Failure of the successful Proposer to accept these obligations in a contractual agreement may result in the cancellation of the award.

5.1.1 Antitrust Assignment

By entering into this Contract, the Contractor conveys, sells, assigns, and transfers to the State all rights, title, and interest in and to all causes of action, claims, and demands of whatever nature it may now have or hereafter acquire under the antitrust laws of the United States and the State, relating specifically to that proportionate amount of the particular goods or services purchased or acquired by the State under this Contract.

5.1.2 Applicable Law

This Contract shall be governed by the laws of the State of Wisconsin. Venue for any action brought under this Contract shall lie in Madison, Dane County, Wisconsin. The validity, construction, and performance of the Contract shall be governed by and construed in accordance with the laws of the State of Wisconsin, without regard to the State's principles of conflict of laws. Contractor irrevocably consents to the exclusive jurisdiction and venue of any court within Dane County, Wisconsin, in connection with any matter based upon or arising out of the Contract or the matters contemplated herein. The Contractor hereby consents to personal jurisdiction in that venue and waives any defenses that the Contractor otherwise might have relating thereto. Contractor agrees that process may be served upon it in any manner authorized by the laws of the State of Wisconsin for persons and waives and covenants not to assert or plead any objection that it might otherwise have to jurisdiction, venue, or process.

5.1.3 Assignment of Contract

The Contractor may not assign, transfer, convey, sublet, or otherwise transfer or dispose of its rights, title, or interest in, or performance under, the Contract to any other person, company, corporation, or entity without the previous written approval of the Lottery.

In the event of any such approval, the terms and conditions of the Contract shall apply to and bind the party or parties to whom the Contract is assigned as fully and completely as the Contractor is bound and obligated. No assignment, if any, shall operate to release the Contractor from liability for the prompt and effective performance of its obligations, including the payments of any amounts due for Liquidated Damages.

If during the Contract term or any extension of the Contract, an individual, partnership, corporation, associate group of investors, or legal entity obtains an ownership interest in the Contractor in the amount of five percent (5%) or more, the Lottery must be immediately notified in writing. In such event, the Lottery may, at its option, determine that such ownership interest is not in the best interests of the Lottery or the State of Wisconsin and may terminate the Contract after providing ninety (90) Days written notice to the Contractor.

5.1.4 Audit Requirements

The Contractor and its authorized Subcontractors are subject to audits by the Lottery, the Legislative Audit Bureau (LAB), an independent certified public accountant or accounting firm, or other representatives as authorized by the Lottery.

Authorized personnel shall have access to interview, and/or viewing any documentation from any Contractor's or Subcontractor's employee or authorized agent involved with the Contract in conjunction with any audit, review, or investigation deemed necessary by the Lottery.

5.1.4.1 Lottery Security Audit

According to State law (sec. 565.37(6) Wis. Stats.), the Lottery is required to contract with an independent firm to perform a lottery security audit at least every two (2) years. The Contractor's site and system(s) shall be included in the scope of this audit. The audit will be conducted at the Lottery's expense. The Contractor must correct all audit findings and address suggestions and observations on the date specified by the Lottery and at no expense to the Lottery.

5.1.4.2 Right to Review Audit Work Papers

The Lottery and its external auditors (including the LAB auditors) shall have the right to review the work papers of audits conducted.

5.1.4.3 Annual Financial Audit

The Contractor shall have a complete financial audit conducted annually, at its own expense. The audit shall follow generally accepted auditing principles (GAAP). A copy of the Contractor's certified financial statements shall be provided to the Lottery annually. A copy of the Contractor's parent's certified financial statements is acceptable if the financial data for the Contractor is shown separately in the parent's financial statement.

5.1.4.4 Annual Internal Control Audit

The Contractor shall have a complete internal control audit conducted annually of the Contractor's Wisconsin operations by an independent certified public accounting firm, at Contractor's expense. This audit shall be conducted pursuant to Statement on Standards for Attestation Engagements (SSAE) No. 16 (SOC 1: SSAE 16 Type 2 Examination, and SOC 2: SSAE 16 Type II Examination) or its successor document, as issued by the American Institute of Certified Public Accountants. The audit shall cover a one (1) year time period.

Lottery Gaming System

The Lottery reserves the right to require the first internal control audit to be conducted prior to Conversion to the new System (an SSAE 16 SOC 1 Type 2 and SOC 2 Type II Examination), at no cost to the Lottery.

The Lottery reserves the right to specify the frequency of internal control audits, the type of Report (including potentially SSAE 16, SOC 3) and the control objectives to be examined. The Lottery reserves the right to approve the certified public accounting firm chosen to perform the internal control audit and reserves the right to designate the period to be covered by the Report and the date by which the Report is due. The Lottery and its external auditors (including LAB auditors) shall be given a copy of all Reports, including any management letters issued as a result of the specified audits.

5.1.4.5 Audit of System

If required by the Lottery, the Contractor shall contract with an independent auditing firm approved by the Lottery. The Lottery will require the firm to audit the Contractor's delivery of products, systems, and services required in the Contract and in this RFP; as well as accepted offerings in the Contractor's Proposal. The cost of this audit shall be paid by the Contractor.

5.1.5 Background Checks

5.1.5.1 Background Information Checks

The Wisconsin Department of Justice is required by State law (sec. 565.25(4), Wis. Stats.) to conduct background investigations on each Lottery Contractor and its key individuals. Background information required by the Department of Justice is contained in the Wisconsin Lottery Major Procurement Vendor and Personal Disclosure forms. Only the Proposer(s) receiving the Contract award notification shall be required to submit completed background check materials to the Office of Enforcement & Compliance.

The Contractor shall reimburse the State for the cost of the investigations. The actual cost of a background investigation will vary, depending on the organization of Contractor's business and number of individuals involved. Normally the investigation should be completed within ninety (90) Days. If a Contract with the successful Proposer is executed before the investigation is concluded, and the results of the investigation disclose information that would have restricted the Lottery's authority to contract with the Proposer as provided under State law (sec. 565.25(3)(a), Wis. Stats.), had the information been disclosed prior to Contract execution, the Contract shall be void and the Contractor's fidelity bond shall be forfeited.

Personal disclosure forms shall be submitted by the successful Proposer(s) for the following types of individuals:

a) For Proposers that are sole proprietorships.

b) For each partner for Proposers that are partnerships. Where a partner is itself a corporation, limited liability company, or another partnership, the information required by this section shall be provided for the partners, members, officers, directors, and owners of that ownership entity.

c) For each member for Proposers that are limited liability companies.

d) For Proposers that are corporations, for each officer or director of the corporation, and each owner (directly or indirectly), of any equity security or other ownership interest in the corporation. In the case of owners of publicly held securities in a publicly traded corporation, only those persons who are beneficial owners of five percent (5%) or more of the publicly held securities. Where an owner of securities in the Proposer is itself a corporation, partnership, or limited liability company, then the

information required by this section shall be provided for partners, members, officers, directors, and owners of that ownership entity.

All completed "Personal History Statements" and "Privacy Statements" (original plus one (1) copy) with fingerprint submission shall be conducted when requested by the Lottery, under separate cover directly to Wisconsin Department of Revenue, Lottery Division, Attn. Office of Enforcement & Compliance, 2135 Rimrock Road, PO Box 8941, Madison, WI 53708-8941. Submittal of the Proposer and personal background information should be within thirty (30) Days following the date of notification or as otherwise specified by the Lottery.

5.1.5.2 Continuing Background Information Obligation

The Contractor understands and agrees that during the Life of the Contract, it shall be obligated to provide such information about its officers, directors, and owners as the Lottery may prescribe in furtherance of the Lottery's duties and responsibilities under State law (secs. 565.25(3) and (4), Wis. Stats.). This may include the background information described in this RFP for officers, directors, and owners of parent companies beyond an immediate parent company.

5.1.5.3 Background or Criminal History Investigation

Prior to the commencement of any services under this Contract and every five (5) years thereafter throughout the Life of the Contract, the State shall request a background or criminal history investigation of contracted personnel, and Subcontractor's employees, who will be providing services to the State under the Contract. If any of the stated personnel providing services to the State under this Contract is not acceptable to the State in its sole opinion as a result of the background or criminal history investigation, the State may either request immediate replacement of the person or immediately terminate this Contract and any related service agreement.

The security clearance levels below are associated with the employee's classification and their location and will determine the type of background investigation required for the Contract. The Contractor shall bear the cost of any required employee background investigations.

Security clearance levels associated with classifications having greater responsibilities shall have background investigations commensurate with the increased access to Lottery operations and design materials. The Office of Enforcement & Compliance will assign the security clearance levels associated with each classification.

The Lottery's background investigation will encompass:

Minimum:

a)   Name including middle initial.

b)   Any name changes.

c)   Current home address and telephone number.

d)   Race.

e)   Gender.

f)   Date and place of birth.

g)   Social Security Number.

h) Marital status.

i) Driver's license number, if appropriate.

j) Wisconsin criminal history by name check.

Intermediate - All of the above plus:

k) Positive identification through fingerprints.

l) Non-Wisconsin criminal history.

m) Residency history.

n) Spouse name including middle initial and any name change.

o) Educational history check.

p) Employment reference check.

q) Credit check.

High - All of the above plus:

r) Analysis of the information provided in the appropriate disclosure forms required by the Wisconsin Lottery.

The Lottery reserves the right, with or without cause, and in its sole discretion, to review the background investigation Files, perform background investigations on, and disapprove any employees of the Contractor, Subcontractors, and employees of Subcontractors to the Contractor prior to assignment to work related in any way to the Contract. The Lottery also reserves the right to order that any of these persons be relieved of responsibilities related to the Contract if the Lottery believes that any employee is not performing in the Lottery's best interests or the employee's presence is not in the Lottery's best interests.

5.1.6 Breach Not Waiver

A failure to exercise any right, or a delay in exercising any right, power, or remedy hereunder on the part of either party shall not operate as a waiver thereof. Any express waiver shall be in writing and shall not affect any event or default other than the event or default specified in such waiver. A waiver of any covenant, term, or condition contained herein shall not be construed as a waiver of any subsequent breach of the same covenant, term, or condition. The making of any payment to the Contractor under this Contract shall not constitute a waiver of default, evidence of proper Contractor performance, or acceptance of any defective item or work furnished by the Contractor.

5.1.7 Change in Ownership or Financial Condition

If the Contractor experiences a change in ownership or a substantial change in its financial condition during the Life of the Contract, the Lottery Administrator shall be notified of the change in writing at the time the change occurs or is identified. A "substantial change" in ownership or financial condition is defined as an event which, following GAAP, would require a notation in the annual Report of a corporation publicly traded in the United States. Failure to notify the Lottery upon receipt of an SEC Schedule 13G from the Securities and Exchange Commission shall be grounds for terminating the Contract and failure to notify the Lottery of a substantial change in financial condition shall be grounds for terminating the Contract in accordance with Section 5.1.62 (Termination of Contract). The Lottery has the right, upon notice of a substantial change, to review the suitability and qualifications of the Contractor after the substantial change. If the Lottery, in its

sole discretion, determines that the change is contrary to the best interests of the Lottery, the Lottery may terminate the Contract. For the purpose of this section, "change of ownership" does not include a sale or transfer of Contractor's publicly held securities unless an individual, partnership, corporation, associate group of investors, or legal entity obtains an ownership interest of the Contractor in the amount of five percent (5%) or more.

5.1.8 Cloud Brokerage Review

Vendors providing direct or indirect cloud services must participate and pass a State conducted cloud brokerage review. The awarded Proposer must be able to pass this process to the State's satisfaction after the Notice of Intent to Award is issued.

The cloud brokerage review process assesses the compatibility, integrability, and security and privacy controls of proposed cloud solutions; this includes, but is not limited to, any vendor or third-party software used by Proposers to provide services or store State data. The State uses the National Institute of Standards and Technology's (NIST) definition of Cloud Computing found in Special Publication 800-145. A cloud brokerage review must be completed prior to Contract execution and may need to be completed again during the Contract period.   The cloud brokerage review overview, Vendor Cloud Solution Information Form (DOA-10816), and policy can be found at https://det.wi.gov/Pages/Cloud_Brokerage.aspx. It is highly preferred vendors provide SOC 2 Type II reports.

5.1.9 Confidential, Proprietary, and Personally Identifiable Information (PII)

5.1.9.1 Disclosures

In connection with the Contractor's performance hereunder, it may be necessary for the State to disclose to the Contractor Confidential, Proprietary, or Personally Identifiable Information (PII). The Contractor shall not use such information for any purpose other than the limited purposes set forth in this Contract, and all related and necessary actions taken in fulfillment of the obligations thereunder. The Contractor shall hold all such information in confidence, and shall not disclose such information to any persons other than its directors, officers, employees, and agents who have a business-related need to have access to such information in furtherance of the limited purposes of this Contract and who have been apprised of, and agree to maintain, the confidential nature of such information in accordance with the terms of this Contract.

The Contractor shall institute and maintain such security procedures as required by the DOR to maintain the confidentiality of such information while in its possession or control, including transportation, whether physically or electronically.

The Contractor shall ensure that all indications of confidentiality contained on or included in any item of such information shall be reproduced by the Contractor on any reproduction, modification, or translation of such information. If requested by the State, the Contractor shall make a reasonable effort to add a proprietary notice or indication of confidentiality to any tangible materials within its possession that contain such information of the State, as directed.

The Contractor shall maintain all such information for a period of three (3) years from the date of termination of this Contract and shall thereafter return or destroy said information as directed by the State.

5.1.9.2 Equitable Relief; Indemnification in Event of Contractor Breach

If Contractor becomes aware of any threatened or actual use or disclosure of any Confidential Information that is not specifically authorized by this agreement, or if any Confidential Information is lost or cannot be accounted for, Contractor shall notify the Lottery Administrator within the same Business Day the Contractor becomes aware of such use, disclosure, or loss. Such notice shall include, to the best of the Contractor's knowledge at that time, the persons affected, their identities, and the Confidential Information disclosed.

In the event of any unauthorized use, disclosure, or loss that is discovered by the Contractor, or reported to the Contractor by the State, the Contractor shall reasonably cooperate with the State to take necessary steps to mitigate any harmful effects of the unauthorized use, disclosure, or loss. The Contractor shall reasonably cooperate with the State's efforts to seek appropriate injunctive relief or otherwise prevent or curtail such threatened or actual breach, or to recover its Confidential Information, including complying with a reasonable corrective action plan.

If the unauthorized use, disclosure, or loss is the fault of the Contractor and if the unauthorized use, disclosure, or loss is PII, or reasonably could otherwise identify individuals, Contractor shall, at its own cost, take any or all of the following measures that are directed by the State as part of a corrective action plan:

a) Notify the affected individuals by mail or the method previously used by the State to communicate with the individual. If the Contractor cannot with reasonable diligence determine the mailing address of the affected individual and the State has not previously contacted that individual, the Contractor shall provide notice by a method reasonably determined to provide actual notice.

b) Notify consumer reporting agencies of the unauthorized release.

c) Offer credit monitoring and identity theft insurance to affected individuals from a company, and under terms acceptable to the State, for one year from the date the individual enrolls in credit monitoring.

d) Provide a customer service hotline to receive telephone calls and provide assistance and information to affected individuals during hours that meet the needs of the affected individuals, as established by the State.

e) Adequately staff customer service telephone lines to assure an actual wait time of less than five (5) minutes for affected callers.

5.1.9.3 Wisconsin Lottery Non-Disclosure Agreement

The Contractor agrees to maintain the confidentiality of any trade secrets, tax information, or PII as defined by the State and by the Lottery. The Contractor, any Contractors' employees, any Subcontractor, or Subcontractor's employees having access to tax information shall be required to sign an Appendix 3 (Wisconsin Lottery Non-Disclosure Agreement).

5.1.10 Contract Dispute Resolution

In the event of any dispute or disagreement between the parties under this Contract, whether with respect to the interpretation of any provision of this Contract, or with respect to the performance of either party hereto, except for breach of Contractor's intellectual property rights, each party shall appoint a representative to meet for the purpose of endeavoring to resolve such dispute or negotiate for an adjustment to such provision. No legal action of any kind, except for the seeking of equitable relief in the case of the public's health, safety, or welfare, may begin in regard to the dispute until this dispute resolution procedure has been elevated to the Contractor's highest executive authority and the equivalent executive

authority within the State contracting agency, and either of the representatives in good faith concludes, after a good faith attempt to resolve the dispute, that amicable resolution through continued negotiation of the matter at issue does not appear likely.

5.1.11 Contractor Compliance and Responsibility for Actions

The Contractor shall at all times comply with and observe all federal, State, and local laws, ordinances, and regulations that are in effect during the Life of the Contract that may affect the Contractor's work or obligations hereunder.

The Contractor shall be solely responsible for its actions and those of its agents, employees, or Subcontractors. Neither the Contractor nor any of the foregoing parties has authority to act or speak on behalf of the State.

5.1.12 Contractor Default: Remedies of Lottery

5.1.12.1 Failure to Perform and Cure Period

Except for circumstances giving rise to the Lottery's remedy of Liquidated Damages as provided in Section 5.2 (Liquidated Damages), the Lottery shall be free to invoke any and all remedies permitted under Wisconsin law. In particular, if the Contractor fails to perform as specified in the Contract, the Lottery may issue a written notice of default providing for at least a seven (7) Day period in which Contractor shall have an opportunity to cure, provided that cure is possible and feasible. This must be approved by the Lottery. Time allowed for cure of a default shall not diminish or eliminate the Contractor's liability for Liquidated Damages. If the default remains, after opportunity to cure, then the Lottery may:

(1) exercise any remedy provided in law or in equity or

(2) terminate Contractor's services.

5.1.12.2 Remedies

With respect to those circumstances giving rise to the Lottery's remedy of Liquidated Damages as provided herein, Liquidated Damages, the Lottery may:

(1) seek Liquidated Damages from the Contractor as provided in Section 5.2 (Liquidated Damages) or

(2) terminate the Contractor's services.

5.1.13 Contractor Initiated Changes

The Contractor shall not institute any modifications to its procedures, operations, or organization respecting and having a material effect on Contractor's performance under the Contract without first submitting a written change request and receiving prior approval in writing from the Administrator.

5.1.14 Contractor Personnel

5.1.14.1 Contractor Personnel Identification

During the Life of the Contract, the Contractor shall identify at least twenty-four (24) hours prior to assignment or hire, any personnel performing services related in any way to the Contract, including employees of Subcontractors under the Contract and other agents of the Contractor. This includes

personnel providing janitorial services within the facility. For purposes of this section, "identify" means to list the person's name, classification, work location, and the security clearance level.

5.1.14.2 Access to Premises Identification

If requested by the State, the Contractor shall provide a list of the names and addresses of all the Contractor's employees, contracted personnel, or Subcontractor's employees who may at any time require admission to the State and Contractor's premises in connection with the rendering of services, specifying each such person's connection to the Contractor, the role the person is to take in the performance of the Contract, and other particulars as the State may require.

The State reserves the right to refuse to admit to the State's premises any person employed or contracted by the Contractor whose admission, in the sole opinion of the State, would be undesirable.

5.1.14.3 Right to Approve Changes of Contracted Personnel

The State shall have the absolute right to approve or disapprove a proposed change of key or contracted personnel. The Contractor shall provide to the State, in each instance, a resume of the proposed substitute and an opportunity to interview that person prior to giving its approval or disapproval. The State shall not unreasonably withhold this approval.

5.1.14.4 Contracted Personnel Removal

The State may direct the Contractor to remove or reassign key or contracted personnel at the State's discretion; however, the State's right to do so does not implicate the State as a party to any of the Contractor's obligations in the Contract. The State may request that contracted personnel be replaced within ten (10) Business Days from such removal.

5.1.14.5 Identification of Contracted Personnel

The Contractor shall furnish each contracted personnel with a means of identifying themselves as agents, Subcontractors, or employees of the Contractor assigned to perform services under the Contract and furnish the State with security credentials on these contracted personnel, if requested.

5.1.15 Contractor Site Visits

The Lottery shall have the right, acting by itself or through its authorized representatives, to enter the premises of the Contractor or any Subcontractors at all times. The Contractor agrees that it and its Subcontractors shall implement all quality control and security procedures requested by the Administrator.

5.1.16 Cooperation with Other Contractors

If the State enters into a Contract with another vendor for additional services, the Contractor shall ensure that contracted personnel fully cooperate with such other vendor. Contracted personnel shall not commit any act that interferes with the rendering of services by any other vendor or by the State. Contracted personnel shall cooperate with State personnel, hardware manufacture representatives, system software Suppliers, and communications systems Suppliers in the provision of services to the State. Upon the request of the Lottery, the Contractor agrees:

(1) to promptly enter into a confidentiality agreement with the Lottery, the State of Wisconsin, or Lottery vendor, and

(2) to promptly disclose confidential information in support of the Contractor's or third-party vendor's contractual obligations to the Lottery.

5.1.17 Delay and Remedy

If the Contractor fails to remedy any delay or other problem in its performance of its Contract obligations after receiving reasonable notice from the State to do so, the Contractor shall reimburse the State for all reasonable costs incurred as a direct consequence of the Contractor's delay, action, or inaction. In case of failure to deliver goods or services in accordance with this Contract, the State, upon written notice to the Contractor, may procure such goods or services from other sources as necessary, and the Contractor shall be responsible for the additional cost, including the cost of re-procurement, purchase price, and administrative fees. This remedy shall be in addition to any other legal remedies available to the State.

5.1.18 Destination Installed

All products and services must be delivered and installed to a mutually agreed upon location. Contractor shall deliver to the Lottery's Contract Administrator or designee any requisite operating instructions, operating manuals, and maintenance manuals (if applicable). The Gaming System Proposal prices are to include all packing, transportation, insurance, set-up, instruction and manual charges, and training. For all other services, Proposal prices are to include all packing, transportation, and insurance charges.

5.1.19 Disclosure

The Contractor shall disclose to the State of Wisconsin Ethics Commission, PO Box 7125, 101 E. Wilson Street, Suite 127, Madison, Wisconsin 53707-7125 (Telephone 608-266-8123) if a State public official (as defined by State law (sec. 19.42(14), Wis. Stats.) or an organization in which a State public official holds at least a ten percent (10%) interest in or becomes a party to this agreement. If such discloser is not made, the Contract shall be voidable.

5.1.20 Employee/Employer Relationship

The Contractor, its officers, partners, employees, agents, or Subcontractors performing under the Contract are not officers, employees, agents, or Subcontractors of the Lottery and shall not hold themselves out as nor claim to be an officer, employee, agent, or Subcontractor of the Lottery, DOR, or of the State.

5.1.21 Employment

The Contractor shall be subject to State law (sec. 565.05(1)(a), Wis. Stats.), which prohibits the Contractor from engaging the services of an employee of the Lottery while that person is serving as an employee or for two (2) years following the employee's termination of Lottery service.

The Contractor may not contract with or employ an individual retained as a full-time contractor by the State during the term of this Contract. The Lottery shall not engage the services of an employee of the Contractor while that person is serving as an employee.

5.1.22 Examination of Records

The Contractor shall give the State access to, and the right to examine, audit, excerpt, transcribe, and copy, on Contractor's premises, any of the Contractor's records and computer data storage media involving transactions directly pertinent to this Contract at any time during normal business hours, upon reasonable notice from the State. If the material is on computer data storage media, the Contractor shall provide copies

of the data storage media or a computer printout of such if the State so requests. Any charges for copies of books, documents, papers, records, computer data storage media, or computer printouts provided by the Contractor shall not exceed the actual cost to the Contractor. This provision shall survive the termination, cancellation, or expiration of this Contract.

5.1.23 Executive Order 184

The Contractor shall not use the following vendors and/or software which are prohibited from being utilized in fulfillment of contracts with the State per the January 11, 2023, per Executive Order 184. Additionally, no Subcontractor relationship is permitted to exist that would violate the prohibitions outlined in Executive Order No. 184.

    a. TikTok
    b. Huawei Technologies
    c. ZTE Corp
    d. Hytera Communications Corporation
    e. Hangzhou Hikvision Digital Technology Company
    f. Dahua Technology Company
    g. Tencent Holdings, including but not limited to:
        1. Tencent QQ
        2. QQ Wallet
        3. WeChat
    h. Alibaba products, including but not limited to:
        1. AliPay
        2. Kaspersky Lab

5.1.24 Force Majeure

A force majeure occurrence is an event or effect that cannot be reasonably anticipated or controlled and without the fault or negligence of the non-performing party. Neither the Contractor nor the Lottery shall be liable to the other for any delay in or failure of performance under the Contract resulting from this RFP, including liability for liquidated damages, due to a force majeure occurrence.

For purposes of this RFP, "Force majeure" means acts of nature or the public enemy, war, terrorism, civil disturbance, acts of the government in either its sovereign or contractual capacity, fires, floods, epidemics, pandemics, quarantine restrictions, rationing, strikes, freight embargoes, and unusually severe weather, which, by the exercise of reasonable diligence, said party is unable to prevent delays arising as a result thereof or to predict and through advance planning avoid these delays, but in every case the failure to perform must be beyond the reasonable control and without the fault or negligence of the party. Provided, however, that weather typical to Wisconsin's climate (e.g., extremes of cold and heat, extremes of high and low humidity, dry snow, wet snow, deep snow, sleet, rain, freezing rain, high winds, and hail) shall not be considered force majeure.

Immediately upon the occurrence of any such event, the Contractor shall notify the Lottery of the force majeure occurrence and shall commence to use its best efforts to provide comparable performance to the fullest extent practicable. Comparability will be determined by the DOR, and such determination shall be reasonable under the circumstances. During any such period, the Contractor shall continue to be responsible for all costs and expenses related to such alternative performance. The Lottery may without penalty elect to terminate the Contract for cause should its operations, in its sole judgment, be materially threatened by

reason of extended delay or failure of performance. This section shall not be construed as relieving the Contractor of its responsibility for any obligation or for any obligation being performed by a Subcontractor or supplier of services.

5.1.25 Foreign Corporation

If applicable, the Contractor shall conform to State law (ch. 180, Wis. Stats.), relating to a foreign corporation (i.e., any corporation other than a Wisconsin corporation), and shall possess a certificate of authority from the Wisconsin Department of Financial Institutions, unless the corporation is transacting business in interstate commerce or is otherwise exempt from obtaining said certificate.

5.1.26 Incorporation of Documents

The Contractor agrees, this RFP, the revisions (amendments/addenda) and supplements to the RFP, and the Proposal shall be incorporated by reference into the Contract. In the event of any inconsistency, disagreement, or conflict, the conflict shall be resolved by:

1) Contract;
2) RFP including its revisions (amendments/addenda), supplements and the added value or superior features offered by the Contractor which exceeds those minimums;
3) The terms of Contractor's Proposal, including any exceptions to the RFP if accepted by the Lottery in writing.

5.1.27 Independent Contractor

The Contractor shall act as an independent contractor in rendering any and all services under this Contract and, except as otherwise outlined herein, shall maintain complete control over its employees, contracted personnel, and Subcontractors, if any.

5.1.28 Indemnification

The Contractor shall indemnify and hold harmless the State of Wisconsin and its officers, agents, and employees from and against any and all liability including claims, demands, losses, costs (including attorney's fees and costs), damages, and expenses of every kind and description (including death), or damages to persons or property arising out of or in connection with, or occurring during the course of the Contract where this liability is founded upon or grows out of the acts or omissions of the Contractor, its officers, employees, agents, or independent contractors or Subcontractors (or Subcontractors or independent contractors thereof).

The Lottery is protected by the State of Wisconsin Self-Funded Liability, Property and Worker's Compensation Programs. State law (sec. 895.46, Wis. Stats.), provides that the State may pay judgments taken against State officers or employees for acts carried out while the officers or employees were acting within the scope of their employment. This provision applies only to State officers and employees, does not apply to independent Contractors, and does not waive any duty of a Contractor to acquire liability insurance.

5.1.29 Insurance and Bond Requirements

The Contractor shall require each Subcontractor, agent, or assign of the Contractor performing any work required under the Contract to carry insurance as specified herein. The Contractor is responsible for the collection of any amounts due to the State or payment in the event the Contractor fails to collect payment from the insurer.

Lottery Gaming System

5.1.29.1   Worker's Compensation

The Contractor shall maintain during the Life of the Contract, Worker's Compensation and Employers' Liability Insurance as required by Wisconsin Statutes for all employees engaged under the Contract. Any non-resident Contractor shall have insurance for benefits payable under Wisconsin Worker's Compensation Law for any employee located and hired in Wisconsin. With respect to any other employees protected by Worker's Compensation laws of any other state, the Contractor shall have insurance or participate in a mandatory State fund to cover the benefits payable to any of these employees.

WORKER'S COMPENSATION	Minimum of Liability
(Including Employers' Liability)	
Each Accident	$100,000
Disease – Each Employee	$100,000
Disease – Policy Limit	$500,000

5.1.29.2   Commercial Insurance

The Contractor shall maintain Broad Form Commercial General Liability Insurance for all claims that might occur in carrying out the Contract. The Contractor shall maintain Automobile Liability Insurance for all owned, non-owned, and hired vehicles that are used in carrying out the Contract. The Lottery shall be named as an additional insured on all appropriate policies.

COMMERCIAL GENERAL LIABILITY	Minimum of Liability
Each Occurrence	$3,000,000
General Aggregate	$4,000,000
Umbrella Coverage: (Each Occurrence)	$12,000,000
Aggregate	$15,000,000

5.1.29.3   Liability Coverage

The Contractor shall maintain Commercial General Liability Insurance which includes, but is not limited to, consumption or use of products, existence of equipment or machines on location, and contractual indemnification to customers.

AUTOMOBILE LIABILITY	Minimum of Liability
Combined Single Limit	$2,000,000

5.1.29.4   Contract Property Insurance

Insurance on all equipment used for extended coverage in the Contractor's business shall be maintained in the amount of actual replacement cost. This policy shall include an All-Risk Property Floater to insure personal property including contents, equipment, and mobile items against fire, collision, flood, etc. Neither the State of Wisconsin, the Lottery, nor Lottery Retailers are responsible for any terminal or equipment insurance.

5.1.29.5   Errors and Omissions Insurance

Errors and Omissions Insurance shall be in force and in effect at all times that shall indemnify the Contractor for damages which may be incurred by over redemption, ticket take-back, computer error, machine error, or any error caused by the Contractor, its officers, its employees, or Subcontractors.

Errors and Omissions Insurance in an amount not less than ten million dollars ($10,000,000) per claim, cover all acts, errors, omissions, negligence, infringement of intellectual property (except patent and trade secret),

and network and privacy risks (including coverage for unauthorized access, failure of security, breach of privacy perils, wrongful disclosure of information, as well as notification costs and regulatory defense) in the performance of services for the State of Wisconsin or on behalf of the State of Wisconsin hereunder. The policy shall contain an affirmative coverage grant for contingent bodily injury and property damage emanating from the failure of the technology services or an error or omission in the content/information provided. Such insurance shall be maintained in force at all times during the term of the agreement and for a period of three (3) years thereafter for services completed during the Life of the Contract. The State of Wisconsin shall be given at least thirty (30) Days' notice of the cancellation or expiration of the aforementioned insurance for any reason.

5.1.29.6 Cyber Security Insurance

Contractor shall maintain Cyber Liability and (if applicable) Tech Errors and Omissions insurance with limits of not less than five million dollars ($5,000,000) for each cyber incident or technology wrongful act that provides coverage for:

a) Liability for network security failures or privacy breaches, including loss or unauthorized access, use or disclosure of data, whether by Contractor or any Subcontractor or cloud service provider used by Contractor or Subcontractor.
b) Costs associated with a privacy breach, including notification of affected individuals, customer support, forensics, crises management / public relations consulting, legal services of a privacy attorney, credit monitoring, and identity fraud resolution services for affected individuals.
c) Expenses related to regulatory compliance, government investigations, fines, fees, assessments, and penalties where insurable by law.
d) Liability for technological products and services provided by or created by Contractor, including intellectual property infringement or misappropriation (if applicable).
e) Liability for professional services provided by Contractor.
f) PCI fines, fees, penalties, and assessments.
g) Cyber extortion payment(s) and response costs.
h) First and Third-Party Business Interruption Loss resulting from a network security failure or system failure.
i) Costs of restoring, updating, or replacing data.
j) Liability losses connected to network security, privacy, and media liability.

The above are minimum acceptable coverage limits and do not infer or place a limit on the liability of Contractor nor has assessed the risk that may be applicable to Contractor. In the event Contractor maintains broader coverage and/or higher limits than the minimums shown above, the State shall be entitled to the broader coverage and/or higher limits maintained by Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available.

Contractor shall add the State of Wisconsin as an Additional Insured. The Contractor's insurance shall be primary, and any insurance or self-insurance maintained by DOR will not contribute to, or substitute for, the coverage maintained by Contractor. Contractor shall be responsible for all deductibles, self-insured retentions, or waiting period requirements.

Certificates of Insurance and Additional Insured Endorsements reflecting applicable limits, sub-limits, self-insured retentions, and deductibles will be provided upon request. The certificate must confirm the required coverages in the "Additional Comments" section or Contractor must provide a copy of the declarations page confirming the details of the cyber insurance policy.

If the Cyber Liability and/or Tech E&O policy is written on a claims-made basis, the retroactive date should be prior to the commencement of the Agreement. If the policy is written on a claims-made basis and non-renewed at any time during and up until the completion of the project or services, Contractor shall maintain coverage that meets these requirements for a period of not less than three years from the date of completion of the project or services with a retroactive date prior to the commencement of the project or services or shall purchase an Extended Reporting Period for at least a three (3) year period.

All insurance carrier(s) must carry an A.M. Best rating of at least A-, Class VII.

5.1.29.7   Insurance Renewal

In the event that the Contractor fails to maintain and keep in force all insurance Requirements for the entire Life of the Contract, the Lottery shall have the right, pursuant to Section 5.1.62 (Termination of Contract), to cancel and terminate the Contract without notice. The Contractor shall advise each insuring agency to automatically renew all policies and coverage in force at the start of and resulting from the Contract until specified coverage Requirements are revised.

5.1.29.8   Notice of Cancellation of Insurance

These policies shall contain a covenant requiring thirty (30) Days written notice to the Lottery before cancellation, reduction, or other modifications of coverage. The Commercial General Liability Insurance and the Automobile Liability Insurance policies shall be primary and non-contributing without any severability of interests' clause in respect to gross liability, protecting each additional insured as though a separate policy has been issued to each.

5.1.29.9   Insurance Certificates

Insurance certificates for the Contractor and all Subcontractors, agents, and assigns shall be provided to the Lottery at the time of Contract execution. Insurance certificates shall be sent to Ellen Corso, at Department of Revenue, 2135 Rimrock Road 6-261, P.O. Box 8941, Madison, WI 53708-8941, prior to Contract award. In addition, if applicable, the Contractor shall provide to DOR certificates of liability insurance covering related Subcontractors.

The Lottery shall be named as an additional insured on all policies.

All insurance coverage shall be issued by an insurance company licensed to do business in the State of Wisconsin with a minimum AM Best rating of A-, and the signature of an authorized agent.

5.1.29.10   Additional Insurance

The Lottery reserves the right to require from the Contractor other special insurance or request additional limits if deemed necessary during Contract negotiations.

5.1.29.11   Bonds and Sureties

The Contractor shall provide evidence of the bonding Requirements of the RFP at the time of Contract execution.

The Performance Bond may be subject to annual renewal at the Surety's option, provided that the Contract shall maintain a Performance Bond meeting the Requirements for the Life of the Contract. The Surety shall provide DOR with a minimum of ninety (90) Days written notice prior to cancellation.

Lottery Gaming System

The following matrix summarizes the bond Requirements detailed below.

BONDS				
		Proposal Bond	Performance Bond	Crime Insurance and Fidelity Bond
1	System and Services	$100,000	$15,000,000	$6,000,000

5.1.29.11.1 Proposal Bond

Each Proposer submitting a Proposal shall provide a Proposal bond in the sum of all amounts identified in the BONDS table above. The Surety may be in the form of a bid bond, certified check, or cashier's check payable to the Wisconsin DOR and shall accompany the Proposer's original response to this RFP. Failure to submit the required Proposal bond shall result in immediate rejection of the Proposer's Proposal. A Proposal bond ensures that the Proposer will accept any resulting Contract award within sixty (60) Days after notice of an award to the Proposer. The Proposal bond will be returned when a Contract is executed.

A letter of credit may be submitted via email to Amber.Rademacher@wisconsin.gov in lieu of a Proposal bond; however, it must be accepted in writing by the Department of Administration (DOA) prior to submission of the Proposer's Proposal. If a letter of credit, which has not been accepted by DOA, is submitted with a Proposal, the Proposer's Proposal may be rejected.

The letter of credit:

a) Shall be irrevocable with the Wisconsin DOR as beneficiary.

b) Shall be payable in part or in full upon DOR's demand or against Proposer's drafts at sight.

c) Shall be in the sum of the amounts identified in the BONDS table above.

d) Shall be open.

e) May not be cancelled, revoked, or modified without the written consent of DOR for a term ending nine (9) months after the Proposal opening.

5.1.29.11.2 Performance Bond

Upon Contract execution, the successful Proposer(s) shall provide a performance bond in the form of a bond or an irrevocable letter of credit issued by a commercial bank acceptable to the State. Either specific form must be acceptable to the State. The performance bond shall be in the sum of the amounts identified in the BONDS table above and shall be executed by a company authorized to do business in Wisconsin.

The performance bond shall provide funds to DOR in the event that the DOR suffers any liability, loss, damage, or expense as a result of the Contractor's failure to fully and completely perform all the Requirements of the Contract which include, without limitation, the Contractor's obligation to pay Liquidated Damages, to indemnify DOR under circumstances described in the Contract, and the Contractor's obligation to operate the System as required by the Contract throughout the Life of the Contract.

The performance bond may be subject to annual renewal at the surety's option, provided that the Contractor shall maintain a performance bond meeting the Requirements of this section for the Life of the Contract. The surety shall provide DOR with a minimum of ninety (90) Days written notice prior to cancellation.

5.1.29.11.3   Crime Insurance and Fidelity Bond

Upon Contract execution the Contractor shall submit to DOR a Fidelity Bond in the sum of the amounts identified in the BONDS table above. The fidelity bond shall:

a) Cover any loss to the State due to any fraudulent or dishonest act on the part of the Contractor's officers, employees, or Subcontractors or assigns of the Contractor; and,

b) Cover any loss to the Lottery if the Contractor, Subcontractors, or assigns were, in fact, a disqualified Proposer under State law (secs. 565.25(3) and (4), Wis. Stats.), at the time the Contract was executed.

The Contractor shall provide evidence of all coverage(s) at time of Contract execution.

The Contractor shall ultimately be responsible for payment of any losses due under Section 5.1.29.10.4-A (Crime Insurance and Fidelity Bond) and shall be the collector of any amounts due to the State of the bonding company.

5.1.30   Invoice Payments

The State of Wisconsin normally will pay properly submitted Contractor invoices within thirty (30) Days of receipt providing goods and services have been delivered and accepted as specified. Itemized invoices presented for payment shall be submitted monthly and in accordance with instructions contained on the purchase order including reference to purchase order number and submitted to the correct address for processing. The amount of the invoice shall be:

a) The amount due consistent with the Cost Proposal submitted as part of the Contractor's Proposal;

b) Less any Liquidated Damages or other damages due to the Lottery; and

c) If the Contractor owes the Lottery any sum, the Contractor shall reduce that amount from its monthly invoice.

State law provides the Lottery the right to delay an invoice payment because of a good faith dispute.

Furthermore, the Contractor shall not be entitled to all or a part of any payment under the Contract, at the sole discretion of the Administrator, if the Contractor has failed to perform any contractual duty or failed to deliver any contractual item to the Lottery until that obligation is satisfactorily met.

5.1.31   Labor Laws

The Contractor, by submitting a Proposal, guarantees that the products and services described and sold to the Lottery shall be manufactured or produced in accordance with applicable labor laws.

5.1.32   Liability for Tickets

5.1.32.1   Liability

The Contractor shall be fully and solely liable for all sums paid by the Lottery, and for all claims against the Lottery, resulting from the following:

a) Unaccounted for, duplicate, or misprinted tickets produced by the Contractor's System, including terminals and printers, which are determined by the Lottery in its sole discretion to be caused by faulty Contractor equipment, programming, or other Contractor fault.

b) All claims against the Lottery for prize payouts for tickets improperly validated, which are determined by the Lottery in its sole discretion to be caused by faulty Contractor equipment, programming, or other Contractor fault.

c) All tickets presented to the Lottery for redemption, which are determined by the Lottery in its sole discretion as being invalid, not winning, or not saleable tickets for which no prizes may be paid by the Lottery pursuant to applicable Statutes, administrative rules, and Game features and procedures.

5.1.32.2 Reimbursement and Hold Harmless

The Contractor shall fully reimburse the Lottery for any and all sums paid by the Lottery as a result of Contractor fault as set forth above and shall indemnify and hold harmless the Lottery with respect to any claims for payment made against the Lottery as a result of Contractor fault.

5.1.32.3 Liability Survives Termination or Non-renewal

The liability of the Contractor pursuant to this section shall survive the termination or non-renewal of the Contract.

5.1.33 Lottery Ordered Shutdown

In the event the System operates in a manner so as to cast doubt on the System's integrity, the Administrator, in their sole discretion, may require that the System be shut down until the Administrator is satisfied that the integrity of the System is no longer in doubt. The Contractor acknowledges that the Lottery may assess Liquidated Damages in the same manner as provided in Section 5.2.4.8 (Liquidated Damages – Central Gaming System Down), in the event of a shutdown.

5.1.34 Maintenance and Use of Equipment

The Contractor shall keep all equipment in the System in good condition and repair and shall not permit anything to be done that may materially impair the value thereof. To ensure the integrity of the System, the Contractor shall maintain an adequate inventory of equipment and parts for the Life of the Contract. The Contractor shall use equipment only in the ordinary course of its performance and shall not permit such equipment to be used in violation of any applicable law, regulation, or policy of insurance**.**

5.1.35 Modifications of Contract

Any alterations made to the Contract must be in writing and signed by both responsible parties; no changes without such signed documentation shall be valid. No alterations outside of the general scope and intent of the original Request for Proposal or in excess of allowable and accepted price changes shall be made.

5.1.36 No Guarantee of Quantity

The State may obtain related goods and services from other sources during the term of the Contract. The State makes no express or implied warranties whatsoever that any particular quantity or dollar amount of goods or services will be procured through the Contract.

5.1.37 Non-Appropriation

The Contract may be terminated by the Lottery without penalty if the State removes the authority or ability of the Lottery to conduct a lottery, if funds are not appropriated, or if appropriations are reduced by the State of Wisconsin for any purpose.

5.1.38 Nondiscrimination and Affirmative Action

The Contractor shall not discriminate against any employee or applicant for employment because of age, race, religion, color, handicap, sex, physical condition, national origin, developmental disability as defined under State law (sec. 51.01(5), Wis. Stats.), or sexual orientation as defined under State law (sec. 111.32(13m), Wis. Stats.), or any federal anti-discrimination law. This provision shall include, but is not limited to, employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Except with respect to sexual orientation, the Contractor shall take affirmative action to ensure equal employment opportunities.

Unless exempted by workforce size (fifty (50) or fewer employees) or Contract amount (fifty thousand dollars ($50,000) or less), the Contractor must submit a written affirmative action plan to the State. The Contractor shall post a notice provided by the State, setting forth the provisions of the State's nondiscrimination laws in its workplace, website, or conspicuous places in order that the Contractor's employees and applicants for employment are able to read it.

Failure to comply with the conditions of this provision may result in the following consequences:

a) termination of this Contract as provided in Section 5.1.62 (Termination of Contract) herein,

b) designation of the Contractor as "ineligible" for future consideration as a responsible, qualified proposer for State contracts, or

c) withholding of a payment due under the Contract until the Contractor is in compliance.

5.1.39 Notice and Change of Contact Information

Any notice required or permitted to be given hereunder shall be deemed to have been given on the date of delivery or three (3) Business Days after mailing by postal service, certified or registered mail-receipt requested.

In the event the Contractor moves or updates contact information, the Contractor shall inform the State of such changes in writing within ten (10) Business Days. The State shall not be held responsible for payments on Purchase Orders delayed due to the Contractor's failure to provide such notice.

5.1.40 Ownership, Protection Rights, and Infringement

5.1.40.1 Ownership

All rights, title, and interest in items and materials originated or prepared specifically and exclusively for the Lottery under the Contract shall be the exclusive property of the Lottery including, but not limited to: data, commercials, media, tapes, labels, trademarks, ideas, terms, designs, patterns, music, models, devices, sets, drawings, props, specifications, designations, Reports, card decks, listings, and any intellectual property as is specifically and exclusively developed for the Lottery from the time of payment, unless the Lottery shall have previously agreed in writing to accept less than the ownership rights described above.

Lottery Gaming System

The Gaming System Contractor will retain ownership of the Retailer Terminals, Terminal Peripherals, CGS, network systems, System documentation, software, and other materials originally supplied by that contractor.

5.1.40.2 Protection

The Contractor shall indemnify and hold harmless the State of Wisconsin and its officers, agents, and employees from liability of any nature or kind (including judgments, costs, and attorneys' fees) arising out of a claim or suit infringement of copyright, trademark, trade name, service mark, or patent, or other intellectual property in the course of the Contract. The liability of the Contractor pursuant to this section shall survive the termination or non-renewal of the Contract.

If items furnished in the course of the Contract become the subject of a lawsuit or claim of infringement, or the Contractor becomes aware that items are likely to become the subject of a lawsuit or claim of infringement, Contractor may exercise one (1) of the following two (2) options in order to provide the Lottery with continued uninterrupted use of the items for the purposes of the Contract:

a) Obtain for the Lottery the right to continue the use of the alleged infringing item at no additional cost to the Lottery; or,

b) Substitute for the alleged infringing item other equivalent or better items deemed satisfactory by the Lottery at no additional cost to the Lottery.

5.1.40.3 Infringement

The Contractor shall ensure that no program, process, composition, writing, equipment, appliance, or device, or any trademark, service mark, logo, idea, or any other work or invention of any nature or any other tangible or intangible property whatsoever developed, provided, or used by the Contractor, (other than that supplied by the Lottery or another vendor, at the Lottery's request) in connection with its performance under the Contract, infringes or will infringe on any patent, assignee, copyright, trademark, or other service mark of any other person, or is or will be a trade secret of any other person.

5.1.40.4 Winners On Their Face

The Contractor agrees to indemnify the Lottery for payment of "Winners On Their Face." Payment by the Lottery of a "Winner On Its Face" will be made only after consideration and consultation with such Contractor. Final determination of payment under this Section will be made solely by the Lottery.

For the purpose of this Section, a "Winner On Its Face" is a ticket which contains a legitimate winning configuration of game symbols and symbol captions, but which does not have the corresponding official winning ticket validation number. To qualify as a "Winner On Its Face", such tickets must meet all of the correct tests for a legitimate winner (except for having a winning validation number).

As is the case with all tickets, a "Winner On Its Face" will be void if it is unissued, illegible, mutilated, altered, blank or partially blank, counterfeit in whole or part, reconstituted, miscut, misregistered, or incomplete; if display printing is irregular; if anything other than exactly one prize amount or symbol and corresponding caption appear in each of the prize amount boxes as specified in the Working Papers; if apparent symbols are inconsistent with their captions; or if ticket fails any of the Lottery's validation tests (except for having a winning validation number).

However, if requested by the Lottery, the Contractor will communicate with and negotiate with any holder of a voided "Winner On Its Face" ticket, with the Contractor being solely responsible for any monetary or legal result of that communication and negotiation.

5.1.41 Performance

Services rendered under this Contract shall be performed in a timely, professional, and diligent manner by qualified and efficient personnel and in conformity with the strictest quality standards mandated and/or recommended by all generally recognized organizations establishing quality standards for work of the type of services to be rendered hereunder. The Contractor shall be solely responsible for controlling the manner and means by which it and its contracted personnel or its Subcontractors render services, and the Contractor shall observe, abide by, and perform all of its obligations in accordance with all legal Requirements and State or Lottery work rules.

Without limiting the foregoing, the Contractor shall control the manner and means of the services rendered so as to do so in a reasonably safe manner and in compliance with all applicable codes, regulations, and requirements imposed or enforced by any government agencies, including all applicable requirements of the Occupational Safety and Health Administration (OSHA) and all safety codes and procedures mandated or recommended by insurance underwriting organizations and all generally recognized organizations establishing safety standards, including without limitation the National Fire Protection Association. Notwithstanding the foregoing, any stricter standard provided in plans, specifications, or other documents incorporated as part of this Contract shall govern.

5.1.42 Performance Review

At the Lottery's discretion, the Contractor shall meet with the Lottery's Contract Administrator to review the performance of the Contractor, and to make constructive recommendations for improvement. This review shall not replace the day-to-day monitoring and review of the Contractor; the Lottery will monitor the Contractor's performance and will communicate any issues or problems concerning the Contract.

5.1.43 Prime Contractor

The Contractor is responsible for all contractual activities offered in the Proposal whether or not the Contractor performs them. Further, the Lottery will consider the Contractor to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the Contract.

The Contractor will ultimately be responsible for payment of any losses by the Subcontractors, agents, or assigns, and shall be the collector of any amounts due the State from the bonding company.

5.1.44 Promotional Advertising

The Contractor has read and understands Article IV, sec. 24(6)(a) of the Wisconsin Constitution and according to State law (secs. 565.01(4r) and 565.32, Wis. Stats.), and understands that the Lottery is thereby prohibited from using any public funds or revenues derived from Lottery operations to engage in promotional advertising of the Lottery or any multi-jurisdictional lottery. The meaning of "promotional advertising" is set forth under State law (sec. 565.01(4r), Wis. Stats.).

The Contractor, either alone or in combination with Retailers or other vendors, may engage in promotional advertising of the Lottery or any multi-jurisdictional lottery in which the Lottery participates. The Contractor shall do any promotional advertising at its own expense and at its own business risk and identify the

advertisement as paid by the Contractor. No pricing, amount, or value shall be placed on promotional advertising in this RFP or in any Contract that develops from this RFP.

The Lottery shall review and approve any promotional content in which the Lottery, its intellectual property, or its products are identified prior to the public release of these ads. The Lottery's approval shall relate to the appropriate use and portrayal of the Lottery's name, intellectual property, or products, and shall not constitute an endorsement of or involvement in the Contractor's promotional advertising.

5.1.45   Record Keeping and Record Retention

The Contractor shall maintain all pertinent books, financial and accounting records, and any other records pertaining to the Contract in accordance with GAAP and other procedures specified by the State. Financial and accounting records shall be made available to audit, examine, review, or copy upon request, without notice. These records shall be made available to the Lottery, its designees, or any audit including LAB during the Life of the Contract and for three (3) years from the final Contract expiration date or final payment, whichever date is later.

5.1.46 Refund of Credits

Within thirty (30) Days of the State's request, the Contractor shall pay to the State any credits resulting from an order that the State determines cannot be applied to future invoices and must be received within the same fiscal year for accounting purposes, if possible.

5.1.47   Rendering of Services

The Contractor shall render services with all due skill, care, and diligence, in accordance with accepted industry practices and legal requirements, and to the State's satisfaction; the State's decision in that regard shall be final and conclusive. The State may inspect, observe, and examine the performance of the services rendered on the State's premises at any time. The State may inspect, observe, and examine the performance of Contractor's services at reasonable times, without notice, at any other premises.

If the State notifies the Contractor that any part of the services rendered are inadequate or in any way differ from the Contract Requirements for any reason other than as a result of the State's default or negligence, the Contractor shall at its own expense reschedule and perform the work correctly within such reasonable time as the State specifies. This remedy shall be in addition to any other remedies available to the State by law or in equity.

5.1.48   Risk of Loss or Damage Borne by the Contractor

The Contractor shall bear all risk of loss or damage during shipment and until acceptance of delivery by the Lottery at the location and time mutually agreed upon with the Lottery. In the event materials are lost or damaged prior to delivery, the Contractor shall immediately cause the lost or damaged materials to be replaced at no cost to the Lottery.

All risk of loss or damage to any equipment, property, or tickets provided, used, or held in storage by the Contractor in its performance under the Contract, wherever the same is located, shall be solely borne by the Contractor, and the Lottery shall have no responsibility or liability, therefore. The Contractor is likewise solely responsible for, and bears the risks of, any losses associated with or damage by misuse to any Contract equipment and associated equipment located at the individual Retailer locations.

5.1.49 Royalties

The Cost Proposal should not include any allowance for royalties or licensing fees to be paid for by the Contractor to third parties. Lottery will not pay directly or indirectly for the costs of royalty or licensing payments made by the Contractor to any third parties, unless specifically provided for under the terms of the Contract.

5.1.50 Sale or Transfer

The Contractor shall not sell, assign, lease, transfer, pledge, hypothecate, or otherwise dispose of any part of the System or of any interest therein, or permit any of it to become a fixture or an accession to other goods or property.

The Contractor shall at all times own, lease, or license for the Life of the Contract all components of the System and shall keep the same free and clear of any and all security interest, liens, charges, levies, assessments, or encumbrances. The Contractor shall in all instances protect and defend the System from and against any and all claims, demands, or legal proceedings brought or asserted by any party other than the Lottery.

5.1.51 Safety Requirements

The Contractor is fully liable for injury to any person and property at any site in which the Contractor is performing Contractual services. The Contractor shall provide warning devices and signs, which shall be prominently displayed, and be in full compliance with all applicable safety laws and regulations.

5.1.52 Security of Lottery Information

The Contractor shall maintain as confidential and shall not disclose to third parties without the Lottery's prior written consent, any Lottery information including but not limited to the Lottery's business activities, practices, systems, conditions, products, services, public information, and education plans and related materials, and game and marketing plans.

5.1.53 Security of Premises, Equipment, Data, and Personnel

During the performance of services under this Contract, the Contractor may have access to the personnel, premises, equipment, and other property, including data Files, information, or materials (collectively referred to as "data") belonging to the State. The Contractor shall preserve the safety, security, and the integrity of the personnel, premises, equipment, data, and other property of the State, in accordance with the instruction of the State. The Contractor shall be responsible for damage to the State's equipment, workplace, and its contents, or for the loss of data, when such damage or loss is caused by the Contractor, contracted personnel, or Subcontractors, and shall reimburse the State accordingly upon demand. This remedy shall be in addition to any other remedies available to the State by law or in equity.

5.1.54 Security, Disaster Recovery, and Implementation Plans

As per RFP Section 6.6 (Security Plan), the Contractor shall deliver the final Gaming System and Services Security Plan no later than sixty (60) Days after the date of Contract execution. The final Security Plan is subject to Lottery approval. The plan shall be delivered to the Administrator.

As per RFP Section 6.7 (Disaster Recovery Plan), the Contractor shall deliver the final Gaming System and Services Disaster Recovery Plan no later than sixty (60) Days after the date of Contract execution. The final

Gaming System and Services Disaster Recovery Plan is subject to Lottery approval. The plan shall be delivered to the Administrator.

As per RFP Section 6.9 (Implementation Plan), the Contractor shall deliver the final Gaming System and Services Implementation Plan no later than thirty (30) Days after the date of Contract execution. The final Gaming System and Services Implementation Plan is subject to Lottery approval. The plan shall be delivered to the Administrator.

As per RFP Section 7.4 (Disaster Recovery Plan), the Contractor shall deliver the final Distribution Services Disaster Recovery Plan no later than sixty (60) Days after the date of Contract execution. The final Distribution Services Disaster Recovery Plan is subject to Lottery approval. The plan shall be delivered to the Administrator.

As per RFP Section 8.7 (Implementation Plan), the Contractor shall deliver the final Warehouse Facility and Services Implementation Plan no later than thirty (30) Days after the date of Contract execution. The final Warehouse Facility and Services Implementation Plan is subject to Lottery approval. The plan shall be delivered to the Administrator.

As per RFP Section 8.8 (Disaster Recovery Plan), the Contractor shall deliver the final Warehouse Facility and Services Disaster Recovery Plan no later than sixty (60) Days after the date of Contract execution. The final Warehouse Facility and Services Disaster Recovery Plan is subject to Lottery approval. The plan shall be delivered to the Administrator.

As per RFP Section 9.7 (Implementation Plan), the Contractor shall deliver the final Telemarketing and Services Implementation Plan no later than thirty (30) Days after the date of Contract execution. The final Telemarketing and Services Implementation Plan is subject to Lottery approval. The plan shall be delivered to the Administrator.

As per RFP Section 9.8 (Disaster Recovery Plan), the Contractor shall deliver the final Telemarketing and Services Disaster Recovery Plan no later than sixty (60) Days after the date of Contract execution. The final Telemarketing and Services Disaster Recovery Plan is subject to Lottery approval. The plan shall be delivered to the Administrator.

5.1.55   Services Performed Within the U.S.

According to State law (sec. 16.705(1r), Wis. Stats.), services must be performed within the United States. The inability to perform all services in the United States will be grounds for disqualifying your Proposal.

5.1.56   Severability

If any provision of this Contract is found by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the Contract shall remain valid and in full force and effect. The invalid provision shall be replaced by a valid provision that comes closest in intent to the invalid provision.

5.1.57   Site Visits

The Lottery shall have the right, acting by itself or through its authorized representatives, to enter the premises of the Contractor at all times to examine the System or any other product or service provided within the Contract and to inspect and copy the records of the Contractor pertaining to the operation of the System, products or services. The Contractor agrees that it and its Subcontractors shall implement all quality control and security procedures requested by the Administrator.

Lottery Gaming System

During the initial Contract term (eight (8) years), the Contractor shall pay the reasonable and necessary expenses, including travel, meals, and lodging, using State of Wisconsin travel guidelines and rates, for up to sixty four (64) round-trips by individuals designated by the Contract Administrator to facilities of the Contractor and Subcontractors for purposes of inspecting the procedures and processes being employed in the development and manufacturing of the System and its components, to audit the facility, to test the functionality of the System, and to attend industry conferences and other related meetings within North America. Additional trips shall be prorated for any Contract renewal or extension.

5.1.58 Specifications

The apparent silence of the State's specifications as to any detail, or the apparent omission of a detailed description concerning any matter, shall be regarded as meaning that only the best commercial practice shall be followed and only material and workmanship of the first quality may be used. Upon any notice of noncompliance provided by the State, the Contractor shall supply proof of compliance with the specifications. The Contractor shall provide written notice of its intent to deliver alternate or substitute services or deliverables. Alternate or substitute services or deliverables may be accepted or rejected in the sole discretion of the State; and any such alternates or substitutes shall be accompanied by the Contractor's certification and evidence satisfactory to the State that the function, characteristics, performance, and endurance shall be equal or superior to the original deliverables specified.

5.1.59 State Payment Offsets for Contractor's Delinquency

The State shall offset payments made to the Contractor under this Contract in an amount necessary to satisfy a certified or verifiable delinquent payment owed to the State, or to any State or local unit of government. The State also reserves the right to cancel this Contract as provided in Section 5.1.62 (Termination of Contract) if the delinquency is not satisfied by the offset or other means during the Life of the Contract.

5.1.60 Subcontracting

No subcontracting shall be permitted without the express, written approval of the Lottery. The Lottery reserves the right to approve Subcontractors for work performed under the Contract. The Contractor shall replace Subcontractors found to be unacceptable as determined by the Lottery. Any change in Subcontractors or in the location of the facility at which work is to be performed as part of the Contract shall be approved by the Lottery, in writing, prior to change. The Contractor is responsible for adherence by the Subcontractor to all provisions of the Contract and may be found liable for Liquidated Damages for any Subcontractor noncompliance.

5.1.61 Taxes

It is the Contractor's sole and exclusive responsibility to determine its own tax liabilities in the performance of the Contract. The Contractor's price shall include all applicable taxes.

The Lottery is exempt from personal property tax under State law (sec. 70.11(1), Wis. Stats.).

Registration No. 39 73 1021 K was issued to the State of Wisconsin by the IRS to authorize tax free transactions under Chapter 32 of the Internal Revenue Code. This registration number is on file with the District Director, U.S. Treasury Department, Internal Revenue Service, Milwaukee, Wisconsin.

The Wisconsin Department of Revenue Sales Tax exempt number is 008-1020421202-09. The Lottery is statutorily exempt as a State agency under State law (sec. 77.54(9a), Wis. Stats.).

5.1.62   Termination of Contract

The Lottery reserves the right to terminate the Contract without notice, unless otherwise specified herein, in whole or in part without penalty for failure of the Contractor to comply with terms, conditions, and Requirements of the Contract.

In the event that the Contractor terminates the Contract, for any reason whatsoever, it shall refund to the State within two (2) Business Days of said termination, all payments made hereunder by the State to the Contractor for work not completed or not accepted by the State. Termination will require written notice to that effect to be delivered by the Contractor to the Lottery's Contract Administrator not less than one hundred and eighty (180) Days prior to the termination.

The Lottery will not be liable for any costs incurred by the Contractor if termination is for any of the causes stated in this section.

When written notice is provided, DOR is referring to the date on the notice as the effective date.

5.1.62.1   Termination of Contract by Lottery Without Cause

The Lottery may terminate the Contract for convenience at any time at its sole discretion by delivering one hundred twenty (120) Days written notice to the Contractor. Upon termination, the State's liability will be limited to the pro rata cost of the services performed as of the date of termination, plus expenses incurred with the prior written approval of the State.

5.1.62.2   Termination of Contract by Lottery With Cause

The Lottery may, by providing written notice to the Contractor, immediately terminate the entire Contract in the event of one (1) or more of the following occurrences:

A.   If the Contractor intentionally furnished any statement, representation, warranty, or certification in connection with its Proposal or with the Department of Justice background investigation which is materially false, incorrect, or incomplete.

B.   If the Contractor fails to perform any material Requirement of the Contract, breaches any material Requirement of the Contract concerning security, or if the Contractor's full and satisfactory performance of the Contract is substantially endangered. Before terminating the Contract, the Lottery shall give written notice of intent to terminate to the Contractor giving it thirty (30) Days after written notice to cure same.

C.   If the Contractor or a Subcontractor commits a fraudulent act or criminal act in its contractual performance of the Contract or any other contract with another Wisconsin agency during the Life of the Contract.

D.   If the Contractor fails to give written notice to the Lottery of a substantial change in its financial condition or notice of a change in ownership; if the Contractor experiences a substantial change in its financial condition during the Life of the Contract; or if within thirty (30) Days after written demand from the Lottery, the Contractor fails to terminate its relationship with an officer, director, owner, member, or beneficial owner of five percent (5%) or more of the Contractor's publicly held securities (1) who have been, or within the ten (10) years prior to the date of the Contract was, convicted of or entered a plea of guilty or no contest to a felony, a gambling-related offense, fraud, or misrepresentation in any connection, or a violation of under State law (ch. 565, Wis. Stats.), or a

rule of the Lottery; or (2) whose actions directly contributed to the Contractor's conviction or entry of a plea of guilty or no contest to such crimes.

E. If the Contractor fails to pass, at any time during the Contract period, any background investigation discussed in Section 5.1.5.1 (Background Information Checks), required by this RFP; or is deemed by the Lottery to be an ineligible Contractor; provided, however, that the Contractor shall have thirty (30) Days after written notice of such failure or ineligibility to cure same. Before terminating the Contract, the Lottery shall give written notice of intent to terminate to the Contractor giving it thirty (30) Days after written notice to cure same.

F. If the Contractor or any affiliated corporations or business entities commences or is named in any proceeding related to the federal Bankruptcy Act or amendment or part thereof (e.g., a bankruptcy, a reorganization, an adjustment of debts), or is named under any other act or law, whether State or federal, for the relief of debtors, now or hereafter existing, provided they are not discharged within thirty (30) Days after commencement.

G. If the Contractor or any affiliated corporations or business entities shall make an assignment for the benefit of creditors.

H. If a receiver or trustee shall be appointed for the Contractor, or any affiliated corporations or business entities, for any substantive part of any of their respective assets, or any proceedings shall be instituted for the dissolution or the full or partial liquidation of the Contractor, or any affiliated corporations or business entities, and receiver or trustee shall not be discharged within thirty (30) Days of their commencement; or the Contractor, or any affiliated corporations or business entities, shall discontinue business or materially change the nature of its business.

I. If it is found by the Lottery that the prices bid by the Contractor in its Proposal have not been arrived at independently without consultation, communication, or agreement for the purpose of restricting competition as to any matter relating to prices with any other vendor.

J. If the Contractor undergoes a change in control, whether by merger, buy-out, or take-over.

K. If the Contractor abandons, forsakes, or withdraws from the lottery gaming business or fulfillment services, as determined by the Lottery.

L. If at any time during the Contract, DOR reasonably determines that the Contractor does not possess adequate ability or stability to continue to carry out the obligations of the Contract.

5.1.62.3 Failure to Work in Harmony with Lottery

The Lottery may terminate or not renew the Contract if the Contractor materially and consistently fails to use its reasonable efforts to work in harmony with Lottery management, personnel, other vendors, or Retailers. Before terminating the Contract for cause, the Lottery shall give written notice of intent to terminate to Contractor giving it thirty (30) Days after written notice to cure same. See Section 5.1.12 (Contractor Default: Remedies of Lottery).

5.1.62.4 Failure to Maintain Insurances and Bonds

Failure of the Contractor to maintain the required certificates of insurance and bonding shall be cause for Contract termination, or withholding payment, unless insurance is commercially unavailable. If the Contractor fails to maintain and keep in force at all times the insurance and bond Requirements as specified in Section 5.1.29 (Insurance and Bond Requirements), the State shall have the right to cancel and terminate the Contract without notice or, at its sole discretion, may withhold payment until Requirements are met.

5.1.62.5 Contractor's Responsibility at Termination

After receipt of a notice of termination by the Lottery and except as otherwise specified by the Lottery, the Contractor shall do all of the following:

A. Stop work under the Contract on the date specified in the notice and to the extent specified.

B. Place no further orders or subcontracts for materials, services, or facilities except as may be necessary for completion of the portion of the work under the Contract that may not be terminated.

C. Assign to the Lottery, effective on the date of Contract termination, in the manner, at the times, and to the extent specified by the Lottery, all of the contractual rights, titles, and interests of the Contractor.

D. Settle all outstanding liabilities and all claims arising out of this termination of orders and subcontracts, with the approval or ratification of the Lottery to the extent the Lottery may require. The Lottery's approval or ratification shall be final for the purposes of this section.

E. Be responsible for excess costs the Lottery experiences as a result of the termination in its procuring alternate equipment and services from other sources.

F. Complete performance of any part of the work as may not have been terminated by the Lottery, specifically including storage of data after the Life of the Contract.

G. Take any action as may be necessary, or as the Lottery may specify, to protect and preserve any property related to the Contract which is in the possession of the Contractor and in which the Lottery has or may have acquired an interest.

5.1.62.6 Delivery to the Lottery

At the request of the Lottery, the Contractor shall deliver to the Lottery at no cost, copies of all current software specifications, data Files, job control language, procedures, technical user and programmer documentation, and all other elements in electronic format required to operate the System, or to provide any other services whether finished or in preparation.

5.1.62.7 Release of Contractor's Copyrights

Upon termination of the Contract by the Lottery, the Contractor shall be deemed to have released and relinquished to the Lottery any and all claims or rights the Contractor may otherwise have to common law or statutory copyright with respect to all or any part of unpublished material prepared or created by the Contractor in the course of its performance under and during the Life of the Contract.

5.1.62.8 Termination of Purchase Order

The State may terminate a specific Purchase Order issued under this Contract if it determines that the Contractor is unable to render the services or provide the deliverables required in a timely manner, in order to meet the business needs of the State.

5.1.63 Ticket Purchase

No officer or key employee of the Contractor or of any Subcontractor, or that officer's or key employee's spouse, child, stepchild, brother, stepbrother, sister, stepsister, parent, or stepparent who resides in the household of the officer or key employee may purchase a Wisconsin Lottery ticket or be paid a prize in any Lottery game or game to which the Wisconsin Lottery is a party (e.g. Powerball).

Lottery Gaming System

This section shall apply to all Contractor and Subcontractor key employees that are involved, including all key employees involved with decision-making responsibilities as well as any key employee on-site. This restriction applies for the Life of the Contract.

The Contractor shall ensure that the above Requirements are made known to each officer and key employee of the Contractor and any Subcontractor.

5.1.64 Transition Services

Upon cancellation, termination, or expiration of this Contract for any reason, the Contractor shall provide such reasonable cooperation, assistance, and services, and shall assist the State in the migration of the State's contracted services to the State's control or to the control of an alternative vendor upon written notice to the Contractor at least thirty (30) Business Days prior to termination or cancellation, and subject to the terms and conditions set forth herein. This Contract shall automatically be extended by the number of Days that training or continued services are necessary to be performed in order to complete the transition. The Contractor's services required to complete the transition after the notice set forth herein shall be within this Contract's scope and shall not be the subject of any change order.

5.1.65 Termination of Employee

Under State law (sec. 565.25(3)(b) 4, Wis. Stats.), during the Life of the Contract, the Contractor agrees it shall immediately terminate its relationship with any officer, director, member, employee, owner, or beneficial owner whose actions directly contributed to the Contractor's conviction or entry of a guilty plea or plea of no contest to a felony, gambling related offense, fraud, or misrepresentation in any connection or a violation of a provision under State law (ch. 565, Wis. Stats.), or a rule of the Lottery. The Contractor shall provide sufficient proof of this termination to the Lottery's satisfaction. If the Lottery is not satisfied that the termination has occurred, the Contract is void and the Contractor shall forfeit the performance bond according to State law (sec. 565.25(4), Wis. Stats.).

If during the Life of the Contract, one (1) of the Contractor's officers, directors, members, owners, or beneficial owners is convicted or if the result of the background investigation discloses that the officer, director, member, owner, or beneficial owner has been convicted within the last ten (10) years or has entered a plea of guilty or no contest to a felony, a gambling related offense, fraud, or misrepresentation in any connection, or violation under State law (ch. 565, Wis. Stats.), or a rule of the Lottery, the Contractor shall immediately terminate its relationship with that person. If the Lottery is not satisfied that the termination has occurred, the Contract is void and the Contractor shall forfeit the performance bond according to State law (sec. 565.25(4), Wis. Stats.).

5.1.66 Upgrading Hardware/Software/Telecommunications Equipment

The Lottery shall have the option of upgrading hardware, software, and telecommunications equipment during the Life of the Contract. This right shall include the acquisition of new features or options as may be announced during the Contract and shall provide for the retirement of replaced capabilities and the inclusion of the new capabilities into the remainder of the Contract.

All devices required by the Contract and new additions or replacements within fifteen percent (15%) ("safeguard") of the originally installed devices shall be provided at no additional cost to the Lottery. In the event that the Lottery requires new or replacement devices over the safeguard, they may be provided at an additional cost in accordance with, or lower than, the Contract cost submitted on Attachment A (Cost

Lottery Gaming System

Proposal Worksheet). The final amount, number of devices, and minimum orders shall be subject to mutual agreement following negotiation of the Parties.

5.1.67 Usufruct

If, for any reason other than breach of Contract by the Lottery, the Contractor should lose its ability to service the Contract, the Lottery shall acquire a Usufruct in all necessary contractual items, as determined by the Lottery, that are owned by the Contractor in conjunction with the Contract. This Usufruct shall be limited to the right of the Lottery to possess and make use of contractual items solely for the use and benefit of the Lottery in maintaining, altering, and improving the operational characteristics of the programs and System being used by the Lottery under the Contract.

5.1.68 Warranties and Representations

5.1.68.1 System

The System shall in all respects meet and conform to the Requirements of the RFP and in accordance with the provisions of the Uniform Commercial Code (UCC) as adopted by the State governing warranties of fitness for a particular purpose.

The System shall permit the generation of tickets only pursuant to, and in accordance with, legitimate Plays from authorized terminals; that the System shall only authorize payment on legitimate winning tickets; that, if the game design so provides, the System shall limit Plays on any given number or numbers, and that prize payments on tickets which are printed as winning tickets on their face shall be in accordance with the approved features and procedures and prize structure.

5.1.68.2 Equipment

All equipment provided in the System shall be new and unused unless otherwise specified in this RFP and in the Contract, shall be free from defects in materials and workmanship, shall be merchantable and fit for the purpose for which it is intended, and shall meet or exceed the performance standards and specifications required in the Contract. Any equipment or component used by the Contractor which does not conform to the Requirements shall be repaired or replaced by the Contractor without cost to the Lottery in addition to other damages the Lottery may be entitled to in law or in equity, or as specified in the Contract.

5.1.68.3 Software Applications

All systems analysis, systems design, and programming prepared or done, or to be prepared or done, by the Contractor, its Subcontractors, or its officers, employees, or agents has been and shall be completed in a professional manner consistent with the highest standards of the industry in which the Contractor is engaged. All software programs implemented in its performance shall meet the performance standards required and shall correctly and accurately perform their intended functions.

The Contractor shall provide only maintainable software. All software used by the Contractor in performance of any and all Contract Requirements in the System shall be written in non-proprietary programming languages, using non-proprietary tools. The System shall be developed in a manner that can reasonably be maintained and supported by DOR or any third-party vendor.

The Contractor shall support all software used in the System for the Life of the Contract. If the programming support software is not available in the open normal information technology market, other than the gaming industry, then the Contractor shall be required to supply compilers and all normal programming support

software, which is available to the Contractor's software staff, and training to persons designated by the Lottery.

5.1.68.4 Services

The Contractor provide all services described in the RFP shall be performed in a prompt, competent, and workmanlike manner by properly trained individuals in accordance with the highest standards of the Contractor's industry.

5.1.68.5 Games

The Contractor shall in all respects conform to and function in accordance with approved features and procedures, specifications (including Contractor Working Papers), and designs for each Game. Executed specifications or Working Papers must be free of any errors. Any loss to the Lottery resulting from errors in the specifications or Working Papers will be borne by the Contractor.

5.1.68.6 Contingent Fees

The Contractor shall ensure that no person or selling agency has been employed or retained to solicit and secure the Contract upon an agreement or understanding for commission, percentage, brokerage, or contingency fees except bona fide employees or selling agents maintained by the Contractor for the purposes of securing business.

For breach of this warranty, the Lottery shall deduct from the Contract price or to otherwise recover the full amount of any commission, percentage, brokerage, or contingency fee.

5.1.69 Wisconsin Key Business Requirements

The Contractor shall provide all KBRs the Proposer agrees to meet the requirement all as noted on Attachment D – Key Business Requirements (KBR) Matrix, at minimum four hundred sixty-five (465) KBRs, at no additional cost above the Base Cost (Annual) (cell C16) on the Attachment A – Cost Proposal.

5.1.70 Wisconsin Office Requirement

As required by State law (sec. 565.25(3)(c), Wis. Stats.), the Contractor shall establish within a time period to be specified in the Contract an in-State office from which the Contractor shall process, produce, distribute, supply, or sell materials, supplies, equipment, or services under the Contract. The in-State office required in the Contract shall be located within a fifteen (15) mile radius of Lottery Headquarters currently located at 2135 Rimrock Road, Madison WI.

5.2 LIQUIDATED DAMAGES

The State reserves the right to negotiate terms and conditions when it is in the best interest of the State to do so. In responding to Section 5.2 (Liquidated Damages), Proposers must accept all terms and conditions or submit point-by-point exceptions along with proposed alternative language for each document listed below. The State may or may not consider any of the Proposer's suggested revisions. Any changes or amendment to any of the terms and conditions will occur only if the change is in the best interests of the State.

Lottery Gaming System

5.2.1 Liquidated Damages Terms and Conditions

a. The goods and services to be provided under the Contract are not readily available on the open market, and any breach by the Contractor will delay and disrupt the Lottery's operations. Therefore, if the Contractor does not perform the contractual Requirements or obligations in the Contract, damage to the Lottery will result.

b. It will be costly, difficult, time-consuming, and impossible to calculate the exact amount of damages resulting from the breach or non-performance of certain of the terms and conditions of the Contract.

c. These Liquidated Damage provisions represent a good faith effort to quantify the damages that could reasonably be anticipated at the time of the execution of the Contract. The Liquidated Damages provided in this RFP are just and reasonable. If two (2) or more sub-sections could apply to an Incident of non-performance by the Contractor for which the Lottery has the right to assess Liquidated Damages, then the one (1) sub-section that most accurately describes the nature of the non-performance by the Contractor shall apply, as determined by the Lottery in its sole discretion.

d. Nothing in any Liquidated Damages section shall be construed as relieving the Contractor from performing all contractual Requirements and obligations in the Contract whether or not the failure to do so is a basis for the assessment of Liquidated Damages as set forth.

e. The Lottery's right to assess Liquidated Damages in no way diminishes or limits the Lottery's right to seek any and all forms of relief permitted by the State's law with respect to Contractor's breaches not addressed.

f. Whenever the Lottery has determined that Liquidated Damages are to be assessed, the Administrator shall notify the Contractor in writing of the proposed assessment. The Contractor shall respond in writing to the Lottery's notice within ten (10) Business Days if it intends to dispute the assessment of Liquidated Damages. The parties shall discuss the dispute within five (5) Business Days of the Lottery's receipt of the Contractor's response. The Lottery and the Contractor shall discuss in good faith whether the Contractor's action or inaction is a basis for the assessment of Liquidated Damages, provided, however, that the Lottery shall retain ultimate discretion to assess Liquidated Damages. The amount of Liquidated Damages assessed per occurrence shall be determined by the Lottery and may be any amount up to the maximum amount of the Liquidated Damages listed. Once the amount of Liquidated Damages has been finally determined, the Lottery shall withhold Liquidated Damages from payments to the Contractor pursuant to Section 5.1.29 (Invoice Payment), or, if no payments are to be made, the Lottery shall make written demand of payment of Liquidated Damages. The Contractor shall make payment within thirty (30) Days of receipt of the demand. In the event the Contractor fails to pay within the thirty (30) Day period, the Lottery may make a claim for payment against the performance bond with written notice to the Contractor.

g. Delays due to a Subcontractor's conduct, negligence, or failure to perform shall not excuse the Contractor from the Liquidated Damages provisions of the Contract unless caused by "force majeure" as defined in Section 5.1.24 (Force Majeure).

h. Partial performance of the Contract shall not relieve the Contractor from liability for Liquidated Damages if any material portion of the Contract remains unperformed upon the date performance is to be completed.

i. The Contractor's liability for Liquidated Damages shall cease at such time as the Lottery obtains complete substituted performance as reasonably determined by the Lottery from the Contractor or

a second vendor; provided, however, that the Contractor shall remain liable for Liquidated Damages which have accrued to the time of substituted performance.

j.   Payment of Liquidated Damages shall in no event impair the obligation or liability of the Contractor's surety to perform according to the terms of its bond and the Contract.

k.   Assessment of Liquidated Damages shall be prorated by the Lottery to the next lowest increment for partial periods (i.e., Day to hour, hour to minute, minute to second) and rounded to the nearest whole number.

l.   The Contractor shall not be required to pay Liquidated Damages for delays due to matters as enumerated in Section 5.1.24 (Force Majeure), or for delays specifically approved in writing by the Lottery. The Contractor shall not be required to pay Liquidated Damages due to negligence or actions of the Lottery or third parties except for the Contractor's Subcontractors, for which the Contractor is responsible pursuant to Sections 5.1.43 (Prime Contractor) and Section 5.1.60 (Subcontracting).

m. Repeated instances of breach or nonperformance by the Contractor giving rise to Liquidated Damages, may, in the sole discretion of the Lottery, be grounds for termination of the Contract under Section 5.1.62.2 (Termination of Contract by Lottery With Cause).

n.   The Lottery shall have the discretion to waive or reduce assessed amounts of Liquidated Damages. The failure of the Lottery to assess, or the waiver or reduction by the Lottery of Liquidated Damages in any instance where the Lottery is entitled to Liquidated Damages pursuant to the terms and conditions of the Contract, shall not constitute waiver in any fashion of the Lottery's rights to assess Liquidated Damages for similar instances in the future.

o.   If any portion of Liquidated Damages is determined to be unenforceable, the other portions of this section shall remain in full force and effect.

5.2.2 Method of Payment

Within thirty (30) Days of the end of the fiscal year, the Contractor shall submit to the Lottery a written Report of all payments due to the Lottery pursuant to the terms of Liquidated Damages for any Liquidated Damages assessed on an annual basis. All amounts due shall be included in the next Lottery invoice following submission of the Report and shall be paid by the Contractor in accordance with the terms of Section 5.1.29 (Invoice Payment).

5.2.3 Contractor Liable for Liquidated Damages Caused by Its Subcontractor

The Contractor is completely responsible for adherence by its Subcontractors to all provisions of the Contract, and therefore is responsible for any and all instances of non-performance or breach by Subcontractors which give rise to Liquidated Damages.

5.2.4 Liquidated Damages

5.2.4.1 Failure to Deliver System Functionality

The Contractor shall deliver and maintain a System that meets all the stated Requirements of this RFP or as amended and jointly agreed upon following Contract execution. The major System hardware, software, services, and feature Requirements shall be met to ensure full functionality, complete internal controls, and accountability.

Lottery Gaming System

At the sole discretion of the Lottery, the Lottery may assess the Contractor Liquidated Damages in the amount of twenty-five thousand dollars ($25,000) per Calendar Day for each Requirement (including any amendment) not completed or accomplished as established in the Implementation Plan or subsequent System documentation. This section is in full force and effect starting on Go-Live (inclusive) and shall continue for thirty-one (31) Calendar Days after the Go-Live.

At the sole discretion of the Lottery, the Lottery may assess the Contractor Liquidated Damages in the amount of five thousand dollars ($5,000) per Calendar Day for each Requirement (including any amendment) not completed or accomplished as established in the Implementation Plan or subsequent System documentation. This section is in full force and effect starting thirty-one (31) Calendar Days after the Go-Live and shall continue for the Life of the Contract.

5.2.4.2 Failure of Back-Office Functions

If some or all back-office services (e.g., availability of Retailer management screens, CRM functions, etc.) provided by the System to Lottery staff become unavailable or fail to meet Contract performance standards, Liquidated Damages may be assessed if the particular Incident is not already covered or assessed by another Liquidated Damages provision. No liquidated damages will be assessed for the first ten (10) minutes of degraded performance or outage per Calendar Day. The Lottery may assess damages in the amount of two hundred dollars ($200) per additional full or partial hour that a back-office function is not available or fails to meet Contract performance standards.

5.2.4.3 Failure to Submit a Final Implementation Plan

The Contractor shall submit a final Implementation Plan, as required in Section 6.9, Section 8.7 and Section 9.7 - Implementation Plan, to the Lottery for approval no later than thirty (30) Calendar Days after the Contract execution. For each late, insufficient, or incomplete Final Implementation Plan as determined by the Lottery, the Lottery may impose Liquidated Damages in an amount up to ten thousand dollars ($10,000) per Calendar Day for each Day, until the Final Implementation Plan is provided, made sufficient or corrected.

5.2.4.4 Failure to Submit a Disaster Recovery Plan

The Contractor shall submit a Disaster Recovery Plan, as required in Section 6.7, Section 8.8 and Section 9.8 - Disaster Recovery Plan, to the Lottery for approval no later than sixty (60) Days after the Contract execution. For each late, insufficient, or incomplete Disaster Recovery Plan as determined by Lottery, the Lottery may impose Liquidated Damages in an amount up to one thousand dollars ($1,000) a Day for each Calendar Day, until the Disaster Recovery Plan is provided, made sufficient or corrected.

5.2.4.5 Testing and Corrective Actions of the Disaster Recovery Plan

The Contractor must test and document the testing of the Disaster Recovery Plan at least quarterly on the schedule set by the Lottery. The Contractor shall report the results of the testing to the Lottery. The Contractor must submit a plan within twenty-one (21) Calendar Days after the disaster recovery test to resolve any deficiencies discovered as a result of the disaster recovery test along with a timeline for resolving the deficiencies.

In the event that the Contractor does not test the Disaster Recovery Plan and document the results of the Disaster Recovery Plan test as set forth in this section, the Contractor may be charged liquidated damages of one hundred dollars ($100) per day until the plan is tested and results of the test are reported to the

Lottery Gaming System

Lottery. The Contractor may be charged liquidated damages of one hundred fifty dollars ($150) per day after twenty-one (21) days until a corrective action plan is submitted to the Lottery.

5.2.4.6 Failure to Meet Requirements at Contract Execution

The Lottery may assess the Contractor Liquidated Damages in the amount of twenty-five thousand dollars ($25,000) per Calendar Day for each Requirement (including any amendment) not completed or accomplished by a date established in the Contract.

5.2.4.7 Failure to deliver Player Rewards Program

If a player rewards program is to be provided by the Contractor in the final Contract, the Contractor must complete installation preparations as required, including any production environment on any supporting system or component, complete player rewards program testing to the Lottery's satisfaction, pass the Lottery's Acceptance Testing, and comply with all other requirements of the Contract by the dates specified in the Contract.

The Lottery requires a minimum of one hundred twenty (120) Days for Acceptance Testing of the new player rewards program. Any delays with Acceptance Testing causing late production launch will directly result in the assessment of liquidated damages of five hundred dollars ($500) per Calendar Day.

The Lottery may impose liquidated damages of five hundred dollars ($500) per Calendar Day for each and every failure to provide a deliverable item required by the Agreement or to comply with any other requirement in effect, until such requirement is provided or performed. For the purposes of this provision, "deliverable item" means items specifically required to be delivered by the Contractor under the Agreement prior to the date specified in the Agreement for operation of the new player rewards program by the Contractor.

The Lottery may impose liquidated damages of five thousand dollars ($5,000) per Calendar Day of delay in operation of the player rewards program, beginning with Go-Live. At Go-Live, network and system requirements must be ready.

The Lottery may impose liquidated damages of ten thousand dollars ($10,000) per day for each Calendar Day of delay in the operation of the player rewards program back-up computers at the back-up site beginning with Go-live.

5.2.4.8 Central Gaming System Down

When the System cannot process sales transactions and cannot process Lotto and Instant ticket validations due to a malfunction of the System, the Contractor may be assessed Liquidated Damages. No damages will be assessed for the first occurrence of up to five (5) minutes of downtime during hours of operation in a given Day. Damages may be assessed for each minute exceeding the five (5) minutes period and for subsequent occurrences of downtime in a given Day in an amount of two thousand dollars ($2,000) per minute up to a maximum of one million dollars ($1,000,000) per Calendar Day.

In the event of failover between the Primary and the Backup Data Centers, the five (5) minutes grace period in the above paragraph is increased to ten (10) minutes.

Lottery Gaming System

5.2.4.9 Portion of Central Gaming System Down

If a portion of the Retailer Terminals cannot process sales transactions or validations (Lotto or Instant) due to a problem with the System, Liquidated Damages may be assessed. No damages will be assessed for the first five (5) minutes of downtime during hours of operation in a given Day. Liquidated Damages may be assessed in the amount of five dollars ($5) per terminal per minute up to a maximum of three thousand dollars ($3,000) per minute.

The Contractor will ensure that the System does not evidence "degraded performance" for more than five (5) minutes during the operational hours of sales or validation on any Day. The System shall be considered as having degraded performance if the System processes transactions from less than ninety five percent (95%) of the installed and operational terminals. If the System experiences degraded performance for more than five (5) minutes during the operational hours for sales or validation on any Day, the Lottery may assess damages in an amount equal to Estimated Lost Draw Game Net Revenue, Portion of the System Down.

5.2.4.10 Degraded Transaction Processing Performance

If System Performance does not meet the response times and performance Requirements set forth in the Contract, and if the duration of the degraded System Performance exceeds ten (10) Consecutive minutes, Liquidated Damages may be assessed in the amount of five dollars ($5) per terminal per minute up to a maximum of three thousand dollars ($3,000) per hour.

The System shall evidence "degraded performance", for any reason, no more than one (1) hour during the operational sales period on any Day. The total cumulative time during which the System performance is degraded during a Day shall be the sum of all time during such daily operational sales period when the System performance is degraded. To address chronic problems, in the event that two (2) degraded time events of any length have already occurred in a seven (7) Calendar Day period, the grace period of one (1) hour shall be rescinded. The System shall be considered as having degraded performance when:

(1) Retailer Terminals fail to meet the response time as stated in the Proposer's Proposal or as agreed to otherwise, or the System is incapable of meeting the throughput specifications provided in the Contract;

(2) The System processes transactions from less than ninety five percent (95%) of the installed and operational Retailer Terminals;

(3) The System processes transactions from all terminals, but not for all gaming products, gaming functions (e.g., pay, cancel, etc.), or Retailer-related activities;

(4) Transactions are not logged to the System as required in the Contract or to the Lottery's ICS units;

(5) Critical functions of System management and/or administration cannot be conducted by the management workstations. These include but are not limited to File transfers to the Lottery, and billing statements to Retailers;

(6) Instant ticket inventory management is compromised, including the ability to receive, order, pack, ship, activate, and/or settle instant tickets, etc. in a manner concordant with production schedules;

(7) During a defined Promotion period the System cannot issue tickets and/or conduct transactions to support the Promotion; or

(8) The number of active servers in the System falls below the standard established in the Proposer's Proposal, or as agreed to otherwise. A System server is considered active if it is networked with the System,

Lottery Gaming System

processing transactions real time, contains the correct software version, and is capable of taking over primary functions (e.g., failover). Those instances where a server contains a different software version as part of a staggered software update previously approved by the Lottery are not included in this sub-item.

Damages:

(1) For conditions identified in 2, 3, 6 and 7 above, up to thirty thousand dollars ($30,000) per hour may be assessed for each hour of degraded performance, or fraction thereof.

(2) For conditions identified in 1, 4, 5 and 8 above, up to five thousand dollars ($5,000) per hour may be assessed for each hour of degraded performance, or fraction thereof.

5.2.4.11 Mobile App Availability

Contractor shall ensure that the Contractor's mobile platform is available, as measured over the course of each calendar month during the Life of the Contract , at least ninety-nine and a half percent (99.5%) of the time, excluding only the time the platform is not available solely as a result of one or more exceptions (the "Availability Requirement"). "Available" means the platform is available and operates for access and use by the Lottery and its players over the internet in material conformity with the Contractor's normal functionality.

No period of platform degradation or inoperability will be included in calculating Availability to the extent that such downtime or degradation is due to any of the following exceptions:

> a. Failures of the Lottery's, or any individual player's, internet connectivity.
>
> b. Internet or other network traffic problems other than problems arising in or from networks actually or required to be provided or controlled by the Contractor.
>
> c. The Lottery's or any individual player's failure to meet any minimum hardware or software requirements set forth in the Lottery-approved mobile app specifications.
>
> d. Scheduled or emergency maintenance.
>
> e. Downtime tied to the modification requests of Lottery or due to compliance with legal process.

If the Lottery mobile app component is down or otherwise not Available to users, the Contractor may be assessed five hundred dollars ($500) per hour or portion of an hour until the mobile app is returned to service. This shall be calculated based on application availability time stamp in log file or monitoring program the Lottery will monitor monthly.

If the platform fails in any respect to meet or exceed the Availability Requirement in any month, such failure shall be subject to Liquidated Damages in the following amounts:

(a) If the platform is not Available ninety nine and a half percent (99.5%) of the time but is Available more than ninety nine percent (99.0%) of the time, then in addition to any other remedies available under this Agreement or applicable Law, the Lottery shall be entitled to a credit in the amount of five thousand dollars ($5,000) each month this service level is not satisfied.

(b) If the platform is not Available more than ninety nine percent (99.0%) of the time, then in addition to any other remedies available under this Contract or applicable Law, the Lottery shall be entitled to a credit in the amount of ten thousand dollars ($10,000) each month this service level is not satisfied.

Amount = Five hundred dollars ($500) per hour or portion of an hour until the mobile app is returned to service.

Formula = Calculated based on application availability time stamp in log file or monitoring program.

Downtime = Application Availability (After Outage) Time Stamp - Application Availability (Before Outage) Time Stamp

5.2.4.12 Abnormal System Operations Monitoring

The Contractor shall provide a system with real-time monitoring of System traffic and utilization. The Contractor shall maintain these tools to correspond with the latest System changes and with industry-available improvements. The Lottery shall receive immediate notification verbally within one (1) hour of discovery and followed up with written report within twenty-four (24) hours of discovery of abnormal System operations and their causes (e.g., validation problems, communication difficulties, computer downtime, attempted access by unauthorized users).

At the sole discretion of the Lottery, the Lottery may assess the Contractor Liquidated Damages in the amount of one hundred dollars ($100) per failed written incident verbal communication within the one (1) hour timeframe and five hundred dollars ($500) per failed delivery of a written report within the twenty-four (24) hours of discovery timeframe.

5.2.4.13 Failure of Interfaces to Other Computer Systems

The System shall interface with a number of other computer systems, including, but not limited to, the ICS, the Lottery's LAN (user computers), the Statewide financial accounting system (currently STAR), the Lottery public-facing website, banking interfaces, tax reporting systems, and other State agency systems. If any interfaces fail and the failure is due to Contractor equipment or software malfunction or error, the Contractor may be assessed Liquidated Damages in the amount of ten thousand dollars ($10,000) per Calendar Day or portion thereof, until such time as the interface is restored and maintained as fully functional.

5.2.4.14 Failure to Install Software Modifications

The Contractor shall install necessary software modifications or Enhancements, including new games or existing game modifications, for the operation and support of the System within the time period agreed upon by both parties. If the Contractor fails to meet the specified timeframes for the installation of software affecting new games or existing game modifications, the Contractor may be assessed Liquidated Damages in the amount of twenty-five thousand dollars ($25,000) per Calendar Day. If the Contractor fails to meet the specified timeframes stated in the Contract for any other System modifications or Enhancements, including Reports, the Contractor may be assessed Liquidated Damages in the amount of ten thousand dollars ($10,000) per Calendar Day.

5.2.4.15 Failure to Provide Timely and Accurate Reports

The Contractor shall provide reliable and accurate operational Reports, business Reports (BI Reporting, and AdHoc Reports), media, data exports (including data exports to the ICS), see Section 6.2.4.4 - Internal Control System Data Transmission, video feed, and electronic Files at the times specified by the Lottery. If the Contractor fails to provide the Lottery with a reliable and accurate Report, media, data export, video feed,

or electronic File according to the timeframe specified by the Lottery in the Contract, Liquidated Damages may be assessed according to the following chart:

Type Description	Liquidated Damages
Draw Information	twenty-five thousand ($25,000)/hour or portion thereof
Business	one thousand ($1,000)/hour
Critical	five thousand ($5,000)/hour or portion thereof

Report, media, data export, video feed, and electronic File type descriptions (draw information, business or critical) will be determined and assigned by the Lottery at the time individual Reports, media, data exports, video feed, or electronic Files are defined and requested.

5.2.4.16 Unauthorized Software/Hardware Use

The Lottery may assess Liquidated Damages in the amount of ten thousand dollars ($10,000) per Calendar Day for each instance of the Contractor's unauthorized use of any hardware or software, without the Lottery's prior written approval.

5.2.4.17 Unauthorized Software/Hardware Changes or Modifications

The Lottery may assess the Contractor Liquidated Damages in the amount of one hundred thousand dollars ($100,000) per Incident of the Contractor's change or modification of hardware or software without the Lottery's prior written approval.

Additionally, the Lottery may assess Liquidated Damages in the amount of ten thousand dollars ($10,000) per Calendar Day until the unauthorized change or modification is removed. The exception shall be emergency changes or modifications (commonly referred to as fixes) which have been verbally approved by the Lottery and then implemented by the Contractor or Subcontractor to correct System failure. In this event, the Contractor shall notify the Lottery in writing of the change or modification by the end of the first Business Day after the change or modification has been made.

5.2.4.18 Staffing Notification

If the Contractor fails to identify non-compliant personnel within twenty-four (24) hours as required under Section 5.1.14.1 - Contractor Personnel Identification, the Lottery may assess Liquidated Damages in the amount of one thousand dollars ($1,000) per Calendar Day of each non-compliant personnel.

5.2.4.19 Communications Network Outage Occurrences

Outages and degraded performance of the communication equipment and network provided by the Contractor may result in the assessment of Liquidated Damages. For the purpose of this section, outages and degraded performance is considered any disruption to the communication equipment and networks that are within the control of or caused by the fault of the Contractor and that renders multiple Retailers unable to conduct ordinary terminal actions and transactions. For purposes of this Contract, failure of communications equipment at a single Retailer's premises shall be considered part of a terminal repair. The remainder of 5.2.4.19 addresses other network elements that are the obligation of the Contractor to provide or to arrange for and operate once installed. Failures may result in a systemic outage event affecting the network at large or affecting a smaller quantity of Retailers.

1- The System loses connection to two and a half percent (2.5%) or more of the Retailer Terminal network and there is a general outage of service for those Retailers due to Contractor fault. This may be caused by

the failure of Contractor staff to correctly carry out their established duties in supporting or administering the network or by failure of a Contractor-specified protectively redundant network element to support a failover. Liquidated Damages may be issued in an amount up to one thousand dollars ($1,000) for each one (1) minute of network outage.

2 -In the event that two and a half percent (2.5%) or more of the communication network is down, the Lottery may impose Liquidated Damages as a result of the total time during each Day that the network is down, except for the first five (5) minutes. Liquidated Damages may be issued in an amount up to one thousand five hundred ($1,500) for each one (1) minute of network outage.

3 - In the event that two (2) network downtime incidents in excess of five (5) minutes each have already occurred in a rolling Consecutive seven (7) Day period, the grace period of five (5) minutes shall be rescinded, and Liquidated Damages shall begin immediately with any subsequent outage (after such two (2) downtime incidents of five (5) minutes each) in that rolling Consecutive seven (7) Day period. The five (5) minute grace period will be reinstituted only after seven (7) Consecutive full Days of zero incidents.

5.2.4.20 Network Conversion

During the new Contract conversion and phase-in period before the start-up date, the Contractor must not perform any network-related activity that results in interruption of the normal operation of the Lottery's terminals or any other integrated systems.

In the event that the Contractor causes any network-related interruption of normal operation of the Lottery's terminals or other integrated systems prior to the Go-Live date, the Contractor may be charged liquidated damages of five hundred dollars ($500) per hour for each terminal and/or integrated system which is unable to perform in normal operation mode until the terminal and/or integrated system is returned to normal operational status.

5.2.4.21 Providing Connectivity to ICS

The Contractor must provide connectivity from the System to the ICS systems, to any authorized platform, and any other third-party software or hardware within the timeframe established by the Lottery's written request.

In the event that the Contractor is unwilling or unable to provide connectivity from the System to the ICS systems, to any authorized platform, or any other related third-party software or hardware within the timeframe established by the Lottery's written request, the Contractor may be charged liquidated damages of twenty thousand dollars ($20,000) per Day per connectivity request, beginning from the implementation date set by the Lottery for that connectivity request.

5.2.4.22 Inability to Validate Tickets

If Lotto or Instant ticket validations are unable to be performed due to a malfunction of the System, Liquidated Damages may be assessed. No damages will be assessed for first five (5) minutes of downtime in a given Calendar Day. Liquidated Damages may be assessed in the amount of fifty dollars ($50) for each minute, in excess of the first five (5) minutes of down time in a given Calendar Day.

5.2.4.23 Failure to Maintain an Adequate Supply of Ticket Stock and Playslips at Retailer Locations

The Contractor shall provide and maintain adequate quantities of Consumables including, but not limited to, ticket stock, Playslips, and other Consumables necessary for Lottery operation at all Retailer sites. In the

event that Retailers become unable to sell or validate tickets due to the Contractor's failure to maintain adequate Consumables, the Contractor may be assessed Liquidated Damages in the amount of three hundred dollars ($300) per hour per retailer or portion thereof. It shall not be considered a remedy to this provision to transfer ticket stock between Retailers.

5.2.4.24 Failure to Maintain an Adequate Supply of Parts or Equipment at Retailer Locations

The Contractor shall provide and maintain adequate quantities of spare parts for Retailer Terminals and Peripherals including, but not limited to, Retailer Terminal hardware, Self-Service Terminal hardware, spare parts, bill acceptors, monitors, scanners, ticket checkers, and other necessary equipment for Lottery operation at all Retailer sites. In the event that Retailers become unable to sell or validate tickets due to the Contractor's failure to maintain functional equipment, the Contractor may be assessed Liquidated Damages in the amount of one thousand dollars ($1,000) per Day per retailer or portion thereof.

5.2.4.25 Instant Ticket Orders Incorrectly Packaged

The failure of the Contractor to correctly package Instant Ticket orders (in the warehouse) each month may result in the Contractor being assessed liquidated damages. The following liquidated damages may be assessed based on the incorrectly packaged for shipment versus total number of packages monthly using the following calculation:

(*Number of incorrectly packaged shipments / total number of packages(monthly)*)

Condition	Liquidated Damages
For any month between 0.00% and 0.05%	No Charge
For any month over 0.05% to 0.10% error	$800/month
For any month over 0.10% to 0.20% error	$1,400/month
For any month over 0.20%	$3,000/month

5.2.4.26 Unassigned Packs of Tickets Missing from the Warehouse

If it is determined that unassigned Packs of Instant tickets are missing from the warehouse, the Contractor may be assessed Liquidated Damages in the amount of ($500) per Pack.

5.2.4.27 Inability to Activate Instant Ticket Packs

If Retailers are unable to activate Instant ticket Packs due to a System problem, Liquidated Damages may be assessed up to three thousand dollars ($3,000) per hour.

5.2.4.28 Inability to Conduct Instant Ticket Order Fulfillment, Telemarketing, Inventory Management, Retailer Initiated Ordering, or Instant Game Initial Distribution

If any of the identified functions which have an impact on sales, including but not limited to those indicated above, are unavailable due to a System problem, Liquidated Damages may be assessed at the rate of three thousand dollars ($3,000) per hour.

Lottery Gaming System

5.2.4.29 Inability to Launch Instant Games

If the Lottery is unable to launch an Instant game due to a System problem, including inability of the Contractor to retrieve Game Files from the Instant Ticket Producer where it is not the fault of the Instant Ticket Producer, Liquidated Damages may be assessed at the rate of any unavoidable sales loss as determined by the Lottery, or otherwise at the Lottery's sole discretion. The maximum Liquidated Damages shall be two hundred thousand dollars ($200,000) per Game per Calendar Day.

5.2.4.30 Failure to Promptly Identify Stolen or Missing Tickets

If the Contractor fails to identify stolen or missing tickets in the System within one (1) hour of receiving the initial notification from a Retailer, another vendor, or Lottery staff, the Lottery may assess Liquidated Damages in the amount of one thousand dollars ($1,000) per additional hour or portion thereof, per notification. If ticket(s) have been redeemed, the Contractor may be responsible for the redemption value of the ticket. (Section 6.4.9 - Technical Hotline Support).

5.2.4.31 Lottery Ticket Purchase and Prize Payment Prohibition

The parties agree that the Lottery may suffer damages in terms of the public's goodwill and perception of the integrity of the games if persons listed in Section 4.0 (General Proposal Requirements), purchase tickets or are paid a prize for any Lottery game. The Contractor may be assessed Liquidated Damages in the amount of ten thousand dollars ($10,000) per Incident of prohibited ticket purchase or payment of prohibited prizes.

5.2.4.32 Failure to Pick up and Return Packages

Failure to pick up and return packages to the Warehouse from Retailer locations within five (5) Business Days may be assessed at fifty dollars ($50) per occurrence.

5.2.4.33 Failure to Return Refused Packages

Failure to return refused packages to the Warehouse from Retailer locations within two (2) Business Days may be assessed at fifty dollars ($50) per occurrence.

5.2.4.34 Lost or Unrecovered Incorrect Delivery

The Contractor may be assessed of the sum of the face value of each Pack of tickets lost or delivered to the wrong address without recovery of package.

5.2.4.35 Next Day Delivery Service

The Contractor shall provide next Business Day delivery service for all Lottery tickets and Point of Sale (POS) materials to all Retailers throughout Wisconsin. Liquidated Damages may be assessed to the sum of fifty dollars ($50) per late delivery location.

5.2.4.36 Instant Ticket Inventory Reconciliation Conditions

The Contractor may be assessed the face value of each Pack of tickets not accounted for during inventory.

5.2.4.37 Inability to Order

The Contractor may be assessed Liquidated Damages at the rate of one thousand dollars ($1,000) per incident of failure to place Retailer orders during the stated hours of operation as specified in Section 9.2 - Ticket Ordering and Processing.

5.2.4.38 Incorrect Orders

The Contractor may be assessed Liquidated Damages in the amount of three hundred dollars ($300) for any order that was incorrectly placed, then packed and shipped to a Retailer.

5.2.4.39 Warehouse Staff Damages

The Contractor shall not cause physical damage to the supplies including instant tickets or Lottery equipment within the warehouse. If physical damage at the warehouse occurs with damage to supplies, instant tickets or Lottery equipment incurred at the fault of the Contractor, the Lottery may assess Liquidated Damages in the amount up to one hundred thousand dollars ($100,000) or the cost of replacing supplies including instant tickets or Lottery equipment.

5.2.4.40 Damage to Lottery Brand Equity

The Lottery strives to maintain public trust. It is imperative that Contractors demonstrate integrity, honesty, and fairness in the operation and administration of their organization to assure consumers that games are operated fairly.

The Contractor may be assessed Liquidated Damages to a maximum of two hundred fifty thousand dollars ($250,000) per incident that cause possible harm to the Lottery's brand equity.

5.2.4.41 Failure to Install Terminals Timely

The Contractor shall install or relocate a fully functioning Retailer Terminal in a new or existing location within two (2) Business Days of receipt of notice by the Lottery or by a mutually agreed date between the Lottery and the Contractor. The Contractor may be assessed Liquidated Damages in the amount of five hundred dollars ($500) per Calendar Day, per terminal until such terminal is installed and becomes operational. Timelines for expansions of twenty-five (25) or more terminals shall be negotiated.

5.2.4.42 Failed to Report Installation or Removal

The Contractor shall report installations or removals to the Lottery. If the Contractor fails to report to the Lottery, the Contractor may be assessed Liquidated Damages in the amount of three hundred dollars ($300) per Retailer.

5.2.4.43 Failure to Maintain Fully Functioning Retailer Terminals and Peripherals

If the Contractor fails to repair or replace a Retailer Terminal with a reported problem within twenty-four (24) hours of being notified, the Contractor may be assessed Liquidated Damages in the amount of two hundred dollars ($200) per hour or a fraction of an hour until the Terminal is operational. This includes Retailer Terminals and any Peripherals. A Retailer Terminal is considered non-operational if it cannot process tickets, receive broadcast messages, validate tickets, print or display Reports, or perform any other intended function. The Retailer Terminal is also deemed malfunctioning if the paperless currency device, Optical Mark Reader (OMR) or barcode reader is not fully functioning.

5.2.4.44 Retailer Terminal and Equipment Preventative Maintenance

The Contractor and Lottery must agree on a Preventative Maintenance (PM) cycle for Retailer Terminals and all deployed Equipment.

Liquidated damages may be assessed for failure to meet the PM schedule. The Lottery may impose liquidated damages of one hundred dollars ($100) per Day per location until the condition is rectified.

5.2.4.45 Redemption Center Equipment Preventative Maintenance

The Contractor and the Lottery shall agree on a PM cycle for Redemption Center equipment.

If any Redemption Center equipment is subject to a delay in scheduled PM beyond the scheduled service cycle, then the Lottery may impose liquidated damages of one hundred dollars ($100) per Day per Redemption Center until the condition is rectified.

5.2.4.46 Failure to Remove Terminals Timely

The Contractor shall remove Retailer Terminals from Retailer locations within seventy-two (72) hours of request by the Lottery. The Contractor may be assessed Liquidated Damages in the amount of three hundred dollars ($300) per every additional 24-hour period, per Terminal until the Terminal is removed from the Retailer premises. If delays are caused by inability to gain access to a permanently closed store and attempts to contact retailer fail, then an assessment will not be made.

5.2.4.47 Failure to Maintain Fully Functioning Self-service Vending Terminals

The Contractor must ensure that the Self-service Vending Terminals (SSVT), see Section 6.2.7 (Self-service Vending Terminals), are repaired or replaced and operational as noted. Once the notification has occurred, the Contractor has twenty-four (24) hours response time to repair the SSVT if the call is deemed critical. A critical call is defined as the SSVT is unable to accept all forms of Lottery-approved currency or unable to dispense or incorrectly cut Lottery tickets through the machine's bins, provided that more than two (2) bins are unable to dispense Lottery tickets. Other Reports of SSVT operating problems will be considered non-critical and the Contractor has a forty-eight (48) hours response time to repair the SSVT. If the Contractor fails to respond to a reported SSVT problem within the timeframe specified, the Contractor may be assessed Liquidated Damages in the amount of three hundred dollars ($300) per Day per SSVT until the SSVT is operational.

5.2.4.48 Failure to Meet Outbound Call Frequency Requirements

The Contractor must maintain an appropriately staffed Tel-Sell to provide weekly support to Retailers.   Each Retailer shall receive one (1) outbound call per week. The Contractor may be assessed Liquidated Damages in the amount of five hundred dollars ($500) per Retailer each week not contacted. Retailer call frequency will be at the Lottery discretion.

5.2.4.49 Call Data Issue Tracking

The Contractor must provide accurate Technical Hotline Data identification and tracking of retail equipment with chronic issues (as described in 6.4.9.h). Notification of these issues needs to be reported to the Lottery within twenty-four (24) hours.

Lottery Gaming System

In the event that the Contractor fails to notify the Lottery of any chronic issue reported from a Hotline call within the twenty-four (24) hours timeframe, Liquidated Damages may be imposed in an amount up to three hundred dollars ($300) per issue.

5.2.4.50 Failure to Meet Performance Standards

If Performance does not meet the performance Requirements set forth in the RFP, Liquidated Damages may be assessed in the amount of five hundred dollars ($500) per Calendar Day per incident to a maximum of ten thousand dollars ($10,000) per Calendar Day per incident.

5.2.4.51 Failure to Meet Inbound Call Requirements

The Contractor must maintain an appropriately staffed technical hotline support center. The Contractor must provide a live operator response twenty-four (24) hours per Calendar Day, seven (7) Days per week The Contractor must provide prompt remedies for each Retailer call. If the requirements as set forth in Section 6.4.9, the Lottery may impose Liquidated Damages of five hundred dollars ($500) per call that is not resolved via the technical hotline support center and is not escalated for resolution within ten (10) minutes.

5.2.4.52 Security Failure

The Contractor may be assessed Liquidated Damages in the amount of ten thousand dollars ($10,000) per Calendar Day, per violation as determined by the Lottery described in the following sections of this RFP.

a) Section 6.1.3.2 - Local Data Center Physical Security Controls.

b) Section 6.1.4.2- Backup Data Center Physical Security Controls.

c) Section 6.2.4.1 - Data Network Security.

d) Section 6.2.6.2 - Retail Terminal Security.

e) Section 6.3.2 - System Security and Control Features.

f) Section 6.4.2 - Training for Retailers and Lottery Personnel.

g) Section 6.6 - Security Plan.

h) Section 6.7 - Disaster Recovery Plan

i) Section 8 - Warehouse Facility and Services.

j) Section 9.6 - Telemarketing Facility.

5.2.4.53 Failure to Report Significant System Incidents

The Contractor shall verbally report Incidents, related to the operation of the System to the Administrator immediately as they occur, and provide written reports by the end of the next Business Day, for events that took place during the previous twenty-four (24) hours. All written reports shall be sent by e-mail unless the medium is unavailable. Then courier or fax delivery will be accepted. At a minimum, each of the following types of events shall require immediate notification and a written report. This may include but not limited to:

a) System takeover situations.

b) Major communications failures.

c) Major equipment failures (physical or virtual).

d) Significant operator errors.

e) Cloud system failures.

f) Out-of-balance conditions.

g) Emergency software changes.

h) Security violations.

i) Other conditions as defined by any Contract amendments.

j) Any situation which may cause the general public to become alarmed, or which may damage the integrity of the Lottery.

Cyber security breaches in:

k) The CGS.

l) Other supporting systems (i.e., claims, retailer management).

m) Website, mobile applications.

n) Promotion systems.

o) Player Rewards or account systems.

The Contractor may be assessed a maximum amount of ten thousand dollars ($10,000) per hour for failure to notify the Administrator based on the severity of the Incident.

5.2.4.54 Failure to Report Significant Warehouse and Tel-Sell Operation Incidents

The Contractor shall verbally report Incidents related to the warehouse operation to the Administrator, immediately as they occur, and provide written Reports by end of next Business Day, for events that took place during the previous twenty-four (24) hours. All written reports shall be sent by e-mail unless the medium is unavailable. Then courier or fax delivery will be accepted. At a minimum, each of the following types of events shall require immediate notification and a written report. This may include but not limited to:

a) Major communications failures.

b) System takeovers and major equipment failures (physical or virtual).

c) Significant operator errors.

d) Out-of-balance conditions.

e) Security violations.

f) Cyber security issues.

g) Emergency software or hardware changes.

h) Any situation which may cause the general public to become alarmed, or which may damage the integrity of the Lottery.

The Contractor may be assessed a maximum amount of ten thousand dollars ($10,000) per hour for failure to notify the Administrator based on the severity of the Incident.

5.2.4.55 Cyber Security Breach

The Contractor shall preclude any compromises in the security, confidentiality, or integrity of any Lottery player, Retailer, partner, or vendor data, Game, or Promotion associated to all aspects of the operations and management of the Lottery and play of the Lottery Games as deployed under this Contract.

If the Contractor fails to preclude a data breach, the Lottery may impose liquidated damages based on a fixed sum of twenty-five hundred dollars ($2,500) per compromised record, with a minimum payment of ten thousand dollars ($10,000) and maximum cap of one million dollars ($1,000,000) per breach incident.

5.2.4.56 Failure to Comply with Required Standards or to Remedy Audit Recommendations and Audit Findings

The Contractor must correct audit findings, address suggestions and observations made to the Contractor as a result of any System audit.

If not corrected or addressed to the Lottery's satisfaction by the applicable timeframe, unless specifically exempted by the Director, the Lottery may impose liquidated damages of five thousand dollars ($5,000) at the end of the initial sixty (60) Day period and an additional five thousand dollars ($5,000) for each subsequent thirty (30) Day period, or any portion thereof, for which the Contractor has not been corrected or addressed.

5.2.4.57 Lottery or Multi-jurisdictional Standards

If the Contractor fails to comply with any required Lottery or MUSL standard within sixty (60) Calendar Days following notification by the Lottery, the Lottery may impose liquidated damages of five thousand dollars ($5,000) for each instance of non-compliance. In addition, the Lottery may impose an additional five thousand dollars ($5,000) for each subsequent seven-Day period, or portion thereof, for each instance for which compliance has not been achieved.

5.2.4.58 Timely Cooperation with Transition Activities

The Contractor must ensure that staff members attend transition meetings in accordance with the conversion to a replacement system which will include the End of Contract Conversion Plan. Participation and timely responsiveness is mandatory, whether directly to the Lottery or successor vendor or their Subcontractors.

In the event that Contractor is not properly attending and participating in transition meetings, and responding to requests in a timely manner, within 24 hours, Liquidated Damages may be imposed in an amount up to fifty thousand dollars ($50,000) per Day.

5.2.4.59 Timely and Accurate Supplying of Requested Data

The Contractor must provide data in a timely manner, as defined by the Lottery, and in agreed upon formats throughout that transition process as mutually agreed pursuant to the End of Contract Conversion Plan or as reasonably requested by the Lottery at any time. The timeliness, completeness, and accuracy of the data is essential, and efforts that deliver otherwise may delay that conversion project.

In the event that Contractor does not supply timely and accurate Data as required in this condition, Liquidated Damages may be imposed in an amount up to fifty thousand dollars ($50,000) per Day per incident of delay in providing data or providing accurate data.

5.2.4.60 Removal of Equipment, Supplies in Retail Locations

As detailed in the End of Contract Conversion Plan and confirmed by the Lottery in advance of Contractor's commencement of transition activities, the Contractor must provide Lottery with a Retailer equipment removal strategy and remove all of their equipment in retail locations as agreed to by the Lottery. Regardless of Liquidated Damages assessment, Lottery assumes no liability for any Retailer equipment that is not timely removed by Contractor.

In the event that Contractor does not remove all their equipment in all Retailer locations as determined and agreed upon with Contractor as required in this condition, Liquidated Damages may be imposed in an amount up to five thousand dollars ($5,000) per Day per Retailer location.

5.2.4.61 Timely and Proper Data Destruction Plan

At least thirty (30) Days prior to the applicable end of Contract Go-Live date, the Contractor must submit for approval its data destruction plan. The timely submission and approval of the plan is required before any data destruction can begin. The Contractor must also certify that data destruction has been completed per the plan.

In the event that Contractor does not submit a data destruction plan on a timely basis as required in this condition, Lottery may impose Liquidated Damages in an amount up to five thousand dollars ($5,000) per Day. If the Contractor fails to complete the data destruction according to the agreed upon plan, and certify completion to the Lottery, the Lottery may impose Liquidated Damages in an amount up to five thousand dollars ($5,000) per Day of delay in destruction of certification.

5.2.4.62 Annual Performance Criteria

5.2.4.62.1 Network Availability

The network availability guarantee shall be calculated using the following formula: Network availability equals the ratio of number of minutes of network unavailability per calendar year to the number of annual operating minutes (currently five hundred and fourteen thousand six hundred and fifty (514,650) minutes or sixty (60) minutes per hour per twenty-three and a half (23.5) hours per Calendar Day per calendar year.

Calculation: (number of annual operating minutes - number of minutes of network unavailability per calendar year) / (number of annual operating minutes)

To determine network availability, the Contractor shall apply the following rules:

The number of minutes of network unavailability shall equal the aggregate number of minutes of downtime that are caused by problems with any installed communication equipment.

The number of minutes of network unavailability shall exclude the aggregate number of minutes of downtime that are:

a) Attributable to issues that are closed as "no trouble found" during investigation.

b) Attributable to periods occurring outside of operating hours.

c) Attributable to issues that "came clear while testing" and could not be isolated.

d) Attributable to trouble tickets that are recorded as informational only.

e) Caused by Force Majeure.

    f)   Related to the Contractor's Retailer Terminals.

    g)   Related to the Contractor's central servers.

    h)   Related to scheduled maintenance periods.

The Contractor shall pay the Lottery five thousand dollars ($5,000) for every one-hundredth of one percent (0.01%) that network availability is below ninety-nine and eight tenths' percent (99.80%) per calendar year.

5.2.4.62.2 Software Quality

The Contractor shall pay the Lottery one thousand dollars ($1,000) for every one percent (1%) that the total success ratio for a calendar year is below ninety percent (90%). The Lottery applies a success ratio measure to each software installation applied to address defects or create new functionality. Using the requirements supplied by each software release, the Lottery will evaluate the success of each and apply the below calculation annually.

Calculation: (number of requirements supplied by Contractor - number of defects generated) / (number of requirements supplied by Contractor)

5.2.4.62.3 Call Center Service

The call center performance calculation shall be based on all of the Wisconsin calls to the Contractor's call center, defined in Section 6.4.9 (Technical Hotline Support). Monthly Wisconsin call statistics for each calendar year shall be averaged. The Contractor shall pay the Lottery five thousand dollars ($5,000) for every second the average speed to answer Retailer calls exceeds sixty (60) seconds.

Lottery Gaming System

6 TECHNICAL REQUIREMENTS – GAMING SYSTEM AND SERVICES

This Section includes Technical Requirements for which the Proposer shall provide a narrative response (scored question) which will be evaluated, Minimum Mandatory Requirements (MMR(s)) that shall be met by the Proposer and reviewed on a pass/fail basis, and Key Business Requirements (KBR(s)) that must be met as described in Section 3.1 (Preliminary Evaluation).

Any material within the response including images, pictures, depictions, or diagrams that are not explicitly identified as outside the base product will be considered part of the base System.

The State requires the Contractor to have the proven ability to deliver the types of services sought in this RFP. The purpose of this section is to provide the State with a basis for determining a Proposer's capability to undertake a Contract of this size and scope.

Unless requested to do so, Proposer must not direct the reader to a website or any other source outside of the applicable RFP section as part of its response to the requirement or question unless it is a map, diagram, or schematic included in another section within the RFP.

Responses to scored questions that merely restate the requirement or only indicate an acknowledgement of understanding and a willingness to comply will be considered unresponsive.

Review Section 1.3 (Background and Current Operations) of this RFP, as it provides Proposers with an operational overview of the Lottery's programs associated with this RFP.

6.0.1 From an overall System perspective, the Contractor must provide upgrades on a as needed basis and agreed upon by the Contractor and Lottery to avoid technological obsolescence. (MMR)

6.0.2 Contractor must provide accurate and up-to-date data from all parts of the System, with checks to assure security and integrity. (MMR)

6.1 Facilities

6.1.1 Data Centers Overview

The Contractor shall provide two (2) physical Data Centers, providing "hot" failover capability for the System. One (1) is the Local Data Center in close physical proximity to the Lottery headquarters in Madison, WI. The other is the Backup Data Center which must be located within the continental United States. With respect to failover, there are Primary and Backup Data Center roles. At any moment, the Primary Data Center shall handle the actual production of the System, while the Backup Data Center shall be ready to take over production. Thus, the user roles of Primary and Backup shall alternate between the Local and Backup Data Centers. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS

6.1.1.a Contractor shall provide two (2) physical Data Center facilities, providing hot failover capability for the System. (MMR)

6.1.1.b The Contractor shall provide Authorized Users complete access at all times to the Contractor's facilities used in connection with the performance of the Contract, including, but not limited to, offices, computers, warehouses, offsite storage sites, and maintenance facilities. (KBR)

Lottery Gaming System

THE FOLLOWING ITEM(S) WILL BE SCORED.
Provide responses to each of the following items.

6.1.1.1 Describe the Proposer's intent to move to a cloud-based solution or identify cloud-based components of the proposed system, including cloud architecture and provider. Include in your response identify cloud components along with the methodology to migrate these system components to the cloud and the security considerations and data policies in the cloud descriptions, including certifications.

6.1.2 Data Centers' Redundancy Functional Requirements

6.1.2.0.1 The Contractor shall provide at the primary site a live backup ready to take-over within 30-60 seconds after a failure of the primary has occurred for each critical system. A single failure shall not trigger failures within the sub-systems. The Contractor shall provide hot failover capability, so that the System can continue to operate with no loss of integrity and Minimal interruption if the Primary Data Center experiences a failure. The Contractor must successfully demonstrate a complete System failover prior to Go-Live. (MMR)

6.1.2.0.2 All System components must meet failover requirements, including but not limited to Transaction Processing, Database, Games, and Administration systems. At the primary site, the processing complex must consist of at least two (2) separate systems, networked, or coupled for high availability processing and storage redundancy. (MMR)

6.1.2.0.3 In the event of irreparable damages at the primary site, or of an unplanned, extended abandonment of the primary site, the Contractor shall provide at no additional cost those host processors, facilities, and other components necessary to resume Lottery sales under a two-site operational scenario. Such host processors, facilities, and other components shall be furnished, installed, and operational within thirty (30) Days after the disaster. Until a permanent primary site can be re-established, substitute facilities must meet Lottery-approved environmental and security measures. The Lottery will accept zero (0) data loss during these failures. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
6.1.2.a Contractor must provide that all functional, security, and performance Requirements stated, in the above introductory section for the System apply to the Active Data Center, regardless of whether it is the Primary Data Center or the Backup Data Center. (MMR)

6.1.2.b The System shall have the ability to failover automatically without intervention from Lottery or Contractor staff. This includes both a takeover scenario where the Backup Data Center becomes the active system, and a return to primary where the Primary system becomes active. (MMR)

6.1.2.c The System shall be designed and equipped to minimize or eliminate interruption of service when production switches between Data Centers. The maximum interruption to Retailer operations and Lottery back-office operations shall be ten (10) minutes per failover or cutover, with ancillary systems and interface as defined in Section 6.1.2 (Data Centers' Redundancy Functional Requirements) Table 6.1.2.c.T1 (Mandatory Failover Recovery Timing by Component Service). (MMR)

Table 6.1.2.c.T1 - Mandatory Failover Recovery Timing by Component

Grouping	Component	Max. Failover
Primary	CGS Server	30 seconds
Back Office	CRM	5 minutes
Back Office	Lottery interface applications to CGS	5 minutes

Back Office	BI Reporting (Data Warehouse)	5 minutes
Back Office	Tableau	5 minutes
Back Office	Administrative Portal for Retailer Website	5 minutes
ETL (Extract-Transfer-Load)	BI Database	5 minutes
sFTP	Multi-Media Shows	5-minute
sFTP	ICS Reports	5-minute
sFTP	File Shares Host Reports	5-minute
sFTP	Scheduled BI Reporting	5-minute
sFTP	DOR scheduled reports	5-minute
Interfaces	Mobile App	5-minute
Interfaces	Multi-Media /Winner Awareness	5-minute
Interfaces	US Bank	5-minute
Interfaces	DWD	5-minute
Interfaces	DOJ	5-minute
Interfaces	WINPAS (Tax System)	5-minute
Interfaces	STAR (Financial System)	5-minute
Interfaces	CaseLog (Lottery Security App)	5-minute
Interfaces	ICS	5-minute
Interfaces	Lottery Website	5-minute
Interfaces	CRM	5-minute
Interfaces	BI	5-minute
Interfaces	Tableau	5-minute
Interfaces	Retailer Website	5-minute

6.1.2.d Data recorded at the Backup Data Center shall contain the transactions up to the point of failover or cutover, allowing a rapid transition. (KBR)

6.1.2.e The Retailer Telecommunications Network (RTN) shall be routed to permit transaction processing at the Backup Data Center. (KBR)

6.1.2.f Extract, Transform, and Load (ETL) is expected to be completed outside of the Business Day hours so as not to impact the Lottery Staff. (KBR)

6.1.2.g Semi-annual testing of the failover process is required, and documentation is provided to the Lottery. (MMR)

> **THE FOLLOWING ITEM(S) WILL BE SCORED.**
> **Provide responses to each of the following items.**
>
> **6.1.2.1** Describe how a full production failover test, including lottery user interfaces, ETL jobs, third-party integrations, sFTP, back-office applications, and the ability to transact and operate from the Backup Data Center, will be conducted. Responses should include corrective procedures executed by Proposer operators (if applicable) and explain the proposed failover test frequency and duration of each test.

6.1.2.2 Describe how the System shall ensure maximum availability and full integrity during production cutover between Data Centers, whether due to a failure at the Primary Data Center or a planned transition. Provide a check list of all systems that are verified when cutover occurs.

6.1.2.3 Describe how component failure in one (1) system does not cause a failure in any of the other internally or externally connected system(s), refer to Section 6.1.2 (Data Centers' Redundancy Functional Requirements) Table 6.1.2.T1 (Mandatory Failover Recovery Timing by Component Service) for details on failover components.

6.1.2.4 Describe the proposed staffing plans, scope, frequency, and objectives in facilitating the audit of data centers, servers, associated equipment, and their policies related to industry best practice certification standards.

6.1.2.5 Describe a time when you had to provide a failover with a NAPSL customer.

6.1.2.6 Discuss how the Proposer works with other Lotteries to ensure installations or updates are controlled based on jackpot ranges to ensure no inadvertent upgrades occur during large jackpot periods.

6.1.2.7 Discuss how the System can failover to the backup System for operations such as Operating System Patch Management. Discuss the approach and how this will be achieved on a regular basis.

6.1.3 Local Data Center Requirements

The Contractor shall provide a Local Data Center facility (Facility) and additional service facilities as needed. The Contractor shall be responsible for constructing or leasing space. The costs of detailed design and construction shall be the Contractor's responsibility. The Contractor shall be responsible for ongoing expenses. The final design, location, and layout, including security controls and procedures of the site, shall be subject to approval by the Lottery. (MMR)

6.1.3.1 Local Data Center Site Requirements

The final design, location, and layout, including security controls and procedures of the site, shall be subject to approval by the Lottery. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
6.1.3.1.a The Facility shall be located within a ten (10) mile radius of the Lottery headquarters. (MMR)

6.1.3.1.b The Facility shall not be identified externally as supporting the Lottery (e.g., no external signage or public notices that reference the Wisconsin Lottery.) (MMR)

6.1.3.1.c The Facility shall include a dedicated, enclosed space that is a minimum of four hundred (400) square feet, for the exclusive use of Lottery personnel. The space shall be split into two (2) rooms, (a) Draw room and ICS, (b) outer room. The Contractor shall collaborate with the Lottery to design the layout of this space, with the Lottery providing final approval of the blueprints. This facility space at the Contractor's site shall house the Lottery's secondary ICS computers and the space shall be used for backup Lottery Drawings. This space shall have access separate from other offices or operational areas that is only accessible by Authorized User(s). Lottery equipment that will be in this space includes, but not limited to; random number generator, Jump PC, three (3) ICS Servers, ICS network equipment, at least two (2) Lottery user consoles, desk, chair, telephone, etc. The Contractor shall

provide a minimum of two (2) telephone lines, electrical outlets and data jacks, optimal Heating, Ventilation and Air Conditioning (HVAC), and connection to the System on one (1) Contractor provided console, a dedicated non-refurbished printer, and replacements as determined by the Lottery. During the term of this Contract, the Contractor must provide service for additional Lottery equipment including, but not limited to, electrical outlets, data jacks, telephone jacks, etc. Badge access to this room shall be reported to the Office of Enforcement & Compliance as it occurs. (MMR)

6.1.3.1.d The Facility shall include a dedicated, enclosed space that is a minimum of two hundred and fifty (250) square feet, for the exclusive use of Lottery personnel. The Contractor shall collaborate with the Lottery to design the layout of this space, with the Lottery providing final approval of the blueprints. This space shall have access separate from other offices or operational areas that is only accessible by Authorized User(s). Lottery equipment that will be used in this space includes, but not limited to, two (2) Lottery user consoles, desk, chair, telephone, file cabinet, etc. The Contractor shall provide one (1) telephone line, electrical outlets and data jacks, optimal HVAC, and connection to the System on one (1) Contractor provided console, a dedicated non-refurbished printer, and replacements as determined by the Lottery. (MMR)

6.1.3.1.e The Facility shall include a dedicated, enclosed space that is a minimum of one hundred and fifty (150) square feet, for the exclusive use of Lottery personnel. The Contractor shall collaborate with the Lottery to design the layout of this space, with the Lottery providing final approval of the blueprints. This space shall have access separate from other offices or operational areas that is only accessible by Authorized User(s). Lottery equipment that will be used in this space includes, but not limited to, telco equipment, internet service, fiber, networking equipment, etc. The Contractor shall provide electrical outlets and data jacks, and optimal HVAC. (MMR)

6.1.3.1.f The Facility shall include space, separate from the space listed in 6.1.3.1.d, for Lottery Acceptance Testing or auditing activities with room for all supporting Retailer Terminals, management terminals, Peripherals, and Reports. (KBR)

6.1.3.1.g The Contractor shall provide all Lottery areas with access to a wireless guest network. (KBR)

6.1.3.1.h The Contractor shall provide lighting in all Lottery areas. (KBR)

6.1.3.1.i The Contractor shall provide accessible bathrooms in all Lottery areas. (KBR)

6.1.3.1.j All Lottery designated spaces shall include access to the uninterruptible power system. All locations and outlets connected to the uninterruptible power system shall be approved by the Lottery. (MMR)

> **THE FOLLOWING ITEM WILL BE SCORED.**
> **Provide a response to the following item.**
>
> **6.1.3.1.1** Describe the Proposer's methodology in obtaining a location and configuration of the proposed Local Data Center facility which meets the mandatory requirements.

6.1.3.2   Local Data Center Physical Security Controls

The Contractor shall implement security measures to prevent any interruption of operations caused by, but not limited to, acts such as unauthorized entry or activity at each site. The facility design shall comply with any applicable federal, State, and local fire and safety regulations, and multi-jurisdictional (currently MUSL) rules and Requirements. (MMR)

Lottery Gaming System

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS

6.1.3.2.a Emergency exit doors shall be equipped with alarms. (KBR)

6.1.3.2.b Access shall be granted only to Authorized Users. Controls shall be in place to prevent unauthorized persons from accessing the facility. (KBR)

6.1.3.2.c Locking devices shall be installed on all doors and entry points. All access doors shall be self-closing and self-locking (including doors which provide access to receiving and loading platforms). (KBR)

6.1.3.2.d An electronic access system shall be installed at all entrances to the computer room, tape file library, Retailer Terminal repair facility, and other secure areas. The Administrator shall approve the access list, for all individuals having access at any point to the local facility (Lottery and Contractor staff). This list shall be updated and provided monthly to the Lottery. Access logs shall be accessible to Enforcement & Compliance staff for audit purposes upon request. Access logs shall be kept for the Life of the Contract plus three (3) years. (KBR)

6.1.3.2.e All visitors shall be logged in and out of the facility and escorted while inside the facility. Visitor logs shall be available for review by Enforcement & Compliance staff upon request. Visitor logs shall be kept for the Life of the Contract plus one (1) year and made available to the Lottery in either a hard copy or unalterable readable electronic format. (KBR)

6.1.3.2.f The Contractor shall install access controls and intrusion detection devices at the facility that shall sound alarms at staffed locations both on and off premises. (KBR)

6.1.3.2.g The Contractor shall install and administer a digital video surveillance system with cameras to monitor and record activities at entrances, exits, computer rooms, and all other high security or sensitive areas within and around the Data Center facility, including the lottery's secondary ICS computer and the backup draw room. At its sole discretion, the Lottery reserves the right to designate where cameras shall be located for sufficient protection and how the video surveillance system and its data shall be administered. Monitors shall be located in designated security office spaces. The digital video surveillance system shall include equipment that records twenty-four (24) hours per Calendar Day, seven (7) Days per week. Activity shall be viewable in real time at the Lottery and shall be recorded in a reviewable format. All recorded security video shall be retained for at least ninety (90) Days and shall be available On Demand by the Lottery. The Contractor shall retain the video relating to any Incident until the Lottery permits destruction or reuse of the media. (MMR)

> **THE FOLLOWING ITEM(S) WILL BE SCORED.**
> **Provide responses to each of the following items.**
>
> **6.1.3.2.1** Describe what physical access and security controls and procedures will be in place at the Local Data Center and how those controls and procedures will be monitored.
>
> **6.1.3.2.2** Describe the schedule or criteria for changing locks and electronic access codes, and include in your response the process for changing locks and electronic access codes.
>
> **6.1.3.2.3** Describe how the facility will meet multi-jurisdictional (currently MUSL) rules and Requirements.
>
> **6.1.3.2.4** Describe if and how entrances would employ Multi-Factor Authentication.

Lottery Gaming System

6.1.3.2.5 Describe the format of the access logs referenced in 6.1.3.2.d and 6.1.3.2.e above and how they will be available and securely transmitted to the Lottery.

6.1.3.2.6 Describe how visitors will be admitted to, identified, and tracked within the facility.

6.1.3.3 Local Data Center Environmental Controls

The Facility shall be equipped with environmental controls to ensure the continuation of all operations, including but not limited to the following Lottery areas; Draw and ICS space, Enforcement and Compliance space, and Network Closet space. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
6.1.3.3.a Construction shall support fire safety as noted in National Fire Protection Association (NFPA) standards. Computer rooms and Lottery ICS room with mission critical equipment shall be separated from the other areas by non-combustible materials having at least a two (2) hours fire resistance rating. (KBR)

6.1.3.3.b Walls shall extend from structural floor to structural floor above, or roof, including all Lottery spaces. (KBR)

6.1.3.3.c Fire doors with a fire resistance rating at least equal to the wall in which the door is located shall be installed on all entrances to the computer room. (KBR)

6.1.3.3.d All penetrations through the computer room and Lottery ICS room, floor, wall, or ceiling shall be tightly sealed with material equivalent to existing floor, wall, or ceiling construction to prevent passage of heat, smoke, and water. (KBR)

6.1.3.3.e Fire and smoke dampers shall be provided in all ducts that pass through the computer room and Lottery ICS room, walls, floors, or ceilings. (KBR)

6.1.3.3.f An air conditioning system with temperature and humidity controls shall be installed for the computer room and Lottery ICS room. This system shall maintain an environment that meets original computer equipment manufacturer specifications. An air conditioning failure detection system connected to the primary alarm system shall be installed. (KBR)

6.1.3.3.g The automatic fire extinguisher system shall be interlocked to shut down the HVAC systems upon activation or shall compensate for loss of extinguishing agent through operation of the HVAC systems. (KBR)

6.1.3.3.h When triggered, the automatic fire extinguisher system shall be equipped with alarms that sound locally and at a constantly staffed location off the premises (e.g., a central station fire department or other location acceptable to the Lottery). If the alarm system becomes inoperable, a visible or audible indicator shall report that condition. The system shall also monitor extinguishing system valves to indicate tampering or unauthorized closing. The fire extinguisher system shall not use water in any room housing System servers and Lottery ICS room. (KBR)

THE FOLLOWING ITEM(S) WILL BE SCORED.
Provide responses to each of the following items.

6.1.3.3.1 Describe how the Data Center will be protected by water detection and automatic fire extinguisher systems. It is preferable that water detection systems be connected to the primary alarm system. Describe cabling and wiring management in the computer room.

6.1.3.3.2 Describe how the Lottery's ICS room will be protected by water detection and automatic fire extinguisher systems.

6.1.3.3.3 Describe other measures that will protect critical spaces beyond minimums stated in RFP and building codes (e.g., impermeable membranes, "room-within-a-room" construction, automatic identification to the Lottery of environmental condition alarms).

6.1.3.4 Local Data Center Electrical Power Protection

The Contractor shall install and maintain an uninterruptible power system in accordance with the manufacturer's specifications as to ensure the continuation of all operations of the System. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
6.1.3.4.a The uninterruptible power system shall comply with all applicable fire and safety codes, and multi-jurisdictional (currently MUSL) rules and Requirements. (KBR)

6.1.3.4.b All Lottery designated spaces shall include access to the uninterruptible power system. All locations and outlets connected to the uninterruptible power system shall be approved by the Lottery. (KBR)

THE FOLLOWING ITEM(S) WILL BE SCORED.
Provide responses to each of the following items.

6.1.3.4.1 Describe the capacity, operation, maintenance, and testing program of the uninterruptible power system that will be installed at the facility. Describe the uninterruptible power system's fault-tolerant features.

6.1.4 Backup Data Center Requirements

The Contractor shall provide a Backup Data Center facility. The Contractor shall be responsible for constructing or leasing space. The costs of detailed design and construction shall be the Contractor's responsibility. The Contractor shall be responsible for ongoing expenses. The final design and layout, including security controls and procedures of the site, shall be subject to approval by the Lottery. Any Cloud-based solution must meet the terms and conditions within Section 5.1.8 and under State law, (sec. 16.971(2)(a), Wis. Stats.). (MMR)

6.1.4.1 Backup Data Center Site Requirements

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
6.1.4.1.a The Backup Data Center shall be separated from the Local Data Center by at least one hundred (100) miles, to avoid interruptions from simultaneous impacts of shared fate scenarios, such as natural disasters, fiber isolation electromagnetic pulses, but shall be located within the continental United States. (MMR)

6.1.4.1.b The facility shall not be identified externally as supporting the Lottery (e.g., no external signage or public notices that reference the Wisconsin Lottery). (KBR)

6.1.4.1.c Public cloud services such as Amazon, Google, Microsoft shall not be used for CGS operations. (MMR)

THE FOLLOWING ITEM(S) WILL BE SCORED.
Provide a response to the following items.

6.1.4.1.1 Describe the location and configuration of the proposed Backup Data Center, including the following: Location address, facility owner(s), exterior photographs or representative drawings of the facility, and a proposed floor plan, if applicable.

6.1.4.1.2 Describe the Proposer's experience in providing a hot-site operation, similar to the solution proposed for Wisconsin, that the Proposer is operating for other NASPL lotteries (use a MUSL-member lottery).

6.1.4.2 Backup Data Center Physical Security Controls

The Contractor shall implement security measures to prevent any interruption of operations caused by, but not limited to, unauthorized entry or activity at each site. The facility design shall comply with any applicable federal, State, and local fire and safety regulations, and multi-jurisdictional (currently MUSL) rules and Requirements. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
6.1.4.2.a Access shall be granted only to Authorized Users. Controls shall be in place to prevent unauthorized persons from accessing the facility. (KBR)

6.1.4.2.b The facility shall be a physically secured space, compliant with multi-jurisdictional (currently MUSL) rules and Requirements, to be used exclusively to support the Wisconsin Lottery. The Backup Data Center May be in a shared-use facility with other data center operations, so long as security measures are in place. (KBR)

6.1.4.2.c Locking devices shall be installed on all doors and entry points. All access doors shall be self-closing and self-locking. (KBR)

6.1.4.2.d An electronic access system shall be installed at all entrances to the Backup Data Center. The Administrator shall approve the access list. Access logs shall be available to Enforcement & Compliance staff for audit purposes upon request. Access logs shall be kept for the Life of the Contract plus three (3) years. (KBR)

6.1.4.2.e All visitors shall be logged in and out of the Backup Data Center space and escorted while inside the space. Visitor logs shall be available for review by Enforcement & Compliance staff upon request. Visitor logs shall be kept for the Life of the Contract plus one (1) year and made available to the Lottery in either a hard copy or unalterable readable electronic format. (KBR)

6.1.4.2.f The Contractor shall install access controls and intrusion detection devices at the facility that shall sound alarms at staffed locations both on and off premises. (KBR)

6.1.4.2.g The Contractor shall install and administer a digital video surveillance system with cameras to monitor and record activities at entrances, exits, computer rooms, and all other high security or sensitive areas within and around the Backup Data Center facility. At its sole discretion, the Lottery reserves the right to designate where cameras shall be located for sufficient protection and how the video surveillance system and its data shall be administered. Monitors shall be located in designated security office spaces. The digital video surveillance system shall include equipment that records twenty-four (24) hours per Calendar Day, seven (7) Days per week. Activity shall be viewable in real time at the Lottery and shall be recorded in a reviewable format. All recorded security video shall be retained for at least ninety (90) Days and shall be available On Demand by the Lottery. The Contractor shall retain the video relating to any Incident until the Lottery permits destruction or reuse of the media. (MMR)

Lottery Gaming System

THE FOLLOWING ITEM(S) WILL BE SCORED.
Provide responses to each of the following items.

6.1.4.2.1 Describe what physical access and security controls and procedures will be in place at the Backup Data Center, and how those controls and procedures will be monitored.

6.1.4.2.2 Describe how the facility will meet the multi-jurisdictional (currently MUSL) rules and Requirements.

6.1.4.2.3 Describe the format of the access logs referenced in 6.1.4.2.d and 6.1.4.2.e above and how they will be available and securely transmitted to the Lottery.

6.1.4.3 Backup Data Center Environmental Controls

The facility shall be equipped with environmental controls to ensure the continuation of all operations. (MMR)

THE FOLLOWING ITEM WILL BE SCORED.
Provide a response to the following item.

6.1.4.3.1 Describe the environmental controls that will be implemented at the Backup Data Center. Address compliance with local codes, provision of fire and safety protection, provision of HVAC system, including Redundant measures, and inspection and monitoring of the controls during the Life of the Contract.

6.1.4.4 Backup Data Center Electrical Power Protection

The Contractor shall install and maintain an uninterruptible power system in accordance with the manufacturer's specifications as to ensure the continuation of all operations of the System. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
6.1.4.4.a The uninterruptible power system shall comply with all applicable fire and safety codes, and multi-jurisdictional (currently MUSL) rules and Requirements. (KBR)

THE FOLLOWING ITEM(S) WILL BE SCORED.
Provide responses to each of the following items.

6.1.4.4.1 Describe the capacity, maintenance, and operation of uninterruptible power systems that will serve the Backup Data Center. Describe the power system's fault-tolerant features.

6.1.5 Other Facilities

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
6.1.5.a The Contractor shall provide secure storage facility that will be used to store Contractor-supplied retailer equipment, computer hardware, media, and secure ticket stock. (KBR)

6.1.5.b All facilities shall be in compliance with any multi-jurisdictional (currently MUSL) rules and Requirements and shall be subject to Lottery approval. (KBR)

THE FOLLOWING ITEM(S) WILL BE SCORED.
Provide responses to each of the following items.

Lottery Gaming System

      6.1.5.1 Describe in detail any and all other facilities proposed in response to this RFP not previously disclosed. Include in the description the security features of these facilities.

6.2 Hardware

The Contractor shall certify that all proposed processing hardware, networking equipment, Retailer Terminals, Peripherals, diagnostic equipment, check printers, desktop equipment, etc., are new and unused. Equipment proposed must be compliant with current electronic technology manufacturing standards and be of current manufacture by the Contractor or the Contractor's suppliers. All hardware models and software versions installed at start-up must represent the then-current equivalent or better version, in case a proposed offering is phased out or superseded, or a proposed product has been upgraded to a new model at an equivalent or better price. If the equipment becomes obsolete and no can no longer perform the operations at the expected performance level, the equipment shall be upgraded or replaced. (MMR)

6.2.1 System Hardware at Each Data Center

The Contractor shall provide a System capable of handling the immediate and long-term needs of the Lottery. The following Requirements apply to both the Local and Backup Data Centers. The proposed equipment must be inspected for safety and approved by a testing laboratory approved by the Lottery, and all proposed equipment must be in compliance with FCC regulations suitable for devices of the types proposed. Alternatively, if the devices proposed are new models, and not yet inspected and/or certified, the Contractor must commit to providing a document showing FCC certification as of the Contract signing. (MMR)

      MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
      6.2.1.a The System shall continue operating without loss of data or System integrity should any single component fail. No performance degradation or loss of any System functionality shall occur with the failure of any single System component. (KBR)

      6.2.1.b System hardware shall be Duplexed (fault-tolerant) as required by the Lottery's or multi-jurisdictional (currently MUSL) rules and Requirements. (MMR)

      6.2.1.c System hardware shall be able to be repaired or upgraded without System interruption. (MMR)

      6.2.1.d There shall be no capability to connect (e.g., dial-in) to the System from any unauthorized device. (MMR)

      6.2.1.e Authorized remote access capability to the System shall employ security mechanisms (e.g., secure, dependable communications, message Encryption, and logging of sessions). Remote access shall be logged and reported within twenty-four (24) hours of access to Enforcement & Compliance staff for review and audit. The acceptability of any remote access security approach shall be subject to written approval by the Lottery. (MMR)

      6.2.1.f A system must monitor each piece of equipment within both Primary and Backup sites. This includes, but is not limited to transaction servers, data storage environments, administrative services, network devices such as routers, switches, firewalls, etc. (MMR)

      6.2.1.g The Contractor shall secure all components of the System against unauthorized access from outside data networks, including from the DOR data network. (KBR)

      6.2.1.h Disk subsystems for the System servers shall include redundancy functionally equivalent to a RAID 6 standard or better, whether or not a RAID solution is proposed. (KBR)

Lottery Gaming System

6.2.1.i All System equipment that cannot be repaired shall be replaced by the Contractor at no cost to the Lottery. (MMR)

6.2.1.j The Contractor shall provide uninterrupted operation of all components of the System. (MMR)

THE FOLLOWING ITEM(S) WILL BE SCORED.
Provide responses to each of the following items.

6.2.1.1 Describe the System hardware configuration that will be installed in the Data Centers. The description should include the hardware manufacturer, form factor product name, processor types and models, and the peripheral configuration, (CPU) (included and capacity), RAM (included amount and capacity) Ethernet ports, disk drive types and capacities, nearline and offline storage methods and capacities, unified data storage, blade server technology, online scalability of the system, printer types and speeds, etc. Include in your response an overview diagram, strategy, and functionality of the proposed System's design and experience for a NASPL customer. (Overview diagram will be excluded from page limit)

6.2.1.2 Describe the replacement schedule to keep System hardware up-to-date and operating throughout the Life of the Contract.

6.2.1.3 Describe how the Proposer will inform Lottery of equipment failures and repairs. Include in your response additional information provided to the Lottery on equipment failures and repairs.

6.2.1.4 Describe the operating system that will be installed on System servers, including third-party system software products and tools that will be used. Provide the patch management plan for software bugs and security vulnerabilities and describe how often this plan will be reported to the Lottery.

6.2.1.5 Describe the Proposer's experience with the proposed hardware and operating system. Identify a state or province where a system similar to that proposed is currently installed.

6.2.1.6 Describe how System servers initiate recovery from failure without operator intervention.

6.2.1.7 Explain differences in hardware, software, or configuration between the Local Data Center and the Backup Data Center, if any.

6.2.1.8 Describe security measures that will control and monitor activity on the System including, but not limited to, the following:

    a. Protective measures employed on routers such as access lists.

    b. Firewalls.

    c. Intrusion Detection Systems (IDS).

    d. Intrusion Prevention Systems (IPS).

    e. Security Information and Event Management (SIEM).

    f. Log aggregation techniques.

    g. Anti-malware measures.

Lottery Gaming System

  h. Practices to "harden" operating systems on servers and network devices.

  i. Network Access Controls (NAC).

  j. Network device hardening.

  k. Log-in and password controls.

  l. Network log management.

  m. Implementation of active and static encryption of data.

  n. Other active monitoring of System activity.

> Note: network security is addressed in Section 6.2.4.1 (Data Network Security), as well as in Section 6.6 (Security Plan).

6.2.2 System Performance Requirements

The System must be flexible and scalable, able to grow, and customized to suit the business needs and rules of the Lottery. Flexibility and adaptability are critical as the gaming environment can be expected to evolve over the course of the Contract. With the rapid pace of technology expansion, the environment may evolve, and the System shall also be flexible to allow new offerings as required. The transactions listed do not necessarily represent all the types of transactions which the System shall process. System Performance requirements apply to the active System irrespective of whether it is the Local or Backup Data Center. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
6.2.2.a The System shall meet the following System Performance standards:

1) A two-wager-or-less ticket transaction, in maximum of four (4) seconds.

2) A three-or-more-wager ticket transaction, in maximum of six (6) seconds.

3) A non-sale transaction, in a maximum of six (6) seconds.

4) A Report transaction, in a maximum of ten (10) seconds.

5) Fast Play progressive jackpots should be updated in near real-time (less than 1 second after purchase). (MMR)

6.2.2.b The System shall be capable of handling, at minimum, one hundred fifty thousand (150,000) sales transactions per minute. (MMR)

6.2.2.c The System shall be capable of processing, at minimum, fifteen thousand (15,000) non-sales transactions (e.g., validations) per minute. (MMR)

6.2.2.d System failover and critical components and functions shall be accomplished in no more than one (1) minute while still maintaining current sales transactions with zero data loss. (MMR)

6.2.2.e Test environment recovery shall be accomplished in no more than ninety (90) minutes with zero data loss. (MMR)

6.2.2.f The System shall time stamp transactions to one hundredth (1/100) of a second on all incoming and outgoing transactions to document the elapsed time in the computer and monitor performance. The Contractor shall be able to produce diagnostics to prove the validity of the time stamp. (MMR)

6.2.2.g Within the Claims and Payment component, the System shall support a minimum of one hundred (100) tickets per Claim. (MMR)

THE FOLLOWING ITEM(S) WILL BE SCORED.
Provide responses to each of the following items.

6.2.2.1 Describe the Proposer's experience with a state or province similar to the Wisconsin Lottery where a system that meets or exceeds the stated System performance standards is currently installed and how it's being utilized.

6.2.2.2 Describe how System Performance will be demonstrated to the Lottery during Acceptance Testing, including how any third-party vendors, simulators, monitoring tools, and validators will be used.

6.2.2.3 Describe how System Performance will be measured, monitored, and reported to the Lottery throughout the Life of the Contract. Provide examples of Reports generated by the System. (Report examples will be excluded from the page limit.)

6.2.2.4 Identify the maximum number of transactions that can be processed by the System while maintaining System Performance.

6.2.2.5 Identify the maximum number of Retailer Terminals that can be connected to the System while maintaining System Performance. Describe the changes that would be needed to scale the System beyond the initial configuration.

6.2.2.6 Describe how long (in seconds) the System will take to respond to validation, Pack activation, and Report requests.

6.2.2.7 Describe how long (in seconds) the System will take to begin the processing of all requests from Lottery user computers (e.g., Report requests, queries, file transfers, user interface field entry, claims, retailer adjustments).

6.2.3 Test System Hardware

6.2.3.0.1 Three (3) user Acceptance Testing environments shall be available at the Local Data Center or at a location approved by the Lottery for performing Acceptance Testing with full operational support provided by the Contractor. These environments May be virtual or physical but must meet the requirements of the Lottery. The user Acceptance testing environments are for the sole use of the Lottery. The latest technological advantages may be used to support the test environment(s) as long as the environment logically remains the same as Production. (MMR)

6.2.3.0.2 At least three (3) of each type of Retailer Terminal configuration (with all Peripherals deployed) including any and all communications mechanisms must be permanently installed at the Lottery designated acceptance testing area. (MMR)

6.2.3.0.3 At least two (2), as determined by Lottery, of each type of Retailer Terminal configuration, including Peripherals, must be permanently installed at Lottery headquarters, available for Production verification solely by Lottery users, as determined by Lottery. (MMR)

6.2.3.0.4 At no time shall Contractors be permitted to use the environment(s) for their purposes. At times, the Lottery may require the installation of more terminals for specialized tests. The testing terminals must support testing of all features and options available on the production System, thus the test terminals must

be configured in all logical configurations (e.g., retailer, privileged retailer) with all Peripherals that represent configurations at Retailer locations. (MMR)

6.2.3.0.5 The Contractor must provide and support connectivity for at least two (2) management terminals and a claims printer for testing. The management terminals (personal computers) must be supplied by the Contractor as part of the test system. (MMR)

> **MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS**
> **6.2.3.a** The test system shall be functionally identical to the production System and able to process, at the same performance level, all types of transactions and functions that are available at the time in the production environment using the same version of operating system as the Primary Data Center. (MMR)
>
> **6.2.3.b** The test system shall have the capability to clear all data prior to the start of testing new software or modification of existing software to provide a clean test environment. (KBR)
>
> **6.2.3.c** The test system shall be available for testing new gaming software or modifications to existing software at any time. (KBR)
>
> **6.2.3.d** There shall be no capability to connect (e.g., dial-in) to the test system from any unauthorized device, including personal devices. (KBR)
>
> **6.2.3.e** Authorized access capability to the test system shall employ security mechanisms such as but not limited to VPN or other equivalent secure, encrypted methods, alert notifications, and logging of sessions. Secure access shall be logged and reported within twenty-four (24) hours of access to Enforcement & Compliance staff for review and audit. The acceptability of any Remote Access Security Approach shall be subject to written approval by the Lottery. (KBR)
>
> **6.2.3.f** The test system shall have the ability to readily provide and retain at least three (3) different test System environments (virtual or physical), so that multiple software modifications may be tested within the same Day. Each environment must function with any of the test retailer equipment at the Lottery. (KBR)
>
> **6.2.3.g** The test system shall be accessed by Contractor through production-level security controls and processes that are approved by the Lottery. (MMR)
>
> **6.2.3.h** Reports and tickets in the Test environment must appear identical to Production. Reports and tickets shall be generated in the Test environment at any time without vendor notification. (MMR)
>
> **6.2.3.i** Retail terminals used for testing shall contain the functionality to turn off sound. (KBR)
>
> **THE FOLLOWING ITEM(S) WILL BE SCORED.**
> **Provide responses to each of the following items.**
>
> **6.2.3.1** Describe the configuration and capacity of the test system to be installed. The configuration description for the computer hardware and printer should include the hardware manufacturer, processor types and models, and the peripheral configuration (disk drive types and capacities, virtual environments and unified storage capabilities, printer types and speeds, etc.).

6.2.3.2 Describe the operating system software that will be installed on the test system. Provide the patch management plan for software bugs and security vulnerabilities, including the communications plan.

6.2.3.3 Describe how the test system will readily alternate between test environments (e.g., virtual machines, separate systems). Describe if and how multiple test environments will be provided simultaneously.

6.2.4 Data Network

This section outlines the various connections that are made from the Data Centers to Lottery workstations, the Retail Telecommunications Network, Enterprise network, Lottery website and the Internal Control System.

6.2.4.0.1 The Contractor is responsible for the telecommunications network to serve the Lottery, including but not limited to network cost and network management functions. The Contractor is responsible for designing, implementing, operating, and monitoring the network in compliance with the RFP specifications including the responsibility for network management, monitoring, and reporting. The Contractor must supply firewalls, Intrusion Protection System (IPS), and a Private Wireless Network Solution. The Contractor shall provide the interfaces to all Lottery downstream systems and applications as specified by the Lottery. (MMR)

6.2.4.0.2 The Contractor shall provide a communications network design which allows for maximum flexibility, growth, traffic throughput, sales, cost effectiveness, and security. The Contractor must propose a communication network solution that meets the Lottery's requirements. The entire network must meet a set of general requirements with additional requirements for the RTN. (MMR)

6.2.4.1 Data Network Security

There must be no capacity to connect into CGS from a remote non-Retailer Terminal without Lottery approval. Any such capability, such as for remote monitoring, or diagnosis of equipment or software, must employ stringent security mechanisms. Connections to other remote systems and terminals must be protected by firewalls, encryption, and/or other means. Any routers must route traffic only to addresses defined in their routing tables as valid. The acceptability of any such security approach will be subject to Lottery approval.

The Contractor shall follow secure data networking practices for all communications between Retailer Terminals, Lottery facilities, Data Centers, and the Internal Control System. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
6.2.4.1.a Data communications external to secured facilities shall be encrypted from point of transmission to point of receipt, including any data transmitted directly from the System to the Backup Data Center, to Lottery regional offices, and other remote locations. Encrypted information shall include but is not limited to Game transactions, Plays, validations, security codes, PII, banking and other sensitive information, Reports, and downloaded software. The encryption mechanism must meet WLA, MUSL, ISO /IEC 27001, ISO/IEC 27002, and NIST standards. Commercially available Encryption mechanisms are acceptable if approved by the Lottery. (MMR)

6.2.4.1.b Any connection made between the System and any other systems or networks that are not private or dedicated to Lottery transaction processing (e.g., the Lottery LAN), shall be affected through

devices that detect and block or filter out unnecessary and unauthorized traffic. Traffic shall be supported only from authorized nodes. Software transfers shall be secured. (MMR)

6.2.4.1.c All systems and users requiring access to the network devices used in supporting System operations require prior written approval by the Lottery. Network devices shall support controls and procedures that allow the Lottery to audit network device access. (KBR)

6.2.4.1.d All networks related to System operations shall be designed using the principle of least privilege. Network access controls shall be used to allow only the network services needed by specific hosts or networks to be routed. Unnecessary administrative protocols shall be unavailable. (KBR)

6.2.4.1.e The network shall provide redundancy and diversity to virtually eliminate a single failure removing service from critical infrastructure or a large percentage of the retailer network. (KBR)

6.2.4.1.f The network must provide connectivity for games management. This includes connections from the Contractor's primary and backup data centers to the Lottery for access to the games management application and ICS. (KBR)

6.2.4.1.g The entire data communications network must be routable On Demand between the BDC, PDC, and all ICS servers. This feature should allow the System to be primary at one site while having the communications controlled at the other. (MMR)

6.2.4.1.h Communications testing and monitoring capability must be available for all Retailer locations. Network monitoring tools must be able to interface and analyze protocols, view transaction data for analysis, and create visual and/or audible alarms to provide warning of problems. These alarms shall be robust enough to deliver messages over multiple mediums such as email, SMS, or applications such as Teams or others. Monitoring must be able to identify and log failure location and provide the ability to access this information remotely through a web browser On Demand. Communications testing and monitoring equipment must have recording and recall/reporting capability. The capability must be included to determine whether failure has occurred in the equipment at the PDC or BDC, within the wide area communications network, or at the Retailer Terminal level. (KBR)

6.2.4.1.i Transactions must be logged at the PDC and BDC on a real-time basis. The Contractor must provide a transaction balancer for control and dataflow. (KBR)

> **THE FOLLOWING ITEM(S) WILL BE SCORED.**
> **Provide responses to each of the following items.**
>
> **6.2.4.1.1** Describe the overall network solutions to support the Lottery's current and future connectivity.
>
> **6.2.4.1.2** Discuss network security risks and the proposed approach to mitigate these risks.
>
> **6.2.4.1.3** Describe the process for monitoring network components and outages within the entire network. Describe the alerts and notifications of outages and how this will be communicated to the Lottery by the Proposer.
>
> **6.2.4.1.4** Discuss mitigation approach regarding single points of failure, major points of failure afflicting a large portion of the network, and bottlenecks.

Lottery Gaming System

6.2.4.1.5 Describe solutions to eliminate network connection vulnerabilities, including but not limited to unauthorized access, malware, denial of service attacks, and similar security threats.

6.2.4.2 Connectivity to Lottery User Computers and Printer Hardware

6.2.4.2.0.1 The Contractor shall provide all necessary communications equipment and connections to link the System with the Lottery's local area network (LAN) and user computers within Lottery's facilities. Within those facilities, unless as required elsewhere in this RFP, the Lottery will provide user computers and printers that shall be connected to the System and used primarily by Lottery staff for Retailer contracting and accounting, Lottery management and analysis, claims processing (currently Madison, Milwaukee, and a mobile Redemption Center), drawings, instant ticket distribution, inventory claims processing, drawings, and other related processing. In addition, Lottery staff will use these computers on the Lottery's LAN and the State's wide area network (WAN). These Requirements also apply to any user computers at third-party facilities, as directed by the Lottery. (MMR)

The Lottery and DOR will provide the following protections:

1) Lottery-owned and managed user computers and printers which can access the System are on the Lottery LAN separated from the rest of DOR by a State-owned-and-managed firewall. The firewall is configured to permit Lottery LAN users to access State services such as email, File services, and printing, and to connect to gaming Contractor-supplied routers that connect to the System, but to prevent computers not on the Lottery LAN from otherwise connecting to devices on the Lottery LAN, including System connections.

2) Physical and virtual connections to the Lottery LAN are only available in a space dedicated to Lottery and protected by access controls meeting multi-jurisdictional (currently MUSL) rules and Requirements. This space is currently contained within the Department of Revenue building and Lottery office space at the Lottery warehouse. New connections May be added to the network as required at Lottery's discretion.

3) Lottery laptops are also allowed access to a secure, encrypted network (e.g., VPN or zero-trust network) configured with the same access as described in the above first bullet.

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
6.2.4.2.a The System shall be kept compatible with the Lottery owned computers, printers, and LAN throughout the Life of the Contract. The System shall interface with the Lottery's Microsoft Windows 2022 or newer servers including:

1) Windows 11.

2) 1000mb/sec Ethernet network. (MMR)

6.2.4.2.b The Contractor shall be responsible for any future upgrades to the System to maintain compatibility with the Lottery's LAN at the Lottery's discretion. (MMR)

6.2.4.2.c The Contractor shall provide secure connections to the Lottery's facilities to perform validations. (MMR)

6.2.4.2.d User computers shall be able to access the System without degrading System Performance regardless of System of record, PDC, or BDC. (MMR)

6.2.4.2.e The System shall be protected against unauthorized use from the Lottery LAN per multi-jurisdictional (currently MUSL) rules and Requirements. (MMR)

6.2.4.2.f The Contractor shall supply a direct connection to the System at the Lottery's Redemption Centers for dedicated user computers, printers, and networking hardware to perform check writing, and other management functions. This hardware, including hardware at third-party facilities, shall be on the Lottery network. (MMR)

6.2.4.2.g The Contractor must provide the necessary network to support testing environments for the Contractor and the Lottery. Connectivity must include System, Retailer Terminals, Redemption Centers (including Milwaukee) and ICS. The Contractor's production, test systems, and administrative LAN/WAN shall be independent of each other. The testing environment provided for the Lottery must include every type of communications mechanism planned for or deployed in the field and provide sufficient connections for every type of Retailer Terminal and Peripheral. (KBR)

6.2.4.2.h The Network must use a single-sign-on process to allow access to the environment. (MMR)

6.2.4.2.i The Contractor must keep pace with evolving changes to web browsers to ensure the System always operates with the latest web browser technology to prevent security issues and maintain expected System performance. (MMR)

> **THE FOLLOWING ITEM(S) WILL BE SCORED.**
> **Provide responses to each of the following items.**
>
> **6.2.4.2.1** Certain Redemption Centers, including the Milwaukee Redemption Center, are comprised of DOR employees but not part of the Lottery division. Describe how the equipment and communications protocol that will be used to connect the System with the computers on the Lottery's network ensures only access to specific areas of the Lottery services. Discuss any security risks associated with this connection and the proposed approach to mitigate these risks.
>
> **6.2.4.2.2** Describe the measures and design features that will ensure reporting and other back-office functions do not affect System Performance.

6.2.4.3   Retail Telecommunications Network Requirements

The Contractor shall provide the Retail Telecommunications Network (RTN) which includes as all systems, devices, and services to provide and support reliable and secure connectivity between Retailer Terminals, Peripherals, and equipment, including Lottery Redemption Center validation terminals and check-writers, and the Data Centers. A map of the State showing the number of Retailers by county is shown in Appendix 2 (Retailers by Counties). Outages may lead to Liquidated Damages as described in Section 5.2 - Liquidated Damages. (MMR)

> **MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS**
> **6.2.4.3.a** The RTN shall be designed to be Redundant, with monitoring and security features to minimize the possibility of a disruption that could impact System availability and integrity. Transaction integrity shall be assured in the design. (MMR)
>
> **6.2.4.3.b** The Contractor shall be accountable for the network performance and availability and shall be responsible for the resolution of outages. It is the responsibility and at the cost of the Contractor to provide a) data connection to a Retailer located anywhere in Wisconsin which meets or exceeds required System Performance. If a Retailer connection is deemed unsatisfactory, the Contractor will have two (2) weeks to rectify the performance. (MMR)

Lottery Gaming System

6.2.4.3.c The RTN must achieve a minimum monthly availability performance of ninety nine-point eight percent (99.8%). This metric is to be calculated over the entire Retailer network over a one (1) month period. This equates to an average downtime of eighty-four point six (84.6) minutes per month. (MMR)

6.2.4.3.d The RTN shall provide for the growth and development of the Retailer Terminal population over the Life of the Contract, at the Lottery's request and at no additional cost to the Lottery. (KBR)

6.2.4.3.e The RTN shall support any increased communication volume caused by any growth of activity or additional communication caused by a new type of Game, with no degradation of System Performance. (MMR)

6.2.4.3.f Unauthorized traffic shall not reach any Retailer Terminal, Lottery validation terminal, or check-writer. (MMR)

6.2.4.3.g Connections from Backup Data Center to RTN shall be provisioned to cause no loss of performance, responsiveness, or availability of the System regardless of which Data Center is acting as PDC. (MMR)

6.2.4.3.h RTN geofencing shall ensure Retailer Terminals cannot sell lottery tickets from a physical location other than the location authorized by the Lottery under the Retailer license agreement. Geofencing alerts shall be logged and acted upon by the Contractor, including notifying the Office of Enforcement & Compliance of the breach. (KBR)

6.2.4.3.i The RTN must allow Lottery initiated monitoring through the Contractor provided solution. (MMR)

6.2.4.3.j The Contractor must provide connectivity for Retailer Terminals, SSTs, and other retail devices that require communications with the Contractor's CGS using industry standards approved by the Lottery, including but not limited to inside wiring and other communications medium. The network connections must be maintained or reestablished if the Retailer adjusts the in-store design. (MMR)

6.2.4.3.k Incomplete or unresolved transactions between the CGS and the Retailer Terminals, including SST's, must have automated mechanisms for reconciliation. These May include retries, logging for reporting, and error messages to the Retailer, System operators, and Lottery. (MMR)

6.2.4.3.l The System shall provide logging and reporting on all Retailer Terminals that have not responded over a specified period, excluding seasonal Retailers' off season. The time is to be proposed by the Contractor and approved by the Lottery. Nonresponding/failing terminals will be apparent to a network monitoring application and reporting available for Lottery review On Demand. (KBR)

6.2.4.3.m The RTN shall provide a diverse, dual communication solution. 4G is currently in use due to bandwidth restrictions and stability. The Lottery requires the flexibility to adapt to 5G or later technology as it becomes more reliable at no additional cost to the Lottery. (MMR)

> **THE FOLLOWING ITEM(S) WILL BE SCORED.**
> **Provide responses to each of the following items.**

> **6.2.4.3.1** Provide a description of the equipment plan, including the network design, for the RTN.

Lottery Gaming System

6.2.4.3.2 Describe and provide diagrams to indicate how the RTN is assembled, including identification of the network equipment to be used between the Lottery sites, Retailer Terminals, Lottery Redemption Centers, special events van and trailer, and the System.

6.2.4.3.3 Describe how each component or service that supports multiple Retailer sites is configured to reduce or eliminate the impact of a single component failure, including the following:

1) Identify how the network is Redundant in the design.

2) Identify and discuss any single points of failure in the design.

6.2.4.3.4 Describe security measures of the RTN that ensure only appropriate traffic flows between Retailer Terminals, Lottery Redemption Centers, and the System (e.g., with wired technologies, describe security of facilities; with wireless technologies, describe security measures used including Encryption or spread spectrum).

6.2.4.3.5 Describe how the proposed communications equipment and support services are designed to maintain full performance and reliability in Wisconsin's climate (e.g., extremes of cold and heat, dry snow, wet snow, deep snow, sleet, rain, freezing rain, high winds, and hail).

6.2.4.3.6 Describe the ability of the RTN to accommodate the placement of temporary additional Retailer Terminals. Include the turnaround time required for placement and any special considerations that May preclude the ability to place at any given location.

6.2.4.3.7 Describe the Proposer's experience in implementation, installation, and operation of lottery retail telecommunications networks in other jurisdictions of similar size and climate. Provide the number of retailer terminals currently operating with the proposed technology and provide network downtime statistics from at least one (1) lottery network or comparable industry network currently using the technology.

6.2.4.3.8 Describe the communication solution, power requirements, components, and where best to install in the retailer environment. Include a description of outdoor equipment, if applicable. Note, any solution proposed shall be deployed at Proposer's expense.

6.2.4.3.9 Describe how the RTN physical location factors into Transaction processing to mitigate against retailers physically relocating the equipment to another site.

6.2.4.3.10 Describe the standards used for wiring Retailer Terminals and Peripherals.

6.2.4.3.11 Provide information on any additional security measures specific to the RTN that have not been addressed elsewhere.

6.2.4.3.12 Describe the solution to provide for the Lottery special events and mobile Redemption Center, including timelines, how much notice is needed for any set up to occur and continuous support.

6.2.4.4 Internal Control System Data Transmission

The System shall transmit all data to each of the Internal Control System (ICS) computers on dedicated communication links, owned and managed by Lottery. The Contractor shall be responsible for all costs associated with the network equipment between the Data Centers and all ICS computers. The ICS will be

provided by a third party chosen by the Lottery in a separate procurement process. The Contractor shall coordinate any testing with the ICS contractor. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS

6.2.4.4.a All data processed by the System shall be transmitted to each of the ICS computers on a secure dedicated communication link in as close to real time as possible. (MMR)

6.2.4.4.b The System shall provide a mechanism to monitor and alert the Lottery and the Contractor if a failure occurs in the data transmission process. (KBR)

6.2.4.4.c The Contractor shall apply required controls and interfaces that allow the ICS to perform all intended functions in a secure manner as determined by the Lottery. (MMR)

THE FOLLOWING ITEM(S) WILL BE SCORED.

Provide responses to each of the following items.

6.2.4.4.1 Describe alternate means that will be used to provide data to the ICS computers and the procedures and time necessary to balance sales and winners, in the event data transmission to the ICS is disrupted or not functioning. Describe how the Lottery can balance in the event of the failure to balance.

6.2.4.4.2 Describe the capabilities available to correct ICS data transmission failures. Include the process of alerting Lottery, details of monitoring for data transmission failures, timeliness of identifying and resolving these failures, and the process of mitigating these issues when multiple contractors are involved (such as ICS contractor).

6.2.4.5 Data Network Monitoring and Fault Resolution

The System shall monitor the data network, detect current operating characteristics, detect faults, and alert appropriate Contractor's staff and Lottery. System capabilities shall include but are not limited to network monitoring of network protocols, Games, call center, and Lottery initiated network, and the logging of network events. (MMR)

6.2.4.5.a Communications test and monitoring capability must be available at both the PDC and BDC, as well as to selected Lottery staff. Network monitoring tools must be able to interface and analyze protocols, view transaction data for analysis, and create visual and/or audible alarms to provide warning of problems sounding at the console. These alarms shall be robust enough to deliver messages over multiple mediums such as email, SMS, or applications such as Teams or others. The capability must be included to identify where the failure has occurred along with the ability to access this information remotely through a web browser. The capability must be included to determine whether a failure has occurred in the equipment at the PDC or BDC, within the communications network, or at the Retailer Terminal level. (KBR)

6.2.4.5.b Communications test and monitor equipment must have recording, recall, and reporting capabilities. The standards for the types of events recorded, sensitivity levels, and the period of retention will be developed jointly with the Lottery. (KBR)

6.2.4.5.c Network monitoring tools and networked devices provided by the Contractor are required to employ a standard protocol to facilitate monitoring all along the communications path, and to extend this capability to new network devices, readily, should they be introduced. (KBR)

6.2.4.5.d The CGS shall include real-time monitoring of transaction traffic and System utilization. Outputs shall include a graphical form. (KBR).

6.2.4.5.e Lottery must have the capability of viewing Retailer Terminal status to determine if a Terminal is down, if a Retailer is signed on, and other relevant diagnostic information, including but not limited to reason codes for network faults. (KBR)

6.2.4.5.f The Contractor's network monitoring solution must allow the Lottery to monitor the network using a management workstation software application, or with specialized workstation(s) as supplied by the Contractor. Lottery initiated network monitoring includes but is not limited to data network status information, unauthorized access attempts, and manipulation of the System's components. (KBR)

6.2.5   Other System Interfaces

The Contractor shall securely interface to all systems identified by the Lottery, including but not limited to; with other Lottery facilities, the State's financial accounting system (STAR), US Bank, Data Warehouse, various State agency computer systems, the Lottery's public-facing website, and other vendors' systems. (e.g., CRM, ICS, MUSL, etc.). (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
6.2.5.a The Contractor shall, in a secure manner, electronically transmit accounting data for Lottery transactions to the Department of Administration (DOA) for input to the statewide accounting system, currently STAR. (MMR)

6.2.5.b The Contractor shall, in a secure manner, electronically transmit player and Retailer payment data for Lottery transactions to the DOA for input to the statewide accounting system, currently STAR, and to the State's bank, currently US Bank, ensuring any prenote verification is completed prior to any payments (including bank account changes) being made and to other vendors as directed by the Lottery. (MMR)

6.2.5.c The Contractor shall securely interface with computer systems at other State agencies, as directed by the Lottery (e.g., Department of Workforce Development for application verifications, DOR for delinquent tax verifications, the Department of Justice for background checks, and the DOR for Lottery internal CaseLog program updates). (MMR)

6.2.5.d The Contractor shall securely interface with the Lottery's public-facing website, mobile app, jackpot signs, and other sales devices and Peripheral displays in near real time as directed by the Lottery (e.g., the Fast Play progressive jackpot displayed on the Lottery website uses data from the CGS). (MMR)

6.2.5.e The Contractor shall, in a secure manner, electronically transmit all required data to MUSL based on MUSL Rule 2. (MMR)

6.2.5.f The System shall automatically put Retailer compliance checks as defined by the Lottery in pending status four (4) months prior to Retailer contract expiration and retrigger compliance checks. (KBR)

THE FOLLOWING ITEM WILL BE SCORED.
Provide a response to the following item.

6.2.5.1 Describe the Proposer's experience interfacing with other lottery facilities, public-facing websites, financial accounting systems, banking, various state agency computer systems, and other vendors' systems. Also include the frequency of interfacing information, receiving/updating information, how the System can track and maintain results received with dates/search history.

6.2.5.2 Describe the Proposer's experience and recommendations for pre-noting any bank changes or new accounts set up. How are results and potential corrections handled? Include process outline for banking changes initiated at the bank level and sent to the Lottery/DOA.

6.2.5.3 Describe the Proposer's ability to provide multi-state jackpot data, in-state jackpot data, and progressive jackpot data to Lottery users, and how jackpot data will feed to the Lottery website, sales devices, and Peripheral displays in near real-time. Proposer shall specifically detail any time delays or lags in providing the data to Lottery users and the retail network.

6.2.5.4 Describe in detail the manual process to transmit data to MUSL when the automated functionality is not available.

6.2.5.5 Describe options for real-time transaction processing (rather than waiting overnight), including how the System would work with the state's bank, currently US Bank, for real-time processing of transactions.

6.2.5.6 Describe how and what the System can view and track for Retailer compliance history.

6.2.6   Retailer Terminal Hardware

The Contractor shall provide, deliver, install, maintain, and remove Retailer Terminal (include SSVT unless otherwise excluded) hardware and equipment as directed by the Lottery. This includes any Retailer Terminal hardware and equipment needed at Lottery special events, such as for the Lottery events trailer at the Wisconsin State Fair, concert venues, local festivals, etc. The Contractor is also responsible for training the Retailers staff on how to operate the retail equipment, both in-person and online. (MMR)

6.2.6.1   General Retailer Terminal Requirements

The Contractor shall provide Retailer Terminal hardware and equipment. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
6.2.6.1.a The Contractor shall provide a minimum of three thousand eight hundred (3,800) full-service, highest performance terminals chosen by the Lottery (excluding SSTs). The Contractor shall provide at least three (3) Redemption Center Terminals, and a Lottery defined number of training terminals. Any additional equipment added to these minimums during the Life of the Contract shall be added at the Lottery's sole discretion in accordance with Section 5.1.66 (Upgrading Hardware/Software/Telecommunications Equipment). (MMR)

6.2.6.1.b The Contractor shall provide service and supplies for all Retailer Terminals, including technical hotline support, with responsiveness equal to that provided for terminals in Section 6.4.8 (Non-Network Retailer Hardware Support), and Section 6.4.9 (Technical Hotline Support). (KBR)

6.2.6.1.c The Contract shall supply all Retailer Terminal components and Peripherals listed in section 6.2.6 (Retailer Terminal Hardware), Section 6.2.7 (Self-service Vending Terminals), and Section 6.2.8 (Retailer Terminal Peripherals) unless defined elsewhere. (MMR)

Lottery Gaming System

6.2.6.1.d Contractor shall maintain facades, player-facing decals, skins, paint, and proper logos on the all Retailer Terminals, Retailer Terminal Peripherals, and other System equipment in a timely manner as defined by the Lottery, which includes replacing (and scheduling of replacements) any facades, decals, skins, paint, or logos that are outdated (new Lottery logos available) or that have been damaged or faded due to wear and tear as determined by the Lottery. (MMR)

THE FOLLOWING ITEM WILL BE SCORED.
Provide a response to the following item.

6.2.6.1.1 Provide a plan for distribution and installation of all Retailer Terminals and Peripherals. Include a projected timeline for the initial Retailer Terminal rollout, where the Retailer Terminal rollout period includes clean-up activities such as revisiting sites to move terminals to their final location and install deferred peripherals during the initial terminal rollout.

6.2.6.1.2 Describe the Terminals the Proposer will provide to meet the 6.2.6.1.a. Response to include functions, features, dimensions, and pictures.

6.2.6.1.3 Describe other terminals that the Proposer can provide in addition to the terminals described in this section at a cost to be negotiated.

6.2.6.1.4 Discuss the plan for providing training to Retailers during the conversion period. Discuss the plan to provide user guides to each retailer to allow training to continue after the conversion is complete.

6.2.6.1.5 Describe the capability, capacity, and plans for producing (through current inventory, manufacturing, purchasing, or modification) the Retailer Terminals proposed to meet or exceed the Requirements of the RFP. The availability of additional manufacturing plants and secondary sources shall be addressed.

6.2.6.2   Retail Terminal Security

Retailer Terminals shall exhibit a high degree of security since they are a device in a location with public access. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
6.2.6.2.a The terminal cabinet shall be secure and resistant to disassembly except by an authorized service technician. (KBR)

6.2.6.2.b Terminal data communications shall be compliant with all security Requirements related to Encryption and hardware authentication accepted as operating principles by the Lottery or required by any multi-jurisdictional (currently MUSL) associations. (MMR)

6.2.6.2.c The Contractor shall ensure that terminal operating systems are not vulnerable to unauthorized access. (KBR)

6.2.6.2.d The Contractor shall report Retailer Terminal operating system security vulnerabilities to the Lottery upon discovery, including when and how the vulnerability will be patched. (KBR)

THE FOLLOWING ITEM(S) WILL BE SCORED.
Provide responses to each of the following items.

6.2.6.2.1 For Retailer Terminals utilizing embedded operating systems, describe how the Proposer will ensure security of this component including, but not limited to, operating system hardening processes, when and how patches are applied to address critical security vulnerabilities, and identification of other software or controls used to protect the device. All updates are subject to Lottery approval.

6.2.6.2.2 Describe what TCP/UDP logical ports are open on the terminal and what application layer protocols are accepted.

6.2.6.2.3 Describe how unauthorized equipment will be prevented from connecting to the System through wired or wireless access, physical/non-physical ports on the terminal (e.g., unauthorized thumb drives or USB devices plugging into a USB port) or other methods.

6.2.6.2.4 Describe any other terminal security components and controls that will be implemented.

6.2.6.3 Terminal Hardware in General

Terminal hardware shall be new and unused. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
6.2.6.3.a Excluding a serial number for maintenance, a permanent inventory tag, or Lottery branded content, no Contractor's logo or identification shall be attached or affixed to the exterior of any part of the terminal. (KBR)

6.2.6.3.b The Terminal shall be able to emit musical sounds, audible tones, recorded messages, and alarms. (KBR)

6.2.6.3.c The Terminal shall use a grounded (three-pronged plug) electrical power cord of at least ten (10) feet in length. It shall also use standard electrical circuits (i.e., 110 volts, 60hz). Contractor shall offer various power cord lengths to meet various Retailer requirements. Note, the various cord lengths will be at the expense of the Contractor. (KBR)

6.2.6.3.d The Terminal shall have memory to support all functionality including any Peripherals connected to or otherwise communicating with the terminal and not impact System Performance. Memory shall be upgradeable. It shall have the processing power to support transaction processing for existing and future Games, including Game-specific graphics and logos. (MMR)

6.2.6.3.e The Contractor shall upgrade the Terminal's memory capacity and processing speed if the Lottery or the Contractor determines it is needed, at no cost to the Lottery. (MMR)

6.2.6.3.f The Terminal shall have the ability to support keyless validation of all existing and future Lottery Games. (MMR)

6.2.6.3.g The Terminal shall be able to store, upload, and play videos including but not limiting to for equipment training, product education, or any other purpose as deemed by the Lottery. Uploading and storing videos will not impact System performance. (MMR)

6.2.6.3.h Wires running to and from Lottery equipment, including all Peripherals, will be labeled with component or Peripheral type and that it is identified as wiring for Lottery equipment. (MMR)

Lottery Gaming System

6.2.6.3.i The Contractor shall use permanent inventory tags on all installed hardware and components, including but not limited to equipment, wires, Peripherals, and monitors. The inventory tags shall be logged by the Contractor, and provided to the Lottery, so that Retailers can use the tag number to reference the equipment when contacting the Contractor or Lottery. (MMR)

6.2.6.3.j The Contractor is responsible for all damages due to retail environment conditions. (KBR)

6.2.6.3.k The Contractor is responsible for repairing any Retailer equipment, Terminals, and Peripherals that are faded, ripped, cracked or other visual defects impacting the appearance at no additional cost to the Lottery. (MMR)

6.2.6.3.l All Terminal equipment, Peripherals and parts that cannot be repaired shall be replaced by the Contractor at no cost to the Lottery. (MMR)

6.2.6.3.m The Retailer Terminals, excluding SSTs, shall have at a minimum, three (3) initially unoccupied slots/ports after all Peripherals are connected. (KBR)

> **THE FOLLOWING ITEM(S) WILL BE SCORED.**
> **Provide responses to each of the following items.**
>
> **6.2.6.3.1** Describe how the Terminal cabinets, excluding SST, can be customized such as but not limited to the available colors or stickers from which the Lottery can select. Include examples from other NASPL lotteries.
>
> **6.2.6.3.2** Describe how long, in hours, the Terminal will retain its current software load and any downloads in the event of a power outage.
>
> **6.2.6.3.3** Describe type and quantity of any initially unoccupied external slots/ports for other Peripherals that will be available on each Terminal.
>
> **6.2.6.3.4** Describe the Terminal hardware and provide technical specifications. Include the dimensions and weight of the Terminal and Peripherals. Include any additional mounting hardware such as shelves and poles as required.
>
> **6.2.6.3.5** Describe the Terminal's performance and how it is suitable and durable for a variety of environmental conditions, such as heat, humidity, dust, grease, spilled liquids, and operator abuse.
>
> **6.2.6.3.6** Describe ability to upgrade Terminal memory, both volatile and non-volatile. Include ability to address future memory capabilities.
>
> **6.2.6.3.7** Describe if and how the Terminal will provide an integrated Bluetooth (including version 6.0 or above) or other wireless technologies.
>
> **6.2.6.3.8** Describe the Terminal's hardware (excluding SSVTs) capability of single ticket activation.
>
> **6.2.6.3.9** Describe plan to specifically address the ongoing support and maintenance of Retailer Terminals and all Retailer hardware and Peripherals.
>
> **6.2.6.3.10** Describe how Retailer Terminal hardware inventory will be integrated into BI.

6.2.6.3.11 Describe the Terminals capability to read paper and digital barcodes, including digital playslips from a mobile app on customer phones.

6.2.6.3.12 Describe the Terminals capability to reprint the Retailer's historical Reports after the Terminal has been cleared.

6.2.6.4   Terminal Hardware Display

The display for the Terminal shall be a touch screen that is well-lit, clear, and visible under the various conditions found in Lottery retail environments (e.g., near a window). (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
6.2.6.4.a The Terminal shall have a display screen whose angle, contrast, and brightness can be operator-adjusted, to reduce glare and improve display clarity. It shall also accommodate height differences among operators. (MMR)

6.2.6.4.b The terminal shall include a color touch screen user interface that is incorporated into its primary display screen. The Retailer input screen must incorporate current technology and ensure speed, flexibility, and ease of operation. (MMR)

6.2.6.4.c The screen shall easily display multiple character sizes and font types and accommodate graphics as well as text. (KBR)

6.2.6.4.d The screen shall display documents, pictures, videos, and photographs, including Amber/Silver Alert notifications, at the direction of the Lottery. (MMR)

6.2.6.4.e The display screen shall show the Retailer all information associated with the transaction in progress. (MMR)

6.2.6.4.f The screen shall display Retailer messages and Reports using readability features including fonts, colors, and screen layout to provide displays easily read by the operator. (KBR)

6.2.6.4.g The display screen shall be of a sufficient size and resolution to accommodate Retailer efficiency in moving between all functions provided by the Terminal. (KBR)

6.2.6.4.h The System shall give the Lottery the ability to add Games, update button positions, and add those functions not yet developed. (MMR)

6.2.6.4.i The terminal shall have configurable background screen options and screensavers that activate upon a specified duration of inactivity. (KBR)

THE FOLLOWING ITEM(S) WILL BE SCORED.
Provide responses to each of the following items.

6.2.6.4.1 Describe the display screen proposed, highlighting its dimensions; touch screen capabilities and durability; ADA compliance; Graphical User Interfaces (GUI) (including screen shots); robustness of colors, fonts, and text; resolution; and its adjustability.

6.2.6.4.2 Describe how the display screen visually signals terminal status to the operator (e.g., indicator lights, hourglass icons) signifying transaction processing.

6.2.6.4.3 Describe how video content is uploaded to the Terminal, including background screens and screensavers. Include file formats, maximum length, maximum encoding properties (frame

size, bit rate, frames per second, and video resolution), any relevant processing times that should be considered before the content can be activated, functionality to put out real-time video content (e.g., displaying Fast Play jackpot), and how the screensaver can be updated with different content at specified times.

6.2.6.5 Terminal Hardware Scanner

The Retailer Terminal shall include integrated scanner(s) that will be used for validations and other scanning purposes as documented below (e.g., handheld barcode scanner). (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
6.2.6.5.a The Terminal shall read player completed Playslips and Digital Playslips, or other proposed methods of player number selection to generate saleable tickets, without having to enter any keystrokes up to the confirmation of the Transaction. (MMR)

6.2.6.5.b The Terminal shall have a scanner capable of validating any Wisconsin Lottery ticket, regardless of Game type (excluding non-barcoded pull-tab tickets), and the Terminal shall support manual entry. (MMR)

6.2.6.5.c The scanner shall scan Instant ticket Packs through clear wrap for delivery confirmation, Pack activation, and return confirmation. (KBR)

6.2.6.5.d The Terminal shall be capable of reading standard QR codes, UPC codes, PDF-417, and other industry standard barcode formats, including future barcode formats and data matrices. (MMR)

6.2.6.5.e The First Read Rate shall exceed ninety nine percent (99%). (KBR)

THE FOLLOWING ITEM(S) WILL BE SCORED.
Provide responses to each of the following items.

6.2.6.5.1 Describe the scanner(s) proposed, highlighting its First Read Rate, capabilities, ADA compliance, and hardware specifications. Include details of battery life, battery lifespan, and "Find a Device" capability for wireless scanners.

6.2.6.5.2 Describe other scanner technologies or standards that will be provided (e.g., compressed barcodes).

6.2.6.5.3 Describe what the Terminal will do in response to a failed first read. Describe how the Terminal will prevent double scans.

6.2.6.5.4 Describe how many packs can be confirmed and/or activated at one time, as well as the Transaction record received at retail.

6.2.6.6 Terminal Hardware Printer

The Terminal printer shall legibly print tickets, Reports, and other messaging elements. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
6.2.6.6.a The printer shall print both alphanumeric and graphic data that is readable to the human eye, including but not limited to graphics and fonts in any orientation and any size up to the width of the ticket stock ensuring high resolution, with a minimum of 300 dots per inch. (KBR)

6.2.6.6.b The printer shall print characters and barcodes on the ticket that can be read by the scanner, mobile app, or similar electronic reading devices including but not limited to the Lottery's mobile app. (MMR)

6.2.6.6.c The printer shall cut tickets automatically (tear-off tickets are not acceptable). (MMR)

6.2.6.6.d The printer shall print all validation messages that are displayed on the Terminal (e.g., "not a winner", "already paid", etc.). (KBR)

6.2.6.6.e Printed characters and graphics shall be readable on ticket stock for at least two hundred fifty (250) Days having been exposed to a variety of environmental conditions (e.g., sunlight, humidity, etc.). (MMR)

6.2.6.6.f The Terminal shall display and print any Retailer Terminal Report(s) at the operator's discretion. (KBR)

6.2.6.6.g The printer shall feature a ticket hopper that can hold a minimum of fifty (50) tickets. (KBR)

6.2.6.6.h Inoperable printers shall be considered "Down Terminals", whether integrated or not. (MMR)

6.2.6.6.i The printer shall provide a method to identify and not allow printing on low or out of ticket stock condition to avoid printing partial tickets. This shall include SSVTs with printers attached to the Terminal. (KBR)

6.2.6.6.j Any printer shall be able to generate various Lottery-defined messaging as required. (KBR)

> **THE FOLLOWING ITEM(S) WILL BE SCORED.**
> **Provide responses to each of the following items.**
>
> **6.2.6.6.1** Describe the minimum and maximum ticket stock width, thickness, and roll length that the printer will accept.
>
> **6.2.6.6.2** Describe the type and speed of the printer measured in speed per seconds.
>
> **6.2.6.6.3** Describe the kinds of barcodes, images (including limitations), and security features that the printer supports.
>
> **6.2.6.6.4** Describe whether the printer is integrated into the Terminal or is a modular component. Include the benefits of this configuration.
>
> **6.2.6.6.5** Discuss the flexibility and any limitations of the printer to support several ticket representations for a Lotto game including the types of images, special characters, fonts, etc. which are downloaded to the printer to support the printing of a Lotto ticket.

6.2.7 Self-service Vending Terminals

The Contractor shall supply, deliver, maintain, and install Self-service Vending Terminals (SSVT). As part of the Contractor's response, only depictions of the Terminals to be offered to the Lottery may be presented and included in the base cost. The Contractor shall provide full maintenance, preventative maintenance, and training, along with other related services. The Contractor shall be capable of providing a variety of configurations with a minimum game dispensing capability and be flexible enough to adapt to a variety of retail locations including but not limited to free-standing floor units. The Lottery is seeking eight hundred

fifty (850) SSVTs deployed throughout the State. A map with the current deployments of SSVTs can be found in Appendix 4 (Self-service Vending Terminals Map). (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS

6.2.7.a The SSVTs shall have reporting capabilities, such as shift, daily balancing, daily inventory and others reports as defined by the Lottery. (KBR)

6.2.7.b Contractor shall provide at least eight hundred fifty (850) new and unused SSVT that satisfy the Lottery's Requirements (e.g., Instant and Lotto, Lotto only, colors, decals, and logos). The types of terminals selected shall be at Lottery's discretion, with one hundred (100) SSVTs being a maximum height of fifty-four inches (54") and discussed during Contract negotiations. Additional SSVTs shall be added at the Lottery's request in accordance with Section 5.1.66 (Upgrading Hardware/Software/ Telecommunications Equipment) and in batches of batches of twenty-five (25) units to allow for future Retailer expansion. In addition to the specific number of Terminals above, SSVTs must be supplied to third party vendors (such as Instant Ticket Producers) associated with the Lottery at no additional cost. (MMR)

6.2.7.c Contractor shall provide SSVT delivery, installation, removal, relocation, and training for Retailer staff. The training services will include onsite visits when a new or existing Retailer receives a SSVT. The Contractor shall provide training materials to the Retailer during the onsite visit. The Contractor shall provide follow-up training on an as-needed basis, as determined by the Lottery. (MMR)

6.2.7.d The Contractor shall provide SSVT in-person training for Lottery and Retailer staff, subject to the Lottery's approval. The Contractor shall provide follow-up training on an as-needed basis, including both in person and online curriculum. (KBR)

6.2.7.e The Contractor shall provide service and supplies for SSVTs, including technical hotline support, with responsiveness equal to that provided for terminals in Section 6.4.8 (Non-Network Retailer Hardware Support), and Section 6.4.9 (Technical Hotline Support). (KBR)

6.2.7.f Contractor shall supply each SSVT with remote shut-off capability to be used by the Retailer. If hand-held remote shut-off devices are used, two (2) shall be supplied with each SSVT, with replacement devices available. (MMR)

6.2.7.g SSVTs shall contain a bill acceptor for denominations of at least one dollar ($1), two dollars ($2), five dollars ($5), ten dollars ($10), twenty dollars ($20), fifty dollars ($50), and one hundred dollars ($100) (US Currency). Lottery reserves the right to change accepted currency denominations during the Life of the Contract. Bill acceptors shall accept old and new bill designs as well as ability to upgrade to read new bill designs. (KBR)

6.2.7.h Contractor shall provide a printed operation manual with each SSVT that shall be provided to Retailers and updated as necessary at the Lottery's discretion. (KBR)

6.2.7.i The SSVTs shall be secure and resistant to disassembly except by an authorized service technician. (KBR)

6.2.7.j The SSVTs shall be able to emit musical sounds, audible tones, recorded messages, and alarms, with the ability to increase or decrease audio volume. (KBR)

Lottery Gaming System

6.2.7.k The SSVT shall allow for, but not require unless at the Lottery's direction, customer age verification through reading a state issued ID or similar identification (e.g., passport) using a bar code or magnetized strip. Personally identifiable customer information or residual metadata must not be captured and stored. (KBR)

6.2.7.l Contractor shall maintain facades, player-facing decals, skins, and proper logos on the SSVTs in a timely manner as defined by the Lottery, which includes replacing (and scheduling of replacements) any facades, decals, skins, paint, or logos that are outdated (e.g., new Lottery logos become available) or that have been damaged or faded due to wear and tear as determined by the Lottery (MMR).

6.2.7.m The SSVT shall have the ability to read a paper or digital barcode in order to provide the corresponding Lottery product to the customer from that same machine (e.g., reading a Digital Playslip from a mobile app on a customer phone in order to produce a draw ticket with their pre-selected numbers). (MMR)

6.2.7.n The SSVT shall validate tickets of any product type (excluding traditional pull-tab tickets) on a self-serve basis for credit that can be applied to purchase tickets. (MMR)

6.2.7.o The Contractor is responsible for all damages due to retail environment conditions. (KBR)

6.2.7.p The SSVT shall be able to process all Lottery Games, including but not limited to Instant, Draw, Fast Play, raffle, and any Games in the future. (MMR)

6.2.7.q The SSVT shall be capable of ticket checking, validation capability of any product type (excluding non-barcoded pull-tab tickets) on a self-serve basis, and redemption that can apply as a credit to purchase tickets. (MMR)

6.2.7.r The SSVT shall be equipped with secure, continuous data communication connections to the System. (MMR)

6.2.7.s The SSVT shall be equipped with the latest security enhancements to ensure that counterfeit bills cannot be accepted. The Contractor shall update bill acceptor firmware when new security updates are available in a Lottery approved timeframe. (MMR)

> **THE FOLLOWING ITEM(S) WILL BE SCORED.**
> **Provide responses to each of the following items.**
>
> **6.2.7.1** Describe in detail the SSVT specifications relating to construction, ticket dispensing, bill acceptance, paperless currency device, paperless currency payment options, Game capacity, ticket capacity, reporting (list and provide sample Reports), security, remote shut off capability, age verification, memory/back-up capability, communication with other terminals at the retailer, and ADA compliance. (Sample Reports will be excluded from the page limit.)
>
> **6.2.7.2** Describe in detail installations, relocations, and on-going Maintenance schedule throughout the Life of the Contract after initial delivery and installation. Include a plan for adding SSVTs, in lots of at a minimum of twenty-five (25), as requested by the Lottery.
>
> **6.2.7.3** Describe the training plan for new Retailers that receive a SSVTs and existing Retailers that receive a SSVT throughout the Life of the Contract. Include training performance measurements, training materials, and how SSVT manuals can be made available electronically.

6.2.7.4 Describe reporting capabilities of the SSVTs. Include report samples. (Sample Reports will be excluded from the page limit.)

6.2.7.5 Describe how SSVTs ensure a transaction is not processed if there is a paper issue, the communications are down, etc.

6.2.7.6 Discuss the ability to power external peripherals (such as but not limited to a wireless jackpot sign) and how this is achieved. Include power requirements and communication device details.

6.2.7.7 Describe in detail how paperless currency devices may be enabled and disabled at the retailer or at individual SSVTs.

6.2.7.8 Describe the display capabilities of the SSVTs in regard to Game information, including how specific Game information is displayed to the potential customer, the size of display(s), any configurable abilities, and any limitations of the display area.

6.2.7.9 Describe how video content is uploaded to the SSVT, including marketing messages, background screens, and screensavers. Include maximum length, maximum encoding properties (frame size, bit rate, frames per second, and video resolution), any relevant processing times that should be considered before the content can be activated, functionality to put out real-time video content (e.g., displaying current Fast Play jackpot), and how the screensaver can be updated with different content at specified times.

6.2.7.10 Describe how non-cash payment options may be installed supported on the SSVT and how these options may be added after deployment.

6.2.7.11 Describe the counterfeit measures that will be deployed within the SSVTs to prevent fraudulent activity.

6.2.7.12 Describe how the SSVTs can be customized, such as but not limited to, the available colors or stickers from which the Lottery can select. Include examples from other NASPL lotteries.

6.2.8 Retailer Terminal Peripherals:

The following devices represent additional equipment that the Contractor shall provide. Requests for optional Retailer Terminal Peripherals can be found in Section 6.11.1 (Lottery Specified Options) and Section 10.2.1 (Lottery Invited Options).

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
6.2.8.a The Contractor shall provide service and supplies for all Peripherals, including technical hotline support, with responsiveness equal to that provided for Terminals in Section 6.4.8 (Non-Network Retailer Hardware Support), and Section 6.4.9 (Technical Hotline Support). (KBR)

6.2.8.b The Contractor shall ensure all Peripheral devices connected to the Terminal contain the facades and graphics agreed upon between Contractor and Lottery and are provided at no additional cost to the Lottery. (MMR)

Lottery Gaming System

6.2.8.1 Player Ticket Scanning Attachments

The Contractor shall supply a terminal Peripheral for each terminal that allows players to check their own tickets for potential winners. This attachment shall indicate whether a ticket is a winner or not without changing the ticket's validation status. (MMR)

>**MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS**
>**6.2.8.1.a** The Contractor shall supply and install at least one (1) player ticket scanning Peripheral for each Terminal. (MMR)
>
>**6.2.8.1.b** The Peripheral shall be connected to the System. Any necessary cords shall be long enough that the cord can be hidden. (MMR)
>
>**6.2.8.1.c** The Peripheral shall read tickets of any product type issued by the Lottery, at the Lottery's discretion, and should not require additional actions other than scanning. (KBR)
>
>**6.2.8.1.d** The Peripheral shall not change a ticket's validation status on the System and messaging should be consistent with system. (MMR)
>
>**6.2.8.1.e** The Peripheral shall not degrade System or terminal Performance. (KBR)
>
>**6.2.8.1.f** The Peripheral shall allow the ability to change facade on ticket checker. (MMR)

>**THE FOLLOWING ITEM(S) WILL BE SCORED.**
>**Provide responses to each of the following items.**
>
>**6.2.8.1.1** Describe the scanner attachment, its size, features, operation, ADA compliance, speed, minimum length of time between scans, secure connectivity to the System (including Encryption for a wireless solution), and how many scanning attachments can be connected to a Terminal.
>
>**6.2.8.1.2** Describe, and provide examples of, the multiple confirmations that a player can receive including message size and how the Peripheral will determine winning information. Include information on how the screen can be configured and how stolen/missing tickets, and previously paid tickets, can be displayed.
>
>**6.2.8.1.3** Describe how the player ticket scanner attachments will display Lottery approved messages with full functioning multimedia display capabilities including text, video, sound, and animation.
>
>**6.2.8.1.4** Describe if and how the messages on a player ticket scanner attachment can be changed dynamically at the request of the Lottery.

6.2.8.2 Player Awareness Display

6.2.8.2.0.1 The Contractor shall provide a minimum of one (1) digital display device (Player Awareness Displays) for each Retailer location that can display graphics, messages, and media content at the point of purchase. Media content will include but not be limited to information about current or upcoming Games, current jackpot amounts, important or time sensitive Lottery alerts, Lotto game menu boards, Promotions, local store/winner awareness information, and a player transaction display. (MMR)

Lottery Gaming System

6.2.8.2.0.2 The system for the display(s) shall be maintained by the Contractor with messages and media content provided by the Lottery. The display(s) must be updatable such as through a web-based content management system. It must allow for different messages on boards by territory, region, Retailer, chain, or other grouping as defined by the Lottery. Storage, installation, maintenance, and support of the displays will be the responsibility of the Contractor. The quantities and sizes of displays must be appropriate for the retail environment for which they are proposed. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS

6.2.8.2.a The Contractor shall provide and maintain a minimum of one (1) Player Awareness Display (PAD) per Retailer. (MMR)

6.2.8.2.b The Lottery shall be able to change the PAD content at least once daily. (KBR)

6.2.8.2.c If the media content is to be downloaded to the Terminals through the System network, there shall be no interruption to Terminal activity and no degradation to System Performance. (KBR)

6.2.8.2.d The System shall have the ability to transmit specific content to Retailer locations, Games, and jackpots identified by the Lottery, including but not limited to a specific Retailer, chain, groups of Retailer locations, geographic area, and Games with certain jackpot amounts. (KBR)

6.2.8.2.e The System shall have the ability to transmit and perform multi-media activities while presenting messages to the players as required. (KBR)

6.2.8.2.f Dynamic content must not impact the performance of the PAD. The Contractor shall ensure that the PAD has sufficient memory and disk space to handle the Lottery's dynamic content needs so that the PAD performance is not impacted, as defined by Lottery. (KBR)

6.2.8.2.g The PAD shall have the ability to show current jackpot amounts for Lotto and Instant games, including the progressive jackpot for Fast Play, in real or near real time without impacting System Performance**.** (KBR)

6.2.8.2.h The Contractor shall provide the Lottery headquarters with at least two (2) of each PAD device in working order. At least one (1) device will show the actual, live messaging that is being shown at Retailers at any given time, and at least one (1) device will be used as a testing device for content creation by Lottery staff. At least one (1) production device will also be provided at each Lottery redemption center. (MMR)

6.2.8.2.i The Contractor must provide a player transaction display ability within PAD. The player transaction display is an individual-oriented display for the player with regard to the current transaction. This PAD may communicate the amount of the current transaction or notify the player that they have a winning or non-winning ticket. (MMR)

6.2.8.2.j The PAD shall have the ability to display text and photographs for Amber/Silver/similar Alert notifications, as further described in 6.3.12.ee. (MMR)

6.2.8.2.k Each of the PAD devices are expected to be deployed at Go-Live. The Contractor shall provide additional components for maintenance and upkeep, as well as growth of Retailer count over the Life of the Contract at no additional cost to the Lottery. (MMR)

THE FOLLOWING ITEM(S) WILL BE SCORED.
Provide responses to each of the following items.

Lottery Gaming System

6.2.8.2.1 Describe the features and capabilities of the PAD(s), including size and appearance, graphic capabilities, if and how it attaches to the Terminal, how the display is programmed and transmitted to the device, the player readability, mounting alternatives, wiring options, and hardware options. Include the quantity of display devices provided for each Retailer Terminal or Retailer location as the Lottery may choose to have more than one (1) PAD per Retailer.

6.2.8.2.2 Describe in detail the process to change both dynamic and static content, the tools required to change the content, how frequently the Lottery can do so for both dynamic and static content, and how long it takes for the message to display on the PAD at Retailer locations. Give an example of your timeline. Include how frequently a progressive jackpot (e.g., for Fast Play) can be updated on the display in real or near real time. Include any limitations on the ability to update or change the content on a frequent or real-time basis.

6.2.8.2.3 Describe the capability to have videos and animation on the PAD. Include any factors that could limit this capability at the Retailer level.

6.2.8.2.4 Describe how the player transaction display will operate on the PAD; the features and operation of the transaction display; whether it is fixed or moveable with the PAD; the size of the display characters; and the level of customization and control the Lottery has over the display.

6.2.8.3   Wireless Jackpot Signs

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS

6.2.8.3.a The Contractor shall supply a single wireless jackpot device for each Retailer location, two (2) for each Lottery office, one (1) for each Redemption Center, one (1) for each special event vehicle, and one (1) for each special event trailer that displays jackpot information to players at that location. The wireless updateable jackpot sign shall provide accurate up-to-the-minute jackpot amounts for up to five (5) Lotto games concurrently, at the discretion of the Lottery. The jackpot signs shall be branded with marketing content provided by the Lottery. The jackpot signs shall be stored, maintained, and serviced by the Contractor. (MMR)

6.2.8.3.b Each of the Lottery Marketing Awareness Components are expected to be deployed at Go-Live. The Contractor shall provide additional components for maintenance and upkeep, as well as growth of Retailer count over the Life of the Contract at no additional cost to the Lottery. (MMR)

THE FOLLOWING ITEM(S) WILL BE SCORED.
Provide responses to each of the following items.

6.2.8.3.1 Describe the updateable jackpot sign attachment, including its size, dimensions, features, operation of the sign, mounting requirements, power requirements, game display capabilities and space for Lottery branding, including the rear of the sign. The Proposer should provide image samples of the front and back of Lottery branding depictions.

6.2.8.3.2 Describe how jackpot amounts, including progressive jackpots (e.g., Fast Play), are updated and how the system validates jackpot amount accuracy.

6.2.8.3.3 Describe branding opportunities on the jackpot sign and how jackpot signs are rebranded and how jackpot games are changed on the signs. Include amount of time required to change all static portions of all jackpot signs at the Retailer level during the Contract.

6.2.8.3.4 Describe safety stock maintained on hand for faulty equipment and the replacement process.

6.2.8.3.5 Describe the ability, timeline, items that can be rebranded, and changes to the Games on the jackpot signs.

6.2.9 Required Claims and Payments Hardware

The Contractor shall provide a minimum of one (1) and one (1) spare check writers for printing winners' checks including a check stub per Redemption Center, twelve (12) bar code scanners, and twelve (12) document scanners. These check writers (with security card) shall be installed at the Redemption Centers with one (1) in each office, as well as one (1) in the mobile special events Redemption Centers, and spares for each. These check writers shall also be installed with barcode (hand-held and desktop) scanner connecting to each lottery workstation for claims processing. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
6.2.9.a The check writer shall be MICR (Magnetic Ink Character Recognition) capable and have the ability to print on State of Wisconsin issued check stock (currently 8 ½" x 11"). (MMR)

THE FOLLOWING ITEM WILL BE SCORED.
Provide a response to the following items.

6.2.9.1 Describe the check writer, its functionality, and how it addresses the ability to include signature stamps, with the option to print color (printing logos on the check stub).

6.2.9.2 Describe the Maintenance and replacement plan along with a Preventive Maintenance schedule, including site visits.

6.2.9.3 Describe the ability to support an SST within the Redemption Centers included as part of the Terminal deployment.

6.2.9.4 Describe the support and timelines needed to address new check stock which potentially could differ in size, shape, and location of specific elements such as a signature.

6.2.9.5 Describe support for alternative payments methods other than check.

6.3 Software

This section describes the Lottery's Requirements for the application software component of the System, including Requirements for functionality of terminals and Lottery user computers.

6.3.0.1 The Contractor shall be responsible for all software design, development, implementation, upgrades, and Maintenance. (MMR)

6.3.0.2 The System, including security features, files, and related processes, must conform to existing or future NASPL and MUSL standards and requirements. (MMR)

6.3.0.3 The System shall use transaction-based processing. All System actions caused by a business transaction, from beginning to end, shall be linked and viewable. All commands and transactions that are processed by the System shall be recorded in a transaction log File. Commands and transactions recorded in a transaction log File shall be uniquely identifiable and allow for review by Authorized Users for audit purposes. (MMR)

Lottery Gaming System

6.3.0.4 The Contractor must support the current set of Lottery Game offerings and provide flexibility for growth into new Games, Game features, and Play types required to meet Lottery's sales and profitability objectives. Throughout the Life of the Contract, the Contractor shall provide Enhancements and improvements to Games currently offered by the Lottery including software development for add-on Games developed by third parties. All Enhancements are subject to Lottery approval and Contractors are expected to provide a reasonable amount of time for review. (MMR)

6.3.0.5 In the absence of explicit Requirements, transactions processed by the System shall be completed in a timely manner as defined by the Lottery. (MMR)

6.3.1 Operating Hours, Game Drawings, Closings, and Cashing Operations

The current operating hours of the Lottery are 12:30 AM. through 12:00 midnight Central Time, every Day of the year. The Lottery minimizes the day end processing window between Draw Breaks, Drawings, the ability to pay winning tickets, and the return to full business functionality.

> **MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS**
> **6.3.1.a** A Draw Break for a specific game will not impact sales, or any other activity, of any other Game. (MMR)
>
> **6.3.1.b** The System shall synchronize its time each Day with a time keeping service (e.g., Network time protocol, U.S. Naval Observatory) to ensure consistent time recording and reporting for events and transactions. (KBR)
>
> **6.3.1.c** The Contractor shall provide a minimum of twenty-three (23) hours and thirty (30) minutes a day operation, with a maximum downtime of thirty (30) minutes a day. (MMR)
>
> **6.3.1.d** Maintenance downtime for any services within the System outside of the agreed upon Day end processing window must be agreed to by the Lottery. (KBR)

> **THE FOLLOWING ITEM(S) WILL BE SCORED.**
> **Provide responses to each of the following items.**
>
> **6.3.1.1** Describe how the solution handles time synchronization and the external time source used for synchronization.
>
> **6.3.1.2** Describe how the Proposer will accommodate a near twenty-four (24) hour-a-day operation. Define when the downtime will start and end. Identify what activities occur during the day end processing window. Indicate other jurisdictions with similar operating hours.
>
> **6.3.1.3** Describe Lotto game Draw Break procedures and the time required to balance ticket sales, to notify the Lottery of winner information, to process winning number data entries, the timeline for paying prizes, and to return to normal business operations. Include Games that have multiple Draws a day. Both numbers-type Games and jackpot Games shall be addressed in the Proposal response.
>
> **6.3.1.4** Describe any Maintenance downtime for any services within the System outside the day end processing window that may be needed and estimate the amount and frequency of scheduled downtime periods.

Lottery Gaming System

6.3.2 System Security and Control Features

The Contractor shall provide a System with security and control features. The System shall provide Authorized Users access to the System for performing functions including but not limited to obtaining Reports for various aspects of the System including drawing balancing, financial accounting, issuing of adjustments, and additional management functions. The System shall be available for 24-hour access outside scheduled and approved downtime periods. (MMR)

> **MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS**
>
> **6.3.2.a** All Game processing and system activities shall be logged immediately on Duplexed System computers at both the Primary and Backup Data Centers, including a logging process that will feed into the Lottery's ICS. Game processing activities at a minimum include sales, cashes, all play-related transactions including validation attempts and any changes using the Games management applications. Before the System authorizes a Terminal to print a ticket, that transaction shall be processed by the Duplexed System computers at both the Primary and Backup Data Centers. (MMR)
>
> **6.3.2.b** All PII and banking data, whether on removable backup media or unmovable storage, shall be encrypted to US Government standards as certified by National Institute of Standards and Technology (NIST) and the National Automated Clearing House Association (NACHA). This encrypted PII and banking data shall only be available to Authorized Users as determined by the Lottery. (MMR)
>
> **6.3.2.c** All commands executed by the System and any System warnings or problem messages shall be logged. This log shall be provided daily on electronic media or as an encrypted electronically transmitted File to the Lottery. (KBR)
>
> **6.3.2.d** Controls shall exist to prevent unauthorized transactions. The System shall ensure that no part of any transaction can be corrupted, altered, or manipulated, including but not limited to the log Files and validation Files. The Lottery reserves the right to review all System narratives, source program listings, and operational procedures to ensure data and System integrity. (MMR)
>
> **6.3.2.e** Controls shall exist to prevent unauthorized Terminals or other unauthorized devices from connecting to the System. The System shall ensure integrity wherein no action, either by external agents or by insiders, can permit duplicate or unauthorized Terminals to be established. In all cases, correct Terminal identification shall be ensured. (MMR)
>
> **6.3.2.f** Authorized Users' access to software shall be at a minimum restricted as follows:
>
> 1) Controls shall ensure source code libraries and software development tools permit only Authorized Users to revise software.
>
> 2) All operator non-routine access to data shall be logged to the console log and all unauthorized attempts shall be reported immediately with a verbal notification within one (1) hour of discovery and followed up with a written report within twenty-four (24) hours of discovery to the Lottery.
>
> 3) Controls shall enforce strict version control and validation of software migration through development to the production environment. (MMR)
>
> **6.3.2.g** Checksums shall be provided for executable programs on the System, test system, front-end processors, network equipment, administrative systems, Retailer Terminals, and all field deployed equipment. This requirement also applies to development and quality assurance systems. The checksum value shall be printed every Day at startup and shutdown and at any time at the Lottery's

request and transmitted to the Lottery electronically. The Contractor shall maintain control of software distribution so that systems and Terminals shall not load or run inappropriate versions of the software. (MMR)

6.3.2.h Real time monitoring of System traffic and utilization shall be provided to the Lottery. The Contractor shall maintain these tools to correspond with the latest System changes and with industry-available improvements. The Lottery shall receive immediate notification of abnormal System operations and their causes (e.g., validation problems, communication difficulties, computer downtime, attempted access by unauthorized users). Notifications shall be verbally within one (1) hour of discovery and followed up with written report within twenty-four (24) hours of discovery. (MMR)

6.3.2.i Security measures shall exist to ensure the integrity of the preparation, storage, and distribution of winner Files, unclaimed prize Files, and necessary supporting documentation. (MMR)

6.3.2.j System recovery shall support the use of log Files for reprocessing. (KBR)

6.3.2.k The transaction logging process shall include periodic checkpoints with significant totals (counts and amounts) for all Games and shall be in compliance with multi-jurisdictional (currently MUSL) rules and Requirements. System computers shall have the ability to recover from System checkpoints (e.g., when the Data Center computers are re-synchronizing after a failure of one of the computers). (KBR)

6.3.2.l The Contractor shall implement a change control methodology approved by the Lottery, for reviewing and approving changes to documentation, procedures, programs, Requirements, software, and all hardware components. (MMR)

6.3.2.m The System shall provide a real time method for Authorized Users to identify, view the status of, and provide access to privileged security data for Draw-based Lotto tickets, Fast Play games and any range of Instant Tickets. This includes but not limited to tickets in stolen, lost, or any other status that may prevent validation. Authorized Users shall have the ability to generate Reports on tickets in the states described above. (MMR)

6.3.2.n The System shall track and immediately and in near real-time notify the Lottery electronically of attempts to cash both stolen and missing tickets. (MMR)

6.3.2.o Security measures shall prevent the Contractor from removing or changing the ticket status from stolen and from missing. The Contractor shall contact the Lottery to correct the status code of any entry errors made to Instant tickets or Packs. (MMR)

6.3.2.p The System, including outages and recovery events, shall be able to be audited for appropriate usage and freedom from error. There shall be a strict correlation between tickets printed, tickets registered in the log Files, and ticket transactions forwarded to the Lottery's ICS. (MMR)

6.3.2.q Authorized Users shall be able to research Transactions and operations. The Transaction log shall include but is not limited to sales, validations, rejected validation inquiries, Terminal outages, and System events (e.g., takeovers by the backup system computers). Reports on transaction log entries shall allow standard queries and sorts. The Lottery shall be able to research all Transactions generated prior to and after the Conversion to the System. (MMR)

6.3.2.r The Contractor shall provide a near real-time transmission of the transactions to the Lottery's ICS. A final audit File shall be available to the Lottery immediately after Draw Breaks and after the close of each Day. (MMR)

6.3.2.s The Contractor shall provide the Lottery with software necessary to interpret or decrypt proprietary or unique System record formats. (MMR)

6.3.2.t System transaction serial numbers shall never be repeated on the System. (KBR)

6.3.2.u All Transactions shall have assured delivery. Any Transactions not delivered shall be processed as an error. (KBR)

6.3.2.v All Transactions shall have a defined order of precedence to ensure the most critical Transactions are delivered ahead of less critical requests. (KBR)

6.3.2.w The System shall not be able to reproduce Lotto tickets exactly. The System shall be able to produce reprints, including reprinting variable play data such as the play area of Fast Play tickets on the reprints. Tickets must not be reproduced on Terminal equipment unless "REPRINT" and an additional message is placed on the ticket. "REPRINT" as defined by Lottery. Reprinted tickets cannot be validated. (MMR)

6.3.2.x The Contractor shall immediately alert the Lottery when sales of a number in a fixed payout Game reach a warning level and then reach a specified liability level, as determined by the Lottery. The System, through a Games management application, shall provide a near real-time updated prize total and a prize liability, available at any time for the Lottery. The System shall automatically send warning messages to the Lottery when liability limits are reaching the warning threshold and suspend sales of any number when the liability limit is reached. The Lottery shall have the ability to override this suspension. (MMR)

6.3.2.y A winning ticket shall not be able to be cashed more than once. (MMR)

6.3.2.z The Contractor shall use Report balancing and reconciliation to ensure that current data Files and archived backup copies are valid. This is particularly important for validation Files and future Plays Files where recovery, by reprocessing large volumes of aged transactions, may be impractical. The Contractor shall maintain configuration management Files that allow System configurations to be restored. (MMR)

6.3.2.aa Ticket stock tracking shall permit returns, re-issues, and destruction of all physical stock (at the sole cost of the Contractor), as appropriate, by Authorized Users. Stock activity Reports shall be provided. The ticket stock tracking information shall be delivered from the ticket stock producer directly to the Lottery, using a method of secure electronic delivery as prescribed by the Lottery. The ticket stock tracking system shall be in compliance with MUSL Rules and Requirements. The Contractor shall provide any hardware and software necessary to store, maintain, query, or interpret this information. This system shall be able to track the ticket stock serial number to a single Retailer and identify the name and location of the Retailer, and where and when the ticket stock was delivered. The tracking system shall be capable of providing a history of ticket stock at a Retailer. Annual physical audit shall be performed to ensure the physical stock, quantity and assignment matches the amounts listed in the System. (MMR)

6.3.2.bb Ticket stock can be migrated from retailer to retailer by Authorized Users using specialized features within the System. (MMR)

Lottery Gaming System

6.3.2.cc The Terminal shall generate a unique serial number, aside from the System-logged transaction serial number, that can be used to link winning tickets to selling Terminals. This "dual security" approach shall be acceptable to any MUSL associations. This application shall be under the physical and operational control of the Lottery. The serial number assignment methodology must ensure serial numbers are unique over the Life of the Contract and any/all extension(s). Serial number assignments must account for transactions resulting from unclaimed winners, vouchers, and possible other causes residing for extended periods in the System. The Contractor shall provide any hardware and software necessary for the Lottery to decrypt dual security numbers. The methodology shall preclude the Contractor's staff from decrypting the dual security number. The use of public/private key Encryption techniques is required. (MMR)

6.3.2.dd The System shall display and report anomalous conditions that may indicate operational problems or attempts at fraud. This capability shall include, but is not limited to, the ability to Report a Terminal with anomalous and excessive Transactions (e.g., sales, cancels, validations, and log-in attempts), unusual console log entries, unusual Transaction journal entries, and systemic events such as no sales for a Game scheduled to be operational. The Contractor shall provide a record of these events to the Lottery. The System shall allow the Lottery to set individual threshold limits for the reporting of each anomalous condition. Reports shall be delivered at a frequency as agreed to by the Lottery, but no less than once per day. (KBR)

6.3.2.ee The System shall provide mechanisms to reconcile incomplete or unresolved Transactions between the System and the Terminals. These include but are not limited to retries; logging for reporting; and error messages to the Retailer, System operators, and Lottery. (KBR)

6.3.2.ff Instant ticket information and validation data shall be protected from unauthorized access during the period beginning with ticket manufacturing; continuing through the period where tickets are being distributed, sold, and validated; and ending when the Game is no longer active and removed from the System. (MMR)

6.3.2.gg The System shall allow for the suppression by Terminal of Lotto game sales and Instant ticket ordering while allowing for validations. (MMR)

6.3.2.hh The Contractor shall provide any modifications, upgrades, or replacements to the System Encryption method and Encryption key management if the Lottery determines that either the existing Encryption method or key are no longer viable. (MMR)

6.3.2.ii The System shall provide Authorized Users a method to safeguard Lottery-specified tickets from duplication or multiple-claim attempts. The method shall include the entry of the ticket serial number, the entry of winner boards, and the entry of other security data as determined by the Lottery. Upon entry of ticket information, the System shall notify an Authorized User whether the winning ticket is valid or invalid. The method shall also provide an Authorized User the ability to print a Report of the relevant information. (MMR)

6.3.2.jj The Contractor shall provide secure onsite and offsite storage of critical files, software, and back-up data, subject to approval of the Lottery. Stored materials retention will follow a schedule negotiated with the Lottery. Media stored in archives must be checked and/or exercised periodically, as agreed upon, to ensure usability. At the Lottery's direction, the Contractor may be directed to restore a backup file to a test system to ensure viability. (KBR)

Lottery Gaming System

6.3.2.kk The Contractor shall provide an application that will allow the lookup of Lotto game tickets by barcode and/or additional identifiers by an authorized user. This application will display the characteristics of the ticket including the current state. (KBR)

6.3.2.ll The System operation must employ principles of segregation of duties and "need to know", and must restrict superuser privileges for the Contractor's staff, as defined by the Lottery. (KBR)

6.3.2.mm System activities and transactions shall be uniquely identifiable, by date and time stamp, in a manner that is consistent throughout the Data Center, user computers at the Lottery, Retailer Terminals, and additional hardware. The date and time stamp shall be consistent in format and printed on all Transactions (including non-sale Transactions) and Reports, including but not limited to:

> 1) When Reports are generated.
> 2) When data is written to any database or storage device.
> 3) When sales or non-sales Transactions occur.
> 4) When changes are made to Lottery-defined parameters.
> 5) Any software update or change completed by the Contractor.
> 6) Other Transactions or changes as requested. (KBR)

THE FOLLOWING ITEM(S) WILL BE SCORED.
Provide responses to each of the following items.

6.3.2.1 Describe the Encryption method to be used for data at rest on removable backup media.

6.3.2.2 Describe the Encryption method, to be used for data at rest on disk arrays in Data Centers.

6.3.2.3 Describe the automated ticket stock tracking system and the ability of Authorized Users to access this system.

6.3.2.4 Describe how a ticket reprint will be clearly identified as a reprint. Discuss the ability to eliminate reprint Transactions by detecting any errors (through software or hardware) prior to the Transaction being issued.

6.3.2.5 Describe and provide examples of Transaction log Files, error log Files, and audit trail Reports that are created by the System. Include in the Proposer's response the methods used to limit access to the logs and Reports. (Examples will be excluded from the page limit.)

6.3.2.6 Describe how the Transaction log File can be used to reprocess transactions in support of a System recovery.

6.3.2.7 Describe how the System reacts to printer jams, including but not limited to ticket jams, reprinting of tickets, Reports, validation receipts, and other non-sale related Transactions.

6.3.2.8 Describe the different types of suppression the System can perform on Draw games, Fast Play, or Instant tickets.

6.3.2.9 Discuss how the Lottery will be notified of stolen and missing tickets.

6.3.3 Software Licensing

The Contractor shall maintain licenses for all software used by the System. Any additional software paid for by the Lottery is the property of the Lottery and its use is subject to international, federal, and State law. (MMR)

> **MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS**
> **6.3.3.a** All software installed by the Contractor, as well as any Maintenance or Enhancements to that software, and all program documentation supplied by the Contractor shall be licensed to the Lottery. The Contractor shall provide to the Administrator, or place in escrow, copies of all software source code, object program Files, and related documentation developed or modified by the Contractor to operate the System. (MMR)
>
> **6.3.3.b** The Contractor shall maintain manufacturer-supported versions for all licensed software in use by the Contractor in conjunction with the System. At the Lottery's discretion, the Contractor shall replace any licensed software that is not supported by the manufacturer at no cost to the Lottery. (MMR)
>
> **6.3.3.c** The Contractor shall maintain a current inventory listing of software licenses held, identified by publisher, related to the System, and shall provide the listing to the Lottery annually. (KBR)

6.3.4 Drawing Controls

The Contractor shall provide a Drawing control system for Lotto game Drawings. (MMR)

> **MINIMUM MANDATORY REQUIREMENTS**
> **6.3.4.a** The System shall process a request to report, at Draw Break, on both the Data Center computers and the Lottery user computers, the following information for the game: date, time of Day, Game name, Drawing number, sales closed status, gross sales by Day, net sales for Promotions, and net draw sales. (KBR)
>
> **6.3.4.b** The System shall require dual entry of drawn winning numbers, one set by the Contractor and one set by the Lottery, accessible only to Authorized Users. Screens of the successful entry attempts shall be printable. If the winning numbers do not match, the entry shall be re-processed until a successful entry is completed. All attempts, successful or not, shall be logged and a Report provided to the Lottery upon request. (KBR)
>
> **6.3.4.c** The System shall allow the dual entry of prize amounts and jackpot amounts for Lotto games. The System shall populate the entry screen with time of Day, prize amounts by type, and jackpot amount. All entry attempts, successful or not, shall be logged, and a report provided to the Lottery upon request. (MMR)
>
> **6.3.4.d** In the event a Drawing is not finalized, the System shall allow the Lottery to resume ticket sales and operations for future Draws. (KBR)
>
> **6.3.4.e** The System shall allow the entry of at least two (2) winning number sets in a single Drawing at the discretion of the Lottery for every Lotto game. (KBR)
>
> **6.3.4.f** The System shall support Drawings where each ticket has a sequential number assigned by the System. The Drawing controls shall allow for a large volume input of winning numbers via an automated process. The automated draw process May be outside the scope of the gaming system. (MMR)

Lottery Gaming System

6.3.4.g The System shall generate a cryptographic hash string of wager data at Draw Break, and again when winning numbers are entered. The cryptographic hash must comply with FIPS 140-2/3. The System shall report any variance between the hashes. (MMR)

6.3.4.h The System shall provide Game status changes (Close and Paying) by manual operator intervention within a prescribed period of time for entry. Entry screens of the successful Game status changes can be printed but must be stored automatically for review at any time. The System shall also allow for Game closure and reopening outside the prescribed period of time for entry by Authorized Users. (KBR)

6.3.4.i At a specified time before the Drawing, the System shall automatically close a Game without operator intervention. Authorized Users shall be able to manually override this function. (MMR)

6.3.4.j The System shall maintain control of transactions in process at Draw Break, so that all transactions before Draw Break apply to the immediate Drawing, and all Transactions after Draw Break apply to the subsequent Drawing. (MMR)

6.3.4.k The System shall allow Authorized Users to input time parameters (e.g., Draw Breaks, enabling Lotto validation) established by the Lottery for each Game. (KBR)

6.3.4.l The System must meet the Lottery's requirements for generating lock down files per Game and Draw, follow the Lottery's lockdown alterative process, and adjust as needed based on Lottery and MUSL requirements. (MMR)

6.3.4.m The Lottery considers it mandatory to minimize the time window between Game close, Drawings, changing/recording jackpot amounts, and the ability to pay winning tickets. The System shall comply with the time window specifications for closing Games, conducting Game Drawings, entry of winning numbers, and readiness to pay winning tickets. (MMR)

6.3.4.n The System shall allow the Lottery to change the jackpots between Game draws. (MMR)

> **THE FOLLOWING ITEM(S) WILL BE SCORED.**
> **Provide responses to each of the following items.**
>
> **6.3.4.1** Describe the mechanisms or procedures that will ensure the accuracy and timely entry of the winning numbers and prize amounts entered.
>
> **6.3.4.2** Describe how the automated process for capturing a large (e.g., ten thousand (10,000) or more, as in a raffle) set of winning numbers will function. Emphasize the ways in which the Lottery may readily verify the accuracy of all the numbers on the System.
>
> **6.3.4.3** Discuss how the System can accept automated Reports from a random number generator to automatically upload winning numbers to the System, including but not limited to security and audit features.
>
> **6.3.4.4** Describe the Reports, process(es), and timeframe after a Draw, for automatically generating Reports to transfer to Lottery staff. Describe the method used to automatically transfer these Reports such as email, MMS, or custom application.
>
> **6.3.4.5** Describe how the system can allow draw staff to send and receive messages electronically to and from the Proposer, instead of faxing information such as next jackpot, current jackpot information, etc., including how these messages will be stored and archived.

6.3.4.6 Describe the process for updating jackpot amounts between draws, how the updates will be logged, and the automation that occurs. Include in your response, what controls are in place for verification of amounts.

6.3.4.7 Discuss the ability of the System to perform more than one raffle at the same time and any limits associated with this.

6.3.4.8 Discuss how the Lottery will be notified of Fast Play wins at the time of winning, including but not limited to timing and information provided (e.g., Retailer name, city, amount, game, etc.).

6.3.4.9 Discuss how the System tracks and stores historical jackpots, including Fast Play jackpots, and how the Lottery can access this information.

6.3.5 Validations

The System shall provide ticket validation functionality. The Contractor shall validate winning tickets that have been sold prior to Conversion, both by scanning and by manual entry. The goal, both during Conversion and after, is to minimize confusion and effort for the players and Retailers. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
6.3.5.a The System shall validate winning tickets including tickets from existing Games at the time of Conversion. The Terminals and System shall validate and inquire on outstanding winning tickets from the previous system based on each Lotto game's expiration period or otherwise directed by the Lottery. For Instant games, the expiration period shall be one hundred eighty (180) days after the game has ended unless otherwise directed by the Lottery. (MMR)

6.3.5.b The System shall accurately validate winning tickets printed using industry standard ticket producing methods. (MMR)

6.3.5.c The System shall provide payment authorization for valid winning tickets. (KBR)

6.3.5.e The System shall prohibit validation of inactive, validated, cashed, stolen, or missing tickets as determined by the Lottery. (MMR)

6.3.5.f The System shall send appropriate validation messages as determined by the Lottery (e.g., if unable to validate due to the ticket being previously validated or if an entry error occurred when processing including entry of incorrect digits). (KBR)

6.3.5.g The System shall allow Authorized Users to monitor and limit all validation attempts and be viewed by Lottery. (KBR)

6.3.5.h When a winning ticket is validated, the Retailer Terminals and other capable Peripherals shall play an audible winning sound as selected by the Lottery, with an amount to be displayed to the player up to an amount specified by the Lottery. As directed by the Lottery, Terminals and Peripherals shall have the ability to play no sound. (MMR)

THE FOLLOWING ITEM(S) WILL BE SCORED.
Provide responses to each of the following items.

6.3.5.1 Describe how validation and inquiry will be handled during and after the Conversion Period.

6.3.5.2 Describe technologies or methodologies the System can use to validate tickets. Provide the relative merits of the various validation technologies and methodologies described.

6.3.5.3 Describe how the System can validate multiple tickets using one (1) claim form to produce one (1) payment.

6.3.5.4 Describe any related experience in providing a System that allows for secure validation including keyless validation of Instant tickets from multiple ticket producers.

6.3.5.5 Describe how Authorized Users will be able to monitor all validation attempts.

6.3.5.6 Describe the ability to generate a claim summary report detailing all tickets including all scanned tickets regardless of their validation status. This should include previously paid tickets, expired tickets, and non-winning tickets.

6.3.5.7 Describe the ability to collect and Report tracking information on the Retailer location when a ticket is scanned.

6.3.6 Promotions/Limited Time Offers

The System shall support game Promotions and provide efficient, simple development and release. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
6.3.6.a Promotions features shall include but not be limited to: "Buy X, Get Y", nth ticket, couponing, cross-promotional between different lottery games and verticals, N-Pack, and second chance raffle participation. The CGS will have the ability to add the Lottery's Lightning Ball Promotion. (MMR)

6.3.6.b The System shall include a Promotions package with the ability to run concurrent Promotions. (MMR)

6.3.6.c Promotions shall be configurable using criteria specified by the Lottery, including but not limited to zip code, chain, Retailer, dates, time of Day, product type, and specific game(s). (MMR)

THE FOLLOWING ITEM(S) WILL BE SCORED.
Provide responses to each of the following items.

6.3.6.1 Describe how the Promotion features of the System will function, paying close attention to how Lottery employees will interact with the System to create and monitor Promotions and generate Reports. Include limitations regarding number of concurrent Promotions that can be running on the system and number of concurrent retailer groups that can be running unique Promotions.

6.3.6.2 Explain in detail the different types of Promotions available. Describe what the System can generate as a result of these Promotions (e.g., discounted tickets, vouchers, coupons, etc.).

6.3.6.3 Define the parameters the Lottery can use to limit the scope of these Promotions (e.g., selected retail locations, Day of the week, time of the Day, etc.).

6.3.6.4 Describe how additional logos and text on ticket can be supported by the Promotion features. Include the timeline and examples for these logo and text changes. Provide an image of an example.

6.3.6.5 Describe if and how the System will support the printing of external Lottery-specified barcodes onto Lottery tickets and coupons. Include the types of barcodes that the Lottery can print.

6.3.6.6 Describe the timing and implementation process needed to offer a Promotion.

6.3.7 Instant Ticket Functional Requirements

The System shall support the following Instant ticket functions, including but not limited to, loading of Game Files, ordering, distribution including packing slips, delivery confirmation, activation, payment receipt, Pack and individual ticket returns, validation, and real-time reporting on the status of each Pack/order/individual ticket. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS

6.3.7.a The System shall support, at any given time, both a minimum of five hundred (500) live Instant games plus a minimum of two hundred (200) additional Instant games that have ended or are in end-of-game processing. (MMR)

6.3.7.b The System shall support a range of approximately two hundred fifty thousand (250,000) to fifty million (50,000,000) tickets per Game. (KBR)

6.3.7.c The System shall allow same-day processing of orders both from the telemarketing system and directly from Retailers. (MMR)

6.3.7.d The System shall automatically monitor availability of Game inventory and accept orders through the last available Pack, including full, unopened returned Packs. (KBR)

6.3.7.e The System shall maintain Game validation records with details down to the prize level. (MMR)

6.3.7.f The System shall allow Authorized Users to monitor inventory and individual Pack status at the Retailer and System levels. (KBR)

6.3.7.g The System shall allow Authorized Users to monitor inventory and individual Pack status on both elapsed time and percent of validations. (KBR)

6.3.7.h The System shall allow Authorized Users to return tickets to inventory. (MMR)

6.3.7.i The System shall allow the transfer of tickets from one Retailer to another Retailer when a change of ownership is performed. (KBR)

6.3.7.j The System shall maintain and Report the history of a Pack and tickets within a Pack. The System shall support near real-time Pack historical tracking including transfers with current Pack status and location. (KBR)

6.3.7.k The System shall be capable of disabling and resuming validations on each individual Game, Pack, and ticket independently from the other Games, Packs, and tickets. (KBR)

6.3.7.l The System shall respond to a wide variety of ticket inquiries, including but not limited to, shipped and pending orders, Pack lookup, Retailer inventory, sales activity, settled inventory, ended Games, validations by prize level, and full and partial Pack returns (with reason code). (KBR)

Lottery Gaming System

6.3.7.m The System shall provide the ability for Authorized Users to manage Instant ticket game information and parameters, including but not limited to, querying the validation File to determine if a particular ticket has been paid and provide other related information. (KBR)

6.3.7.n The System shall allow Authorized Users to view the following information in near real-time mode, including but not limited to:

1) Gross sales and validations by Game, by Day, and by week

2) Gross sales and validations for all Games by Day and by week

3) Gross sales and validations by Retailer

4) Gross sales and validations by game by Retailer and by Game

5) Gross sales and validations to date by Game

6) Gross validations by prize level within a Game

7) Week to date report for billing

8) View credits or adjustment made to Retailer account once approved

9) Current account balance, without waiting for the next billing cycle to finish (and projected amounts)

10) Payment history

11) Terminal transactions (KBR)

THE FOLLOWING ITEM(S) WILL BE SCORED.
Provide responses to each of the following items.

6.3.7.1 Describe additional parameters by which gross sales and validations could be viewed. Include how near to real time the sales, validations, adjustments, current balance, project billing, payment history, and other data will be available. Describe how Retailers and the Lottery can access relevant information.

6.3.7.2 Provide examples of the kinds of GUIs that will be used in the above Requirements and describe how they could improve efficiency and accuracy.

6.3.7.3 Describe how Retailers can see adjustments made to billing account.

6.3.7.4 Describe how the System will support multi-pack activation.

6.3.7.5 Describe how the System will support automatic Game end processes, Game closures, archiving, and purging.

6.3.7.6 Describe how Instant Ticket location is tracked within the warehouse, include the granularity of the location in the warehouse (e.g., vault, pick and pack line, dock) and the process to maintain these locations and how the Lottery will have access to review the location.

6.3.8 Instant Ticket Game Management

The Lottery and Instant Ticket Producers will provide the Contractor with technical specifications for each Instant game.

Lottery Gaming System

6.3.8.0.1 The System shall support the following features and functions for management of Instant games. Authorized Users of the System shall have the ability to maintain and readily analyze Game information and parameters associated with these features and functions. (MMR)

6.3.8.0.2 The Lottery is committed to developing new Instant ticket products that may be of different prices; sizes, weights, and shapes; barcode standards; and Pack quantities, utilizing new or different prize types. The System shall accommodate these developments. In addition, the System shall be robust enough to implement new game features and prize types quickly and reliably. The System shall be able to support traditional pull-tab games with break-open tickets that are not validated through terminals or the CGS. (MMR)

> **MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS**
> **6.3.8.a** The System shall support a game name field of at least thirty-two (32) characters and a four (4) digit game number with all thirty-six (36) characters stored and displayed on all System screens and Reports. (MMR)

6.3.8.b The System shall simultaneously process Games produced by the Lottery's multiple Instant Ticket Producers. (MMR)

6.3.8.c The System shall store the following Game and Pack characteristics including but not limited to: starting Pack number, missing Pack numbers, number of Packs in game, cost per Pack, number of tickets in a Pack, overall game prize payout, game attributes, and other relevant details. (KBR)

6.3.8.d The System shall support Instant Pack data elements including but not limited to: cost per ticket, weight per Pack, number of tickets per Pool, and number of tickets per Pack. (KBR)

6.3.8.e The System shall have the ability to specify the prize levels for each Game and associate the following for every level in the Game:

1) Provide prize value (which shall include zero dollars ($0)), prize type, and description (e.g., low-tier, mid-tier, high-tier, merchandise (non-cash) prizes, Lotto ticket prizes, Instant ticket prizes, "entry" for Drawing, or any combination thereof as defined by the Lottery).

2) Provide the ability to add new prize values and prize types to the System.

3) Provide the ability to count the total number of prizes and the remaining number of prizes for each prize level in near real time.

4) Provide the ability for this information to be exported to the Lottery's website and mobile app.

5) Specify the prizes that have a taxable value different from the value that is charged to the game (e.g., prizes with a six hundred dollar ($600) or greater value that are provided at no charge to the Lottery by an outside vendor).

6) Specify the prize value of a ticket (e.g., a Lotto ticket that is a prize on an Instant ticket) that should be charged to the game but not provided to the player as a cash prize.

7) Provide a pay or claim code to identify the Retailer's authorization to pay the prize depending upon the prize amount, prize type, and Retailer status. (Lottery's current policy requires that all prizes of six hundred dollars ($600) or more be paid at one of Lottery's Redemption Centers.) (MMR)

Lottery Gaming System

6.3.8.f The System shall record and store a series of dates that May also be changed by Authorized Users via the System at any time. The following dates shall be included, though others May be later required:

1) Game load date – when the Game is loaded onto the System.

2) Testing date – when the Lottery test terminal can activate Packs.

3) Start of sales date – when Retailers start activating Packs.

4) End distribution date – when the System removes the Game from the telemarketing order screens.

5) End game date – when Retailers shall no longer sell tickets for the Game.

6) End return date – when Retailers shall no longer return tickets to the Lottery for credit.

7) End validation date – when tickets shall no longer be validated. (KBR)

6.3.8.g The System shall provide an override ability that, when activated by an Authorized User, allows any of the Game date parameters to be changed for either one (1), multiple or all Retailers for a specified period. For example, this would allow an early start of a Game for specified Retailers. (KBR)

6.3.8.h The System shall provide the ability to set Retailer sales commission rates that are parameter sensitive. For example: Game #### is created January 1 with a commission rate of six and one quarter percent (6.25%). On July 1 the commission rate changes to six and one-half percent (6.5%). For accounting purposes, both rates and their effective periods shall be recorded for reporting and used by the System in determining Retailer sales commission amounts and returned ticket credits. Return ticket credits are based on the commission rate applicable when the ticket was sold to the Retailer. These parameters could include, but are not limited to: Retailer number, date, financial parent identification number, Packs ordered, Contract type, and Game. (KBR)

6.3.8.i The System shall provide the ability to set Retailer sales commissions that are product and license-type sensitive. For example, pull-tab commissions can vary anywhere from six and one quarter percent (6.25%) to thirty percent (30%) depending on the Contract type of the purchasing Retailer. (MMR)

6.3.8.j The Contractor shall securely retrieve Instant game Files electronically (e.g., via Secure FTP) from all of the Lottery's Instant Ticket Producers that provide this service. The Contractor shall load these Files into the System at the Lottery's direction. These Files currently include but are not limited to the following: inventory File, low-tier prize validation File, and high-tier prize validation File. Validation and inventory information from Instant Ticket Producers shall be loaded onto the System in a timely manner. The Contractor shall provide confirmation of game file upload indicating that file transfer was successful at the time of upload. (KBR)

6.3.8.k The System shall provide the ability to:

1) Add Packs to an existing Game.

2) Change Game definition parameters when adding Packs due to subsequent print runs.

3) Load as many orders of a Game as necessary with Minimal impact on processing.

4) Append validation Files for a Game when adding subsequent print runs.

5) Remove and replace inventory and validation Files in case of printing or validating problems.

6) Offer multiple Games with the same name but different Game numbers. (MMR)

6.3.8.l The Contractor shall not delay the start of a Game for time to test tickets and time to prepare for Initial Distribution. (KBR)

THE FOLLOWING ITEM(S) WILL BE SCORED.
Provide responses to each of the following items.

6.3.8.1 Describe how Authorized User access is provided and controlled for each of the various Game management functions.

6.3.8.2 Describe the audit trail that is created when game management information is modified.

6.3.8.3 Describe how validation Files are stored in the System (e.g., individual records, archived, query). Indicate the security features of the storage method.

6.3.8.4 Describe how the System will automate the removal (purge) of a Game after it has ended, and approval to remove is granted.

6.3.8.5 Describe how the System will track and report on different kinds of products (e.g., scratch, pull-tab, etc.).

6.3.8.6 Describe how long it takes to load Game inventory and validation Files.

6.3.8.7 Describe the System's ability to add a single date to an existing Game, automatically populating the other Game dates needed to define the Game end date.

6.3.8.8 Describe how the System will store Universal Product Codes (UPCs) provided by the Lottery.

6.3.8.9 Describe the alphanumeric, other special characters, character limits that can be supported in a Game Name. Define the exact elements that typically trigger issues for game designers.

6.3.8.10 Describe the System's ability to support 5-digit Game numbers. If the System cannot support 5-digit Game numbers currently, describe the timeline to have the System support 5-digit Game numbers.

6.3.9 Instant Ticket Order Fulfillment - Telemarketing

The System shall enable the Contractor's Tel-Sell to contact Retailers and enter Instant ticket order information. The System shall provide features to support telemarketing and Retailer account functions and services. Employees of the Tel-Sell call center shall be provided by the Contractor. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS

6.3.9.a The System shall be able to prompt calls to Retailers, configurable by user, according to various call and delivery cycles, (e.g., weekly, bi-weekly, etc.) at pre-determined or specified times of Day. (KBR)

6.3.9.b The System shall be able to prompt calls to Retailers based on other Lottery-defined criteria including but not limited to: inventory levels, validation activity, number of Days since last call, and notification from the Retailer. (KBR)

Lottery Gaming System

6.3.9.c Non-profit Retailers which are made active shall automatically notify telemarketing to complete ticket ordering. (KBR)

6.3.9.d The System shall produce a daily Report that lists the Retailers to be called that Day by each telemarketer. (KBR)

6.3.9.e The System shall have the ability to produce call Reports for the current or any future date. Call lists are subject to Lottery approval for any potential changes. (KBR)

6.3.9.f Retailers that have been flagged as inactive or terminated, on the call day, must not be included in the call report, in near real-time. (KBR)

6.3.9.g The System shall support order screens that incorporate, but are not limited to:

1) Recommended orders for each Retailer, based on current inventory levels, facings, validations, Game shortages, and other identified KPIs.

2) Order history including count and amount for both current and past Games, and the name and number of the telemarketer who entered the order and its delivery date.

3) Fields for the telemarketers to record order information, notes, and survey results, which can be viewable to the Lottery at any time.

4) Retailer demographic and billing information, excluding account and payment information as deemed appropriate by the Lottery (e.g., addresses, contact names, etc.).

5) Retailers that are in the terminated or inactive status must clearly be identified as such.

6) Automatically prevent orders to be created for terminated, inactive, or suppressed Retailers. This should include Lottery flagged Retailers including but not limited to non-funds transfer Retailers. Retailers that have a status change on their call day or when an order is placed will create an automatic notification for the Contractor to pull back any orders.

7) Incorporate alerts of security issues such as excessive ordering (e.g., placing multiple orders in a single invoice period, unusual increases in quantities of orders, etc.) and provide Reports to the Lottery.

8) All calls shall be recorded, potentially viewed on a Retailer call day, and May be evaluated by Lottery for quality assurance purposes. The Lottery and Contractor will define the current standard for the call process and quality. The Contractor shall provide statistics on the quality of the Tel-Sell service. (MMR)

6.3.9.h The System shall display ticket orders in any order chosen by an Authorized User (e.g., as entered, by ticket price, alphabetically, etc.). The System shall display net dollar amount for each Pack and for total order. (MMR)

6.3.9.i The System shall provide Reports by telemarketer (e.g., number and types of calls, sales per Calendar Day, sales per quarter, sales per call, Pack sales by Game, etc.). (MMR)

6.3.9.j The System shall display Initial Distribution ticket order status and quantities by price point. (MMR)

6.3.9.k The System shall allow telemarketers to include additional data and messaging on the order packing slip as defined by Lottery. (KBR)

Lottery Gaming System

6.3.9.l The System shall prevent the placing of an order when there is insufficient inventory to fill the order. The System shall indicate why the order cannot be processed. (KBR)

6.3.9.m The System shall prevent the placing of an order for a Retailer who fails to meet a Lottery specified criteria (e.g., lack of credit, Pack limit, etc.). The System shall indicate why the order cannot be processed. (KBR)

6.3.9.n The System shall record certain parameters associated with Retailer inventory. These parameters include, but are not limited to, sell-out validation percentage by price point, number of facings, anticipated Days until next call, and number of Days of anticipated Initial Distribution orders. The System shall accept new values that update no later than the next Business Day. (MMR)

6.3.9.o The System shall allow order limits by Retailer set by Authorized Users, access to real-time information regarding Retailers that have their ordering limited or stopped, the reason for the action, and a history of previous changes to other criteria. (KBR)

6.3.9.p The System should have the ability to view real-time orders for review by the Lottery before they are posted to the System. (KBR)

6.3.9.q The System shall have the ability to scale to meet peek sale periods. (KBR)

6.3.9.r The System shall have the ability to generate exception Reports to flag unusual activity such as excessive ordering, etc. (KBR)

> **THE FOLLOWING ITEM(S) WILL BE SCORED.**
> **Provide responses to each of the following items.**
>
> **6.3.9.1** Describe how the System will provide the ability to contact the Retailer and place orders for Packs of Instant tickets, Point-of-Sale (POS) materials, equipment, and related merchandise.
>
> **6.3.9.2** Describe how the System generates a recommendation for a ticket order.
>
> **6.3.9.3** Describe how the System, for new retailers, will generate a recommendation for a ticket order strategy (approved by Lottery) for new Retailers.
>
> **6.3.9.4** Describe how the System can apply override ordering limits and features available within the System.
>
> **6.3.9.5** Describe how the System will provide fields to enter notes, order information, and telemarketing survey results. Include message field sizes and how the Authorized User of the Lottery can view this information through BI and CRM.
>
> **6.3.9.6** Describe how the System will provide access to location sales history for previous Owners.
>
> **6.3.9.7** Describe how the telemarketing system will integrate with the CRM software.
>
> **6.3.9.8** Describe and provide examples of how the telemarketing order screens will display adjustable Lottery-established sales performance goals and current progress towards meeting those goals. Indicate how an Authorized User will configure those goals.

6.3.9.9 Describe if and how the System can place orders in advance with a specific delivery date allowing other orders to be placed, filled, and shipped in the interim. These orders will be visible on the order screen.

6.3.9.10 Describe how the System can be automated to ship the suggested order without contacting the Retailer prior to shipment.

6.3.10 Instant Game Initial Distribution Ticket Ordering

The System shall accept and process Initial Distribution orders to be received by specified Retailers on the Day of a new Game start. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
6.3.10.a The System shall support Initial Distribution of new Games with the ability to specify delivery date parameters. The System shall generate Initial Distribution for packing and shipping to participating Retailers to arrive on the Day of the new Game start. (MMR)

6.3.10.b The System shall allow Distribution ordering for all price points specified by the Lottery, including price points not currently offered. (KBR)

6.3.10.c The System shall allow Authorized Users to specify the number of Packs by price point for each Retailer participating in Initial Distribution. (KBR)

6.3.10.d The System shall include a function that allows Authorized Users to generate Initial Distribution orders of a particular Game (e.g., for Promotions) without affecting regularly scheduled Initial Distribution orders at any price point. (MMR)

6.3.10.e The System shall allow the Lottery to define Retailer statuses that will prevent orders to be created for these Retailers. Statuses will include but not limited to non-fund transfer Retailers. The System must verify Retailer statuses prior to creating any Initial Distribution. (KBR)

THE FOLLOWING ITEM(S) WILL BE SCORED.
Provide responses to each of the following items.

6.3.10.1 Describe if and how the System will identify if a Retailer is scheduled to receive more than one order on a given Day.

6.3.10.2 Describe any additional features of the Initial Distribution ordering System that would enhance its functionality in terms of ease of use, effectiveness, and efficiency.

6.3.10.3 Describe how the System will allow entry of Promotional order quantities including how the Lottery can adjust or apply Promotional order quantities to Retailers who meet specific characteristics (e.g., chain, county, sales volume, etc.).

6.3.11 Instant Game Accounting

The System shall provide detailed record keeping ensuring the accuracy, visibility, and auditability of Instant games, tickets, and transactions. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS

Lottery Gaming System

6.3.11.a The System shall provide Instant game and ticket level record keeping, including but not limited to: tickets issued, stolen, missing, returned, damaged, misprinted, canceled, and ending inventory value. (KBR)

6.3.11.b The System shall provide monitoring of individual pack status at the Retailer level for the purpose of initiating Pack settlement. (KBR)

6.3.11.c The System shall provide weekly settlement information conforming to the Retailer and Lottery specific billing cycles. (KBR)

6.3.11.d The System shall provide Retailer account record-keeping, including Retailer Instant ticket inventory and inventory value by location, chain, super chain, pseudo chain, and corporate account, or any other reporting approved by the Lottery, as necessary on cycle and format(s) as required by Retailer. (KBR)

6.3.11.d The System shall provide detailed game-end accounting processes and reporting reflective of lottery best practices. (KBR)

> **THE FOLLOWING ITEM(S) WILL BE SCORED.**
> **Provide responses to each of the following items.**
>
> **6.3.11.1** Describe how the System can define multiple levels of Retailer Reports and the flexible reporting options available for differing retailer chains, structures, and groups with flexible reporting to Lottery.
>
> **6.3.11.2** Describe the features available in the Retailer website relating to Retailer accounting and reporting.
>
> **6.3.11.3** Discuss how the proposed System will support game-end accounting and reporting ensuring this is in line with Lottery best practices.

6.3.12 Retailer Terminal and Peripheral Software

The System shall support software related to Retailer Terminals. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
6.3.12.a The Retailer Terminal shall produce tickets for each of the Lotto games currently in use by the Lottery and in the future using player selected numbers, random Play (quick pick), sequential Play, and manual entry, as well as instant win Lotto games at no additional cost to the Lottery (i.e., Fast Play and EZ Match). This includes the ability to produce tickets for Games whose sales collectively feed a progressive jackpot prize (e.g., Fast Play). (MMR)

6.3.12.b The Retailer Terminal shall facilitate the validation of tickets for each Game, including keyless validation with the ability to perform this in a batch. (MMR)

6.3.12.c The Retailer Terminal shall allow ordering (at Lottery's approval) and confirming receipt of Consumables. (KBR)

6.3.12.d The Retailer Terminal shall accept and display messages with the ability to confirm message receipt. The message at minimum must be at least one thousand twenty-four (1,024) characters. The Retail Terminal must support the ability for an Authorized User to define any message as immediate or deferrable. (KBR)

Lottery Gaming System

6.3.12.e The Retailer Terminal shall perform diagnostics and self-test functions. (KBR)

6.3.12.f The Retailer Terminal shall confirm receipt of Instant ticket deliveries. (KBR)

6.3.12.g The Retailer Terminal shall activate a Pack or multiple Packs of Instant tickets in a single operation. The Lottery shall control the number of Packs to activate. (KBR)

6.3.12.h The Retailer Terminal shall count entry errors for Instant ticket validation attempts and be able to lock down and notify the Lottery after a Lottery specified number of attempts. This should be configurable by terminal. (MMR)

6.3.12.i The Retailer Terminal shall provide a method of preserving the integrity of transaction(s) when a transaction fails to properly print (e.g., after a jam, a printer ribbon fault, or end-of-ticket-stock condition). (KBR)

6.3.12.j The Retailer Terminal shall automatically return to service after common maintenance (e.g., changing ticket stock rolls) and printer faults (e.g., clearing paper jams) without noticeable delay or disruption for the Retailer. (KBR)

6.3.12.k The Lottery shall be able to set validation limits for each Terminal and shall be able to modify them. The validation limit is the amount the Retailer may pay out for winning tickets. These limits shall not be modifiable at the Retail Terminal. (KBR)

6.3.12.l When a winning ticket is validated on a Retail Terminal, the Retail Terminal shall produce a hard copy Report stating the amount of payout, error, or validation status. The validation ticket transaction as logged shall reference the original ticket transaction. Unsuccessful ticket validations shall produce a hard copy stating the reason (e.g., "Claim at Lottery", "Previously Validated", etc.). Batched validations regardless of Lottery product type (Lotto (including Fast Play) and Instant) is required. (MMR)

6.3.12.m Retail Terminal shall have a feature that displays the amount or messages, as determined by the Lottery, for the prize after the ticket has been scanned but before it completes the validation transaction. This feature allows the Retailer to verify if they have the funds to pay a prize. This feature shall apply to all validation transactions, dependent upon parameters set by the Lottery. (MMR)

6.3.12.n When cashing multiple draw tickets prior to the expiration of the last wager on the ticket, an exchange ticket for the remainder of the wagers shall be printed. A terminal message will notify the Retailer to provide the exchange ticket to the player. (MMR)

6.3.12.o Functions of a Terminal shall be able to be deactivated or reactivated in part or in whole by Authorized Users from the Data Center or Lottery user computers, as determined by the Lottery, at any time. All deactivations and reactivations must be logged with the changes made, the date of the change, and the user who made the change to a Retailer Terminal. (KBR)

6.3.12.p Retail Terminal shall use a coded sign-on procedure to prohibit unauthorized use. The System shall be able to:

  1) Permit changing of the code without a service call to the Retailer Terminal.

  2) Allow Authorized Users to override the store manager's ability to set passwords and access levels.

3) Permit, through the password management function, multiple levels of secure access, including, but not limited to, Lottery representatives, Contractor representatives, store managers, owners, and clerks.

4) Restrict privileged transaction types to Authorized Users; for example, store managers (but not clerks) may be able to display Retailer financial Reports and monitor transactions by individual clerks.

5) Control Retailer System access levels and passwords by the individual Retailer or by the chain for multiple stores.

6) Allow the Lottery to set a time period after which an idle Retailer Terminal shall lock. A password shall then be entered to unlock the Retail Terminal.

7) Allow the Lottery to set a maximum number of failed log-on attempts before the Retail Terminal is disabled. Authorized Users shall be able to unlock terminals remotely.

8) Prevent passwords from being displayed, printed, or visible in any manner whatsoever at the Retail Terminal. It is acceptable to display symbols (e.g., * or ●). (MMR)

6.3.12.q Retailer Terminal shall provide help screens that include video and sound to assist Retailers in understanding terminal functionality and features. (KBR)

6.3.12.r Retailer Terminal operator shall, without having to enter any keystrokes, be able to insert or scan a Playslip in any orientation into the reader causing a verification screen to appear on the Retail Terminal. (KBR)

6.3.12.s Authorized Users shall create and send messages, of variable message lengths, to all or selected groups of Retailer Terminals to be printed on the tickets. These messages May be configured with specific parameters as set by the Lottery, including but not limited to by Game, bet type, or price point. (MMR)

6.3.12.t Retailer Terminal shall issue variable length tickets, as directed by the Lottery. (MMR)

6.3.12.u Retailer Terminal shall have access to winning number data for Lotto games. A Lottery customized message should appear if the date is beyond the claim date. The data shall be updated daily. From this data, a Retailer Terminal shall be able to print the winning numbers for any draw, and by Day, for any Game, after the Lottery claim date. (MMR)

6.3.12.v Retailer Terminal shall provide the capability to allow Authorized Users to start a return process on a Pack of Instant tickets by scanning (or manual entry) the Pack. The System shall allow the Lottery the ability to view the Pack's status and allow the Lottery the ability to complete the return process or deny the request. The System shall allow for additional status codes, which are identifiable by the Lottery as the reasons for the return request by the Retailer. The Retailer Terminal shall print at least two return receipts (and allow for a reprint) for each return, a Retailer return receipt and a Lottery return receipt. The return receipts shall include the name of the Authorized User completing the return. (MMR)

6.3.12.w Retailer Terminal shall print one (1) Retailer cash authorization Report for each validation of a winning ticket. For purposes of this Requirement, a validation shall be able to include at least twenty (20) Instant and Lotto tickets. (MMR)

6.3.12.x The System shall allow for cross-redemptions for validation of tickets. (MMR)

6.3.12.y In any case where the printing function fails (due to printer jam, paper out, etc.) The System shall allow for a reprint option to be selected. When selected, the previous activity should trigger a reprint. This may include but not be limited to Reports, returns, validations, and ticket generation. (KBR)

6.3.12.z The System shall support multiple Terminals and Terminal Peripherals at a Retailer location. The System shall be able to account for individual Terminals and multiple Terminals as part of a single Retailer location. (KBR)

6.3.12.aa The System shall support the ability for Authorized Users to request, process, and print portions of the Gaming System's sales and transaction history. At least fourteen (14) days of sales and transaction history must be available. (KBR)

6.3.12.bb Retailer Terminal shall provide a printable Report of Games with no remaining top prizes, configurable by the Lottery. (MMR)

6.3.12.cc Retailer Terminal shall provide a Report of Instant Games available for order from the warehouse. Report shall include, but not limited to, price, name, Game number, Pack size, and number quantity to be ordered. (KBR)

6.3.12.dd The System shall have the ability to customize jackpot alerts for Fast Play games or other jackpot games. (KBR)

6.3.12.ee The System shall include notifications for Amber/Silver Alerts, at the direction of the Lottery. The Contractor shall include all alert types including Amber, Missing Child, Silver, and any others as they are adopted within the State. (MMR)

6.3.12.ff The System shall have the ability for the Player Awareness Display to break from the routine media show to display alerts and messages as defined by the Lottery, including but not limited to jackpot alert for Fast Play games, other jackpot game alerts when the jackpot exceeds a specific threshold, showcasing of Games, and Amber/Silver Alerts. (MMR)

6.3.12.gg The System shall support an on-screen temporary messaging system known as "Screen Note" by the Wisconsin Lottery.

1) The size of the call is currently 232HX2024W supporting image and messages. The supported image formats shall be BMP, PNG, or JPG.
2) The image/message shall display continuously on the Retail Terminal home screen for a length of time determined by the Lottery, typically, one (1) to seven (7) Days.
3) Image/message area cannot be closed out or removed by the Retailer.
4) Image/message on screen shall allow for normal operation of the Retailer Terminal.
5) Lottery submitted message shall be uploaded by the Contractor as needed without a System update.
6) Lottery shall be able to select specific groups of Retailers to target specific messages. (KBR)

   THE FOLLOWING ITEM(S) WILL BE SCORED.
   Provide responses to each of the following items.

   6.3.12.1 Describe how the System will limit invalid password attempts and how Terminal passwords will be managed both at the Retailer Terminal level and at the System level.

Lottery Gaming System

6.3.12.2 Describe if and how the Retailer Terminal will prompt Terminal operator intervention when a wager has been entered two (2) or more times, or if the wager exceeds a certain dollar amount defined by the Lottery.

6.3.12.3 Describe the Retailer Terminal classes or privilege levels in the System and include the differences among the various proposed classes or privilege levels in the areas of connectivity, security, and services available to Retailers or the Lottery. Describe how the System can be customized to match Retailer organizational structure. The following classifications currently include but are not limited to:

1) Independent – Located in individual Retailer locations. All sales and invoice reporting is for the single location.

2) Chain – Located in each store of a chain of stores. All sales and invoice reporting is for the single location but sales also roll-up to the associated Headquarters.

3) Super Chain – A rollup of chains where each chain can be reported independent of each other.

4) Pseudo Chain – These are treated similar to a chain with the exception of billing. Each location is billed independently.

5) Headquarters – Office or store of a Retailer chain designated to take Reports for all chain locations, but May be restricted from selling tickets. All sales and invoice reporting can be printed for any single Terminal, or all Terminals associated with the chain.

6) Additional Sales Terminal – An additional Terminal installed in a large or busy store. All sales and invoice reporting is for the second Terminal but sales and invoice information also roll up to the primary terminal in the Retailer location.

7) Privileged – Located in Lottery Redemption Centers. Privileged Terminals can validate any ticket prizes, produce Reports, and have Lottery defined functionality.

6.3.12.4 Describe how the System will integrate with the State Alerts (for example State's current Amber Alert, Silver Alert), Missing Child Alert functions, and new alerts implemented by the State.

6.3.12.5 Describe how Terminals will have the ability to require authentication and record the identity of each operator for each Transaction.

6.3.12.6 Describe the tutorial functionality available on the Retailer Terminal. Discuss other forms of media where tutorials might be used and viewed.

6.3.12.7 Describe how the Retailer Terminal may be able to perform Instant Ticket inventory, tracking, and reporting.

6.3.12.8 Describe the Retailer Terminal messaging capabilities, including but not limited to size of the messaging permitted within the System.

6.3.12.9 Describe how the purchase history data on SSVTs is analyzed and used to give prominence to some products over others during the purchase process, such as displaying a 'customers also purchased' section.

6.3.12.10 Describe how the planogram is updated and managed on the SSVT.

6.3.12.11 Describe how the System allows for reprints from across all Transaction types over a specified number of previous Transactions.

6.3.12.12 Discuss when the player facing multimedia device displays the amount of the prize during a player ticket validation transaction.

6.3.12.13 Describe how validation functions on the SSVT. Discuss options available to the Lottery to utilize validation at this Terminal. Discuss how validation is tracked on the SSVT to ensure this is tracked in time of communication outages. Describe how this can be viewed from a linked Terminal(s) or as a printed report.

6.3.12.14 Provide the character limit on messages and how it will be viewable by the Retailer.

6.3.13 Retailer Initiated Ordering

The System shall provide the capability for Retailers to securely initiate Instant ticket and Consumable orders using Retailer Terminals. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
6.3.13.a The System shall support secure Retailer initiated ordering via Retailer Terminals by Authorized Users for all Retailers, groups of Retailers, individual Retailers, or no Retailers. This function will be used only at the Lottery's discretion. (KBR)

6.3.13.b The System shall generate an order on the inventory management system for the requested quantity of ticket Packs. (KBR)

6.3.13.c The Retailer initiated ordering feature shall be independent of other ordering processes (i.e., disabling this feature shall not affect other ordering methods). (KBR)

THE FOLLOWING ITEM WILL BE SCORED.
Provide a response to the following item.

6.3.13.1 Describe the System capabilities or features that would allow Retailer-initiated ordering of Instant ticket Packs on the terminal. Include how Consumables could be included in these orders or initiated by Retailers as a separate order.

6.3.13.2 Describe how the system can handle, detect, and report excessive ordering.

6.3.14 Retailer Website

The Contractor shall provide a secure web-based application or site (Retailer website) with log-in including but not limited to https://wilottery.com for On Demand, Retailer accounting information including but not limited to, detailed reporting on sales, adjustments, billing, and commissions, information, contract applications, and contract renewals, whether using an in-house product or a third-party option. Other information May be added at the Lottery's approval. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
6.3.14.a Multi-factor authentication (MFA) is required to authenticate access to the Retailer website. (KBR)

6.3.14.b The Retailer website shall provide the user interface (UI) for retailer contract management, starting from onboarding of a new Retailer. Refer to Section 6.5.11 (Retailer Contract Management) for Retailer contract management requirements. (KBR)

6.3.14.c The Retailer website shall provide accounting content, including but not limited to, transactional accounting records, tax forms (e.g. 1099 forms), financial statements, and other financial Reports identified by Lottery. (KBR)

6.3.14.d The Retailer website shall provide On Demand and scheduled Retailer reporting of Lottery product categories, including but not limited to, Game sales, inventory tracking, Promotion tracking & results, incentive program payments, and other Retailer Reports identified by Lottery. The Contractor shall create the Retailer Reports at the Lottery's request, including any new Reports and modifications to existing Reports. Report creation and modification shall be included in the Contractor's methodologies for Software Development and Modifications, Section 6.3.16 (Software Development and Modifications). (KBR)

6.3.14.e The Retailer website shall provide reporting in selectable formats that facilitate import to Retailer's back office and reporting systems. Each Report shall be provided in at least one of the following standard electronic File formats: RTF, CSV, HTML, XML, XHML, XHTML, TXT, and PDF. (KBR)

6.3.14.f The Retailer website shall provide Retailers access to Game and Terminal documentation, instruction on how to contact Contractor for retail help desk support, and any other training material the Retailer will require to operate the Contractor's System. The Lottery may provide the Contractor with additional content to upload to the Retailer website, including but not limited to, Retailer training material and standard operating procedures . (KBR)

6.3.14.g The Retailer website shall provide Retailers with the ability to verify and update their details including but not limited to Retailer contact, address information, business hours, email addresses, and preferred contact method (call, text, email, etc.). (KBR)

6.3.14.h The Retailer website shall provide functionality to send and receive secure messaging between the Retailer and Lottery staff. (KBR)

6.3.14.i The Retailer website development time shall not impact System development timelines. (KBR)

6.3.14.j The Retailer-specified Reports can be delivered to specific Retailers or chains via the website. (KBR)

6.3.14.k UPCs shall be provided through the Retailer website for any Instant game with individual UPCs. The status of the Instant game shall be included. (KBR)

> **THE FOLLOWING ITEM(S) WILL BE SCORED.**
> **Provide responses to each of the following items.**
>
> **6.3.14.1** Describe the functionality of a Retailer website or application currently provided to another Lottery, including the following:
>
> a) Functionality,
> b) Authentication process,
> c) Retailer UI,
> d) Reporting capabilities,
> e) How the Retailer website can be easily updateable,

f) How specific messages can be automatically generated by Retailer type, or a group of Retailers,

g) How notifications and contracting functions can automatically update to the system,

h) Whether the Retailer website can hold and store Retailer related letters and/or act as a contact management platform.

If the Proposer does not have a solution with another Lottery, describe how a new solution would be developed and whether a third party would be involved.

6.3.14.2 Describe the security and privacy features that will be used to implement and operate the Lottery's Retailer website.

6.3.14.3 Describe how quickly Instant game UPCs can be delivered to the Retailer website.

6.3.15 Inventory Management

The Contractor is responsible for, and operating, the inventory management software. The System shall support all aspects of order fulfillment and distribution. Inventory management in the System shall be secure and have complete audit trails. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS

6.3.15.a The System shall provide fields for variable status and reason codes. The complete list of status and reason codes shall be approved by the Lottery. (KBR)

6.3.15.b The System shall identify the person or function making a status or reason code change and record this change to a log File available to the Lottery electronically (e.g., PDF). (KBR)

6.3.15.c The System shall identify the current owner or location (e.g., specific Retailer, delivery service, specific warehouse location like the vault, pick and pack line, etc.) of any Pack and its ownership history. (MMR)

6.3.15.d The System shall identify the date and time associated with all status and reason code changes. (KBR)

6.3.15.e The System shall control status changes to prevent unauthorized or inappropriate changes. Only Authorized Users shall be allowed to make changes to a Pack's status. (MMR)

6.3.15.f The System shall maintain Instant ticket inventory information at levels set by the Lottery (e.g., ticket, Pack, Carton, Pallet, and shipment). Accurate inventory inquiries shall be available in real time for viewing, printing, and modification. (KBR)

6.3.15.g The System shall have the ability to include multiple Packs from multiple Games in one order. (KBR)

6.3.15.h The System shall support ordering that is classified by telemarketing staff as on demand that need to be fulfilled as soon as reasonably possible. The System shall place these orders in a status that will be processed by the warehouse on the workstation assigned by an Authorized User. (MMR)

6.3.15.i The System shall allow an Authorized User to reassign Packs between Retailers with approval from the Lottery. (e.g., reassign a Pack delivered in error). (KBR)

Lottery Gaming System

6.3.15.j The System shall allow an Authorized User to change the Pack statuses that any Authorized User is allowed to update. The System shall allow an Authorized User to change the Pack statuses that are updated by any System generated changes or changes resulting from Terminal activity. (KBR)

6.3.15.k The System shall permit Authorized Users to modify allowable Pack status changes (e.g., add new status options as well as modify existing change options) along with associated activity codes (e.g., whether or not the Pack status allows validations or sales to Retailers). (KBR)

6.3.15.l The System shall allow Authorized Users to change the status of multiple Packs or a range of tickets at any time using a variety of parameters, including ticket numbers, Pack numbers, Carton numbers, and order numbers. (MMR)

6.3.15.m The System shall support a physical inventory using a barcode scanner. Warehouse personnel will scan boxes, shipments, or individual Packs using a barcode scanner. The System shall capture the scanned information, compare it to the inventory File, and produce an exception Report. (KBR)

6.3.15.n The System shall support order fulfillment and delivery by producing, automatically or On Demand, pick lists, and distribution lists on orders entered into the System. These lists shall include order and shipment number, in both barcode and readable format, with Packs grouped by Game. (KBR)

6.3.15.o The System shall calculate the weight of a shipment and apply the correct shipping charges. The System shall provide an interface to allow Authorized Users to change the shipping rates. (KBR)

6.3.15.p The System shall export electronic inventory control information (e.g., to a major chain's inventory control system or ticket delivery vendor). (KBR)

6.3.15.q The System shall allow Authorized Users to make corrections to an order in real time. (KBR)

6.3.15.r The inventory management software shall be customizable to the specific needs of the Lottery. The Lottery will review the layout, performance, and functionality of the screens prior to acceptance of the inventory management software. (KBR)

6.3.15.s The System shall interface with the billing and tracking systems of ticket delivery vendors via an automated interface. (MMR)

6.3.15.t The System shall allow an order to be entered and saved for delivery on a future date. (KBR)

> **THE FOLLOWING ITEM(S) WILL BE SCORED.**
> **Provide responses to each of the following items.**
>
> **6.3.15.1** Describe the System's capability and limitations regarding the status and reason codes.
>
> **6.3.15.2** Describe the order fulfillment and distribution features for Instant tickets.
>
> **6.3.15.3** Describe the proposed interfacing capabilities with the billing and tracking Systems of ticket delivery vendors.
>
> **6.3.15.4** Describe how the System will track the status and content of ticket shipments to Retailers.

6.3.15.5 Describe how the inventory management system will maintain performance when accessed by multiple users.

6.3.15.6 Describe the parameters that Authorized Users can use to make status changes to a single ticket, single Pack, range of tickets, or range of Packs that can be changed at one time.

6.3.15.7 Describe if and how the System will support Radio Frequency Identification (RFID) for inventory management, including how the Proposer will implement RFID securely.

6.3.15.8 Describe if and how Authorized Users would be able to remove ticket Packs from an order without reprocessing the order.

6.3.15.9 Discuss how the proposed inventory management offering utilizes the latest advances in technology, including but not limited to AI.

6.3.15.10 Describe how a pack of tickets can be easily reassigned to another retailer, including but not limited to; the process, Retailer billing, reporting, accounting, and security functions that this can occur.

6.3.16 Software Development and Modifications

Throughout the Life of the Contract, new software, and modifications to existing software, shall be required. New and changed software shall be developed and tested in a timely manner and according to Lottery's business Requirements. All software updates, upgrades, and defect resolutions, other than Enhancements, shall be installed at no cost to the Lottery. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
6.3.16.a New software and software modifications shall maintain compatibility between the System and all of the systems with which it interfaces. (MMR)

6.3.16.b The software shall continue to meet or exceed the functional Requirements of this RFP. (MMR)

6.3.16.c The development and installation of new Games, including any specific Fast Play games, as well as modifications to existing Games and removal of Games, shall be considered software upgrades. (MMR)

6.3.16.d The Lottery recognizes that providing quality software for the Contract shall include cooperation of all parties and a process that allows defined expectations to be satisfied. Therefore, the Contractor shall employ an industry-standard life cycle methodology that addresses a clear definition of business requirements four (4) weeks prior to the next stage (e.g., design, analysis, development, testing, and deployment). The Contractor shall ensure that agreement with the Lottery on business requirements has been reached prior to beginning design work for the development and modification of the software. (KBR)

6.3.16.e The Contractor shall perform quality assurance practices for all software Enhancements and corrections. This QA program shall be complemented by the Lottery's Acceptance Testing program using the testing terminals and systems described within this RFP. (KBR)

6.3.16.f The Contractor shall provide an estimated number of hours, at a fixed hourly rate, for software Enhancements other than required software updates, upgrades, and resolution of defects. A fixed

hourly rate shall be listed in Attachment A - Cost Proposal Worksheet. These costs will be paid at the hourly rate based on prior Lottery approval. (MMR)

6.3.16.g The Contractor shall have the Administrator's written approval prior to the installation of any software or changes to the software in the System. (MMR)

6.3.16.h Any change to the existing System software required by law, Administrative rules, Game rules, or State of Wisconsin directives shall be considered a software update. (MMR)

> **THE FOLLOWING ITEM(S) WILL BE SCORED.**
> **Provide responses to each of the following items.**
>
> **6.3.16.1** Describe the process that will be used for defining, tracking, managing, designing, and installing new software and changes to software. Include a description of any change control procedures and forms, approvals and authorizations, the programming language used to support the System, and a proposed timetable for implementing new and changed software. Include in your response, configuration management tools and procedures and the Proposer's software development/project management methodology. Discuss how the Lottery's needs, edits, and suggestions are integrated and maintained throughout the change management process.
>
> **6.3.16.2** Describe the System's development life cycle methodology, data administration and documentation methodologies, development tools, and configuration management methodology that will be used to support the Lottery's Games.
>
> **6.3.16.3** Describe in detail four (4) different specific examples of typical software changes (differing size categories), the time required for development or modification, and the installation and testing process. The timetable shall outline the process from identification of software changes by the Lottery through Acceptance Testing and installation.

6.3.17   Acceptance Testing - Ongoing

Acceptance Testing is an extensive verification process to demonstrate and ensure that the System conforms to all Requirements. This section describes conditions that shall be met for System developments or Enhancements. Initial acceptance of the software is addressed in Section 6.9.4 (Acceptance Testing – Conversion).

> **MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS**
> **6.3.17.a** The Contractor shall ensure that all new software and any changes to existing software shall be provided to the Lottery for Acceptance Testing prior to installation.   New software and modifications shall be installed and in production within the specified timeframe after the Lottery's written acceptance of Requirements. Acceptance Testing shall occur within this timeframe. (KBR)
>
> **6.3.17.b** During Acceptance Testing, the Contractor shall provide personnel (on-site or virtual) capable of fully testing the application software and experience with the specific hardware and software being tested. The personnel shall be assigned to the Lottery on a full-time basis during Acceptance Testing. (MMR)
>
> **6.3.17.c** The Contractor shall provide a detailed test script for every Acceptance Testing process. The Lottery will review and be able to use the test scripts in its Acceptance Testing process for evaluating System Performance, functionality, and capacity. (KBR)

6.3.17.d The test system shall be available for any Lottery Acceptance Testing. The Lottery will be solely responsible for determining pass or fail decisions for each item within an acceptance test. (KBR)

6.3.17.e Acceptance Testing shall include, but is not limited to, verifying that the System shall:

1) Recover from various equipment, power, and communication failures and return to full operation within the required time without loss of data.

2) Process peak levels of transactions while meeting the System Performance Requirements (i.e., using a load simulator).

3) Produce all specified Retailer and System Reports.

4) Send appropriate terminal responses for all transactions, both valid and invalid.

5) Verify user computer, Retailer Terminal, SSVT, and other System (including Lottery mobile app) functionality.

6) Verify all financial functions, including any interface files, are updated correctly.

7) Correctly process and verify all validation transaction types (both valid and invalid) using various methods of entering the information (e.g., manual entry or barcode).

8) Process all prize levels in accordance with Lottery Requirements.

9) Deliver acceptable response time on Lottery user computers.

10) Process Instant ticket orders and manage inventory.

11) Securely interface with the Internal Control System. (MMR)

THE FOLLOWING ITEM(S) WILL BE SCORED.
Provide responses to each of the following items.

6.3.17.1 Describe the methodology for preparing test scripts. Include length of time to test new or modified application software. Provide two (2) sample test scripts - one simple (EFB) and one typical of a maintenance type batch. (Sample test scripts will be excluded from the page limit.)

6.3.17.2 Describe the Proposer's capability to provide a load simulator capable of generating Transactions for all Games and Play types as required by Lottery, to be used during Acceptance Testing to generate the Transaction volume per minute Requirements of System Performance.

6.3.17.3 Describe any additional features, including regression testing, that will be included in Acceptance Testing.

6.4 Services

6.4.1 Computer Operations

The Contractor shall operate the System. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
6.4.1.a The Contractor shall provide staff to operate the System twenty-four (24) hours per Calendar Day, seven (7) Days per week. This applies to both the Local and Backup Data Centers. (MMR)

Lottery Gaming System

6.4.1.b At least two (2) Contractor staff shall always be present in the Primary Data Center control room. (MMR)

6.4.1.c The Contractor shall perform System start-up and shutdown. (MMR)

6.4.1.d The Contractor shall respond to and resolve System messages, tasks, and operational problems. (KBR)

6.4.1.e The Contractor shall perform backups of System data. (MMR)

6.4.1.f The Contractor shall generate and distribute standard Reports and ad-hoc management Reports as required by the Lottery. (MMR)

6.4.1.g The Contractor shall monitor and report on the status of System Performance and capacity. (KBR)

6.4.1.h The Contractor shall install new versions of application and operating system software that have been approved by the Lottery. (KBR)

6.4.1.i The Contractor shall enter information into the System reported by Retailers concerning missing and stolen tickets. (MMR)

6.4.1.j The Contractor shall provide full-time staff at the Local Data Center that includes but is not limited to: managing failover; operating the test system (e.g., loading Games, rolling test days); data analysis consulting; marketing analysis; business analysis and requirements development; managing the software change process; network support; day-to-day problem resolution; and general contract liaison activities. (MMR)

> **THE FOLLOWING ITEM(S) WILL BE SCORED.**
> **Provide responses to each of the following items.**
>
> **6.4.1.1** Describe the escalation procedures that will be implemented to ensure rapid resolution of System problems.
>
> **6.4.1.2** Describe the procedures that will be used to install new versions of application and operating system software.
>
> **6.4.1.3** Describe the ongoing training program for operations staff.
>
> **6.4.1.4** Describe the Local and Backup Data Centers staffing plan, including but not limited to, position title and description, qualifications, and hours per week.
>
> **6.4.1.5** Discuss the timing for draws and draw support including how quickly the Lottery will receive the draw results once entered in the System.

6.4.2 Training for Retailers and Lottery Personnel

The Contractor shall provide initial and ongoing training, as well as training for major System changes for Retailers and Lottery personnel. (MMR)

> **MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS**

Lottery Gaming System

6.4.2.a The Contractor shall provide training for Retailer staff and Lottery personnel in the operation of Retailer Terminals, Peripherals, and all other related Retailer equipment. The Contractor shall provide the facilities, materials, equipment, and personnel for this training. (MMR)

6.4.2.b The Contractor shall provide training for Lottery personnel in the operation of the System. The Contractor shall provide the facilities, materials, equipment, and personnel for this training. (MMR)

6.4.2.c The Terminal shall be capable of operating in a training mode and must emulate Production. Ticket printing shall be turned off in training mode, unless otherwise directed by the Lottery. (MMR)

6.4.2.d The Contractor shall provide for the security of ticket stock and any training tickets produced during terminal training sessions, and the security of the Terminals themselves from tampering or theft. (KBR)

6.4.2.e The Contractor shall provide training to Retailer staff and Lottery personnel as directed by the Lottery. This includes any required Lottery processes, Game, and any third-party software training. (MMR)

> **THE FOLLOWING ITEM(S) WILL BE SCORED.**
> **Provide responses to each of the following items.**
>
> **6.4.2.1** Describe the training methodology for Lottery personnel and Retailer staff, and provide a training plan for each, that includes proposed materials, facilities, staff qualifications, sessions (including length and class size), and schedule. The program description shall address the Proposer's capability of providing for the individual needs of key account corporations.
>
> **6.4.2.2** Describe the proposed plan for how training materials will be kept up to date.
>
> **6.4.2.3** Describe how any training tickets are identified as invalid tickets.
>
> **6.4.2.4** Describe how the Terminal will indicate it is in training mode.
>
> **6.4.2.5** Describe how designated Lottery staff will be given more in-depth training on Terminals.
>
> **6.4.2.6** Describe if and how the Proposer will use web-based training materials for Retailers and Lottery staff.
>
> **6.4.2.7** Describe any new training methods to help retailers onboard new staff or learn about new features.

6.4.3 Data Retention and Archiving

The Contractor shall provide data retention and archiving services on the System. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
6.4.3.a Data specific to any particular Instant and Lotto game, including validation and inventory, shall be kept on the System for one (1) year after the Game ends. Once removed from the System, data shall be available for the Life of the Contract. (MMR)

6.4.3.b The Contractor shall provide data that is available to Lottery users to access for the Life of the Contract including data converted from the previous system. (KBR).

6.4.3.c All Retailer and Game accounting information shall be kept for three (3) years beyond the Life of the Contract and shall be made available to Authorized Users, On Demand. (MMR)

> **THE FOLLOWING ITEM(S) WILL BE SCORED.**
> **Provide responses to each of the following items.**

> **6.4.3.1** Describe how System data will be archived, including the storage technology, length of retention of data, and method of aging data off the System. Note that this section is about data archiving, not simply backup.

> **6.4.3.2** Describe the process for Authorized Users to retrieve archived System data.

> **6.4.3.3** Describe how archived System data will be kept secure, including access control measures for Authorized Users to retrieve archived System data.

6.4.4   Data Handling and Reporting Requirements

On a daily basis, the Lottery uses both data Files and pre-formatted Reports. The Contractor shall provide both data handling and reporting services, and the Contractor shall support the frequent, regular, and ongoing development of both data handling and reporting. (MMR)

6.4.4.1   Data Handling

Data handling is the activity of exporting System data, on a schedule and level of detail and granularity determined by the Lottery. All System data, to the greatest degree possible, shall be available for export, including all System activity and transaction data. Data handling is considered a frequent, regular activity, potentially requiring multiple services per Day; the Lottery will determine how frequently and in what manner each data item will be handled. Proposers shall anticipate regular handling of data that could occur multiple times a Day, should the Lottery indicate a need. The exporting of any data from the System shall be solely at the discretion of the Lottery. (MMR)

> **MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS**
> **6.4.4.1.a** The Contractor shall create and provide all data exports required, including any new exports and modifications to existing exports. The System shall provide the ability to securely export System data to third-party systems including but not limited to those of the State. Data export creation and modification shall be included in the Contractor's methodologies for Software Development and Modifications, Section 6.3.16 (Software Development and Modifications). (KBR)

> **6.4.4.1.b** The data export process shall be compatible with external data warehouses that use and maintain relational data handling methodologies. (KBR)

> **6.4.4.1.c** Any data object fields that May be found in a Report shall be exportable as data. All Retailer and product demographics, contracting and licensing details, product sales, and validation activities shall be exportable as data. (KBR)

> **6.4.4.1.d** Each data File shall be provided in an electronic File format determined by the Lottery, currently Extensible Markup Language (XML). (KBR)

> **6.4.4.1.e** If the Lottery requests, the Contractor shall supply Files, a minimum of three (3) times daily, of data elements to be specified by the Lottery. (KBR)

> **6.4.4.1.f** The Contractor shall provide daily Files in XML format containing game sales and inventory activity and weekly Files containing invoice data. The Files shall be for all Retailers and chains in the

format required by the most current NASPL standard for XML retail accounting Reports in the Lottery Industry (XRAR). Documentation of this standard can be found at: https://pubs.opengroup.org/onlinepubs/7499919899/toc.pdf. (MMR)

6.4.4.1.g The Contractor shall provide definitions in plain language for all data elements. Naming conventions shall be approved by Lottery. (MMR)

> **THE FOLLOWING ITEM(S) WILL BE SCORED.**
> **Provide responses to each of the following items.**
>
> **6.4.4.1.1** Describe the Proposer's experience with exporting large data sets from a gaming system to a data warehouse or data lake and how efficiently this is delivered. Include experience with export to and import from third-party data warehouses. Also include experience regarding accuracy testing of exported or imported data, and experience with securing data.
>
> **6.4.4.1.2** Describe what relational data handling methodologies (e.g., star schemas, dimension diagramming, data mart structure) the Proposer has applied to data for export.
>
> **6.4.4.1.3** Describe at least one (1) recommended data handling methodology for the export, on a daily basis, of large amounts of System data. Include recommendations for Retailer data, product data, validation data, and financial data.
>
> **6.4.4.1.4** Describe if and how the System will use exception reporting to automatically notify the Lottery when certain data match Lottery-specified criteria (e.g., certain level of sales activity).
>
> **6.4.4.1.5** Describe the supported electronic File formats, how they interact with State-standard Microsoft products, and the GUI used to produce the electronic Files.
>
> **6.4.4.1.6** Describe how the System can Report board data versus ticket data and how data can be recorded and reported when required by Lottery. Discuss how this can be integrated into the BI system to allow for easy Lottery access.

6.4.4.2 Reporting

Reporting is the activity of generating Reports for pre-determined business needs, and generally does not include real time System monitoring. The Lottery requires Reports that cover a general list, not limited to: System activity events, transactions, products, Retailers, validations, sales, and winning experiences. Reports are required for functional areas including but not limited to administration and management, drawing activity, field marketing, key (corporate) Retailer account coordination, product research and development, product management, Retailer workflow operations, Retailer management, security, validations, winner awareness, and Retailer and financial accounting.

Currently, the Lottery uses a list of approximately two-hundred and forty (240) BI Reports, in addition to Retailer, Interface, Host, and terminal Reports. Many of the Reports generate data for time periods which are Day-after, week-after, or on a time period defined during Report generation. The Contractor is responsible for providing the Lottery with all Reports. (MMR)

> **MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS**

Lottery Gaming System

6.4.4.2.a The Contractor and the Lottery shall have the ability to create and provide Reports, including any new Reports and modifications to existing Reports. Report creation and modification shall be included in the Contractor's methodologies for Software Development and Modifications, Section 6.3.16 (Software Development and Modifications). Any Report created by the Contractor will be performed at the Lottery's request. (MMR)

6.4.4.2.b All Reports required shall be available and functioning (including access control and security) for all Authorized Users on and after the date indicated within the Contractor's Implementation Plan consistent with Section 6.9 (Implementation Plan). (KBR)

6.4.4.2.c The Contractor shall ensure that Reports are accurate, complete, and timely and shall actively work to keep Reports accurate, complete, and timely. All Reports shall be checked for accuracy by the Contractor, on a regular basis acceptable to the Lottery, to ensure data integrity, validity, and reliability. Reports proving data integrity shall be provided to Lottery staff on a regular schedule, determined by the Lottery. (KBR)

6.4.4.2.d Prior to Conversion, the Contractor shall provide a list with descriptions of the Reports generated by the System. For each Report, the list shall include a proposed generation schedule if necessary and shall indicate whether the Report can be generated ad hoc. The list shall include, for each Report, the time within which an Authorized User can reasonably expect the Report to generate under normal System conditions. (KBR)

6.4.4.2.e The Contractor shall note which Reports require special generating needs (e.g., Reports that are unusually large), how these Reports are archived or specially stored, and how an Authorized User can retrieve archived and specially stored Reports. (KBR)

6.4.4.2.f The Contractor shall follow a schedule of Report generation as specified by the Lottery. (KBR)

6.4.4.2.g The System shall allow only Authorized Users to generate or view any Report. The Contractor shall implement granular access control consistent with instructions provided by the Lottery. (KBR)

6.4.4.2.h The method to generate all Reports shall be coherent, consistent, and simple (e.g., menu of point and click options). The ability to locate or generate a Report shall be free of the need for a user to recognize or memorize complex codes or nomenclatures (e.g., continuous Day counts) to find or generate a Report. (KBR)

6.4.4.2.i Reporting ability shall be available at those facilities directed by the Lottery. (KBR)

6.4.4.2.j Reports shall be "use ready" immediately after being generated. Therefore, Reports shall be formatted so that users do not need to perform normalization or formatting prior to or after generating a Report. This includes Lottery letterhead requirements for the specific Reports. Reports shall be formatted in a manner approved by the Lottery prior to implementation and shall be able to be formatted to fit standard paper sizes (e.g., letter, legal) for Reports that are printed. (KBR)

6.4.4.2.k The Contractor must provide a web-based application able to perform all queries from the real-time database and ticket logs with 24/7 real-time availability. The interface through which a user selects parameters for Reports shall prompt users with System standard parameters. The interface shall be implemented so a user can reveal all possible entries for a parameter at the entry point and does not allow for the entry of parameters that are not System standardized (e.g., drop down lists should be exclusive, and empty or single-entry fields should be pre-populated). (KBR)

Lottery Gaming System

6.4.4.2.l Each Report shall be provided, and exportable, in the appropriate open and State standard electronic application File formats (e.g., XLSX, XLS, DOCX, DOC, RTF, CSV, HTML, XML, XHML, XHTML, TXT, ODS, ODT, and PDF) as determined by the Lottery.   The Lottery often exports data for use in Microsoft ® Office software, SQL databases, web-based applications, and in SAS ® and SPSS ® analysis applications and vendor-supplied reporting and export tools. (MMR)

6.4.4.2.m Reporting functions shall not degrade System Performance in any manner. (MMR)

6.4.4.2.n The System shall generate Reports in the same format as the Retailer Terminal Reports to allow Lottery staff to review results similar to Retailers. These Reports should be exportable to the CRM. (KBR)

6.4.4.2.o The Data Warehouse and BI Reporting tools shall be capable of creating, generating, and viewing custom/ad-hoc Reports for Authorized Users. (MMR)

6.4.4.2.p The Contractor shall provide Lottery with training on how to create and modify Reports. (KBR)

> **THE FOLLOWING ITEM(S) WILL BE SCORED.**
> **Provide responses to each of the following items.**
>
> **6.4.4.2.1** Describe Lottery's day-to-day interactions with Reporting in the System at a high-level view (look and feel).
>
> **6.4.4.2.2** Describe the standard formatting structure of Reports, including font type and size, user ability to control headers (e.g., first page only, every page, no header), and if and how users can control default settings.
>
> **6.4.4.2.3** Describe how users can create and retain Report templates, can pre-schedule Report generation, and can modify their own GUI settings.
>
> **6.4.4.2.4** Describe how Reports will differentiate between individual, chain and super chain (key or corporate account) Retailers. Include information on location history, including current, active, inactive, chain, pseudo-chain, previous owner, and independent, and any capabilities of producing Reports from data as a whole and separately in each category.
>
> **6.4.4.2.5** Describe how Authorized Users at Lottery facilities will view, print, and export terminal Reports (see 6.4.5, Terminal Reporting) of a specific Retailer, chain, or pseudo-chain in the same way that the Retailer will see them.
>
> **6.4.4.2.6** Describe if and how the System is capable of securely providing Reports in a web browser, with user-selected output to printer or File.
>
> **6.4.4.2.7** Describe how a user will produce a printed Report and describe how a user will export an electronic data File.
>
> **6.4.4.2.8** Describe if and how System reporting functions will not be hosted on the same hardware as other System functions, and how the Lottery will be able to test that System Performance is not degraded by reporting functions. Include how the reporting system would be designed to dynamically handle heavy resource usage during scheduled and ad hoc reporting situations.

6.4.4.2.9 Provide examples of how to generate Reports in the various areas within the System. (Examples will be excluded from page limit.)

6.4.4.2.10 Describe how the use of data lakes can improve the Lottery's reporting with the ultimate goal of improving overall revenues.

6.4.5 Terminal Reporting

Retailers shall be able to generate basic Reports On Demand from their Terminals in a simple and straightforward way. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS

6.4.5.a The Terminal shall produce Reports (e.g., sales, billing invoice, shift, winning numbers, jackpots) that Retailers can display and print on their equipment for the selected Day, week, or specific Day. (MMR)

6.4.5.b The System shall provide access to Reports for the chain locations and for their chain as a whole. They shall not have access to Reports for Retailers not in their chain. (MMR)

6.4.5.c As determined by the Lottery, Terminal Reports shall be updated in real time and historical Reports shall be accessible from the terminal for eighty (80) billing weeks. (KBR)

6.4.5.d The Terminal shall produce Instant ticket inventory and liability Reports. (KBR)

6.4.5.e Invoices for Retailers shall be generated automatically weekly and reflect all ticket sales and adjustment activity by adjustment type from Sunday through Saturday. The Lottery shall have the ability to make any adjustments required prior to releasing the Invoice for the sweep. The System shall have the ability to automatically print and produce On Demand two (2) copies of each Retailer's invoice on the Terminal the first time that the Terminal connects to the System after 6:00 AM on Sunday. (KBR)

6.4.5.f The System shall generate an invoice for the billing period if the Retailer has an Electronic Funds Transfer (EFT) account. If the Retailer does not have an EFT account, the System shall identify the Retailer as a Collect on Delivery (COD) when the order is generated and provide a COD invoice. (MMR)

6.4.5.g Any installed SST connected to a Retailer shall be able to view SST Reports from the Terminal in that Retailer location. (KBR)

6.4.5.h The Retailer Terminal shall permit the ability to view a short-term incentive and allow reporting on tracking of sales goals for the Retailer. (KBR)

6.4.5.i The Retailer Terminal shall have a Report that reflects the date the Retailer license expires. (KBR)

THE FOLLOWING ITEM(S) WILL BE SCORED.
Provide responses to each of the following items.

6.4.5.1 Describe how Reports will be available for Retailers with the same FEIN for chains, super chain and pseudo chains. Include in the response where the Reports will be housed.

6.4.5.2 Describe if and how Retailers will view full-color PDF documents on their Terminal screens. Include the process for loading and maintaining these documents.

6.4.5.3 Describe how Retailers will prevent unauthorized clerks from viewing specific Reports on the Terminal.

6.4.5.4 Describe how a Retailer will retrieve a prior invoice and Reports for other past activity on the Terminal.

6.4.5.5 Describe additional Reports that the System will generate that will improve Retailer efficiency and convenience.

6.4.5.6 Describe the ability to view packing slips on the Terminal for ticket confirmation.

6.4.5.7 Describe the process for adding additional Reports or modifying current Reports during the Life of the Contract.

6.4.5.8 Describe how electronic invoices may be issued to Retailers to allow integration into the Retailer accounting system.

6.4.6 Product Services

The Contractor shall provide support for the Lottery's product development and marketing efforts. (MMR)

6.4.6.1 Lotto Game Development, Enhancement, and Corporate Marketing Support

The Lottery has its own in-house research and development staff that manages the Games and marketing efforts. The Contractor plays a key support role for this staff.

The Contractor is required to provide industry and company information and research that will assist the Lottery in developing product and marketing plans. The Contractor shall assist the Lottery in Game design and marketing. The Contractor shall recommend Games to and evaluate Games proposed by the Lottery. Continuous knowledge of lottery industry Game research, sales trends, marketing plans, and financial data is needed to ensure the Lottery is offering the best Games possible. The Contractor shall assist the Lottery's marketing initiatives with corporate marketing support. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
6.4.6.1.a At the Lottery's request, Contractor shall assist in Game development and support Games and Game plans that reflect current Lottery best practices and are designed to appeal to the changing preferences of Wisconsin Lottery players and Retailers. This includes but is not limited to verification of Game odds, forecasting Game or Promotion sales, participation in planning Lottery research and analysis projects, providing "mock-up" ticket art as needed for Lottery projects (e.g., for research projects), and providing risk assessments for new products and Promotions. (MMR)

6.4.6.1.b The Contractor shall conduct quarterly strategy meetings with the Lottery for (i) analyzing sales and trends both within Wisconsin and in the industry, (ii) providing updates and insight into other lottery jurisdictions' games, game changes, Promotions, programs, and initiatives, (iii) monitoring and analyzing best practices within the industry, and (iv) identifying sales and net revenue opportunities within various parts of the State. (KBR)

6.4.6.1.c The Contractor shall provide an annual review of the industry, identifying new Games, new gaming media, relevant technologies, sales trends, and public policy developments, including but not limited to the Contractor's own new development, capabilities, and direction. (KBR)

Lottery Gaming System

6.4.6.1.d The Contractor shall support Games and associated policies and procedures from any multi-jurisdiction with which the Lottery is and may become affiliated. (MMR)

6.4.6.1.e The Contractor shall conduct or obtain a federal trademark search and a State trademark search for the name selected for each Lotto game (including names for individual Fast Play games) and Limited Time Offer, and a written opinion from competent trademark counsel on the advisability of the Lottery's using the selected name. The Contractor shall submit such opinion to the Lottery, and the Lottery shall review such opinion and decide if the selected name is satisfactory. The written opinion must be delivered to the Lottery before execution of the Game specifications or by ninety (90) Days before the start of the LTO. The Contractor is not required to obtain a trademark search on Instant games produced by the Instant Ticket Producers. (MMR)

6.4.6.1.f For the Life of the Contract, the Contractor shall provide the Lottery with third-party, web-based, survey software to be used by Lottery research staff so it can generate vivid multimedia surveys to be distributed via the internet. The Lottery shall select the survey software package at its sole discretion. However, the Contractor shall secure, purchase, and provide up to three (3) concurrent licenses for Lottery staff to access the survey software. One of the three licenses shall also have administrative access. The Lottery shall use the licenses in accordance with the terms of the licenses. The annual cost of the web-based software shall not exceed thirty-five thousand dollars ($35,000) per State fiscal year. The annual cost for the web-based software may be adjusted due to industrywide changes throughout the Life of the Contract. The Contractor shall use the Consumer Price Index Workers (CPI-W) to support any adjustments. The calculation of the CPI-W must be based on the previous calendar year US Department of Labor, Bureau of Labor Statistics, 'overall' Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W), Midwest Region, January data that is released in mid-February of the following year. http://www.bls.gov/regions/mountain-plains/news-release/consumerpriceindex_midwest.htm (MMR)

6.4.6.1.g The Contractor shall develop and implement marketing research in conjunction with Lottery research staff that will address Game, Promotion, player, sales initiatives, and other Lottery topics. The Lottery shall make the final selection of research methodologies and topics. The research may include but is not limited to focus groups, panel studies, segmentation studies, and tracking studies. The cost of the research provided by the Contractor under Section 6.4.6.1.g shall not exceed one hundred and fifty thousand dollars ($150,000) per State fiscal year. The fiscal year total for research may be adjusted due to industrywide changes throughout the Life of the Contract. The Contractor shall use the Consumer Price Index Workers (CPI-W) to support any adjustments. The calculation of the CPI-W must be based on the previous calendar year US Department of Labor, Bureau of Labor Statistics, 'overall' Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W), Midwest Region, January data that is released in mid-February of the following year. http://www.bls.gov/regions/mountain-plains/news-release/consumerpriceindex_midwest.htm (MMR)

6.4.6.1.h Each fiscal year, the Contractor shall provide the Lottery the right to select up to a total of two hundred thousand dollars ($200,000) in retail value (the "Marketing Fund") in the form of marketing programs, marketing services, and/or giveaway products (collectively, "Marketing Solutions"). The final determination of the retail value of any such Marketing Solution(s) shall be determined by the Lottery. The Contractor shall secure and purchase the Marketing Solution for the Lottery at no additional cost above the retail value of the Marketing Solutions (i.e., no "mark-up" or other added fee by the Contractor over retail value). The fiscal year total for the Marketing Fund may be adjusted due to industrywide changes throughout the Life of the Contract. The Contractor shall

use the Consumer Price Index Workers (CPI-W) to support any adjustments. The calculation of the CPI-W must be based on the previous calendar year US Department of Labor, Bureau of Labor Statistics, 'overall' Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W), Midwest Region, January data that is released in mid-February of the following year. http://www.bls.gov/regions/mountain-plains/news-release/consumerpriceindex_midwest.htm (MMR)

6.4.6.1.i The Contractor shall include funding for Retailer giveaways up to a total five-thousand dollars ($5,000) annually. The annual funding for Retailer giveaways may be adjusted due to industrywide changes throughout the Life of the Contract. The Contractor shall use the Consumer Price Index Workers (CPI-W) to support any adjustments. The calculation of the CPI-W must be based on the previous calendar year US Department of Labor, Bureau of Labor Statistics, 'overall' Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W), Midwest Region, January data that is released in mid-February of the following year. http://www.bls.gov/regions/mountain-plains/news-release/consumerpriceindex_midwest.htm (MMR)

> **THE FOLLOWING ITEM(S) WILL BE SCORED.**
> **Provide responses to each of the following items.**
>
> **6.4.6.1.1** Describe the process of evaluating, monitoring, and, if beneficial, enhancing existing products including, where applicable, integration with Lottery defined player segmentation and demography.
>
> **6.4.6.1.2** Describe the process for developing and evaluating new products, both industry-wide and specifically for Wisconsin. Explain the kinds of research and development that new products undergo, both qualitative and quantitative. Indicate the types of research support given to new product design and development.
>
> **6.4.6.1.3** Describe how other lotteries' marketing initiatives and experience will be analyzed and integrated into the Lottery's marketing plans and direction.
>
> **6.4.6.1.4** Describe the marketing relationship between the Proposer and the Lottery including marketing meeting frequency, Proposer's marketing staff, amount of Proposer's staff time devoted to Lottery marketing and research initiatives, and relevant experience in similar jurisdictions.
>
> **6.4.6.1.5** Describe any program offered where funds are provided for mutually agreed upon marketing activities (e.g., retailer and trade show giveaways, Lottery player special events, players club), above those stated in the Requirements.
>
> **6.4.6.1.6** Describe additional research and marketing services that will be provided (either directly or through a research partner) at no additional cost to the Lottery, beyond the annual research fund described in Section 6.4.6.1.g. Examples of research services may include but are not limited to focus groups, panel studies, segmentation studies, and tracking studies, above those stated in the Requirements.

6.4.6.2 *Additional Games and Limited Time Offers*

The Game library established by the Contractor for use by lottery jurisdictions may be the source of new Games or Game Enhancements for the Lottery; thus, it is ideal that the Contractor have a robust and diverse

collection of gaming options available, both for traditional and non-traditional Games as well as for Promotions supporting those Games. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS

6.4.6.2.a The Lottery May identify Instant and Lotto games or game concepts not from the Contractor's library that would be compelling for Wisconsin Lottery players. The Contractor shall put forth a good faith effort to implement a version or variation of such games or game concepts, or if need be, to acquire rights and/or software and any other mechanisms on behalf of the Lottery to put up such a Game. Additional licensing or intellectual property will be subject to negotiation but at a minimum will be a cost passed through to the Lottery if preferred. (KBR)

THE FOLLOWING ITEM(S) WILL BE SCORED.
Provide a response to the following item.

6.4.6.2.1 Describe the library of games available for implementation.

6.4.6.2.2 Provide an annual five (5) year product roadmap outlining plans for development and delivery of innovative state-of-the-art products and programs for the benefit of Wisconsin citizens and include a detailed description of capabilities, processes, and experience for delivering continuous product, program, and technology innovation while adhering to current State laws and regulations.

6.4.6.2.3 Provide examples of innovations introduced and deployed at a lottery customer within the past five (5) years, including but not limited to average weekly per capita sales.

6.4.6.3 Support of the Lottery's Partnership with Retailers

The Lottery's goal is to achieve a high level of Retailer rapport in order to maximize Lottery ticket sales. The Lottery employs its own Sales staff (Lottery Field Marketing Representatives) to develop a strong Retailer partnership. The Lottery's own representatives are responsible for: (1) prospecting new Retailer locations; (2) recommending new Retailer locations; (3) responding to Retailer concerns, questions, or problems relating to the Lottery program, its Games, policies, and procedures; (4) notifying Retailers of new Game features, modifications to current Games, additions of new Games, and changes in Lottery policy; (5) encouraging Retailers to carry specific products; and, (6) achieving sales goals.

THE FOLLOWING ITEM(S) WILL BE SCORED.
Provide a response to the following item.

6.4.6.3.1 Describe the Proposer's experience in assisting other lottery jurisdictions in identifying potential Retailer locations.

6.4.6.3.2 Describe the Proposer's experience in assessing and identifying the sales potential for each Retailer location, including prospective Retailers.

6.4.6.3.3 Describe the Proposer's experience in identifying and providing potential retailer Short-Term Incentives from other lottery jurisdictions or the Proposer's collection of incentives. Make sure to include how the Proposer evaluates the potential benefits to the Lottery.

6.4.6.3.4 Describe the Proposer's other capabilities in supporting the Lottery's relationship with Retailers.

6.4.6.4 Support of the Lottery's Special Events

The Lottery's special events program involves Lottery marketing and communications staff attending various types of events, including but not limited to professional sporting events, concerts, local festivals, and the Wisconsin State Fair, with the goal of spreading awareness of the Lottery and its products. The program operates year-round but has the highest frequency of events during the summer season. The events are staffed by Lottery staff in a pop-up tent, events trailer, or the special events van. Events staff will often sell and redeem Lottery tickets at these events, requiring one or more Retailer Terminals and Peripherals at those times.

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS

6.4.6.4.a The Contractor shall ensure the appropriate Retailer Terminals, ticket scanners, multi-media shows, and jackpot signs are available, installed, and operational for each event, and shall provide timely technical support, troubleshooting, fixes, etc. by a Contractor Field Service Technician while the Lottery is at the event. (MMR)

6.4.7 Consumables

The Contractor shall design and provide all Consumables required by the terminals and deliver these to all Lottery facilities and Retailers. All Consumables must be approved by the Lottery. The Contractor shall maintain an adequate supply of Consumables in Wisconsin to deliver and return as needed. Any items required to be returned shall be returned to the Contractor facility. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS

6.4.7.a Each roll of Lotto ticket stock shall have a unique bar code allowing the ticket stock to be received at the Retailer Terminal. Lotto ticket stock is currently delivered to Retailers in Cartons having a bill of lading. (MMR)

6.4.7.b The ticket stock shall contain pre-printed sequential serial numbers on the back of the ticket stock in such a manner to ensure that a minimum of one (1) serial number shall appear on each ticket or Report produced by the terminal. (MMR)

6.4.7.c The Lottery-approved ticket stock shall have security features and properties to discourage alteration and counterfeiting. The ticket stock shall conform to any multi-jurisdictional (currently MUSL) rules and Requirements. (MMR)

6.4.7.d Ticket stock shall feature on each roll up to three (3) separate and distinct colors on the front and two (2) on the back. The ticket stock shall accommodate variable length tickets. The Contractor shall maintain the same or better quality of ticket stock as that proposed. (KBR)

6.4.7.e The specific odds and prize payouts for the pertinent Game shall be printed on each ticket when produced. Other Lottery-approved information shall be preprinted on the back of the ticket stock including spaces for claimant information. (MMR)

6.4.7.f The ticket stock shall be durable, maintaining its display and game data graphic resolution for a minimum of two hundred fifty (250) Days after being dispensed by the terminal. (KBR)

6.4.7.g Playslip stock shall be of high quality with excellent graphic resolution. The Playslip stock shall be capable of being stored for long periods as determined by the Lottery, with no deterioration of quality because of environmental factors (e.g., moisture, temperature, or age). The Contractor shall maintain the same or better quality of Playslip stock as that proposed. (KBR)

6.4.7.h The Playslips shall be printed in full color with Lottery logos, with front and back graphics and text approved in advance of printing by the Lottery (KBR)

6.4.7.i The Contractor shall obtain two (2) or more sources (suppliers) for ticket stock and printing services to avoid dependency on one (1) supplier. Multiple suppliers for all other Consumables are also required. (KBR)

6.4.7.j The Contractor shall be responsible for ordering, delivering, and returning all Consumables identified, with the ability for the Retailer to request Consumables as required through the System. (MMR)

> **THE FOLLOWING ITEM(S) WILL BE SCORED.**
> **Provide responses to each of the following items.**
>
> **6.4.7.1** Describe each of the Consumables (e.g., ticket stock, Playslips, etc.) required by the terminal. Include manufacturing and printing specifications for each item proposed and other choices available to the Lottery. Include in your response ten (10) unique physical samples of each Consumable proposed see Section 2.7.5 (Samples).
>
> **6.4.7.2** Describe the security features of Consumables available, including ticket stock.
>
> **6.4.7.3** Describe the design and approval process for each Consumable, including timelines and expected frequency of reprinting.
>
> **6.4.7.4** Describe how players will be able to personally select numbers for each Lotto Draw game on the Consumable.
>
> **6.4.7.5** Describe if and how the System will automatically order Consumables and the quantity for each Retailer to maintain current Retailer inventory. Also describe the process for the Retailer request a return of Consumables.
>
> **6.4.7.6** Describe the gradient printing available for ticket stock, include examples.
>
> **6.4.7.7** Describe the ability to reassign ticket stock from one retail location to another, preferably via Terminal scan or via similar means.

6.4.8   Non-Network Retailer Hardware Support

The Contractor shall install, maintain, support, and replace all Retailer hardware. This includes equipment at Retailer sites, Lottery facilities, and Redemption Centers, or any other location as determined by the Lottery (for example, special events). (MMR)

> **MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS**
> **6.4.8.a** The Contractor shall coordinate all installations and relocations with the Lottery and its Retailers to ensure that Terminals are properly placed, and moves are conducted in a timely manner as defined in Section 5.2.4.41 (Liquidated Damages – Failure to Install Terminals Timely). (KBR)
>
> **6.4.8.b** The Contractor shall install Retailer hardware in all new Retailer locations within two (2) Business Days of receiving the request for installation. Timelines for expansions of twenty-five (25) or more Terminals shall be negotiated. (MMR)

Lottery Gaming System

6.4.8.c The Contractor shall ensure any hardware or Consumables outstanding relating to a change of ownership (CHOW) are completed within a forty-eight (48) hour timeframe of notification of the CHOW. (MMR)

6.4.8.d The Contractor shall maintain an accurate inventory and status of all Terminals, SSVTs, and Peripherals (jackpot signs, monitors, tickets checkers, etc.) directly connected to the System. The Contractor shall provide the Lottery with the location and condition (e.g., installed, not installed, inoperable, repaired, etc.) of all such equipment. (KBR)

6.4.8.e The Contractor shall remove Retailer hardware within seventy-two (72) hours of request by the Lottery. The Contractor shall arrange the removal of Retailer hardware with the Retailer. If the equipment is unable to be returned, it shall not impact the equipment numbers provided to Lottery. (MMR)

6.4.8.f Service records shall be kept on all Retailer hardware including units in reserve or returned for Maintenance. (KBR)

6.4.8.g The Contractor shall obtain replacement parts and services that are approved, recommended, or recognized by the original equipment supplier. These parts and services shall be current, not end-of-life or expired. (KBR)

6.4.8.h The Contractor shall, during any service call, check the mechanical security, safety, and general operation of the printer mechanism, reader, and any other attachments provided or serviced by the Contractor, including status of Consumables. (KBR)

6.4.8.i The Contractor shall provide Preventative Maintenance annually after the first year of operation (or agreed upon between Contractor and Lottery). In no case shall there be attempts to render Preventive Maintenance services during retailers' busiest periods as determined by the Lottery. The Contractor is responsible for contacting and scheduling appointments with each Retailer. Service includes but is not limited to: cleaning of all Terminal components, Peripherals, SSVTs, any other equipment supplied, consumable level adjustments and ticket stock verification by the Contractor (Section 6.3.2.aa). (MMR)

6.4.8.j The Contractor shall maintain a supply of parts to sustain the service of the Contractors Terminals and equipment for the greater of either life of the equipment or Life of the Contract. (KBR)

6.4.8.k The Contractor shall coordinate all service work directly with the Retailer and provide a means to keep the Lottery updated to the status of the pending work. (KBR)

6.4.8.l The Contractor shall provide a method (interface/integration) for all Contractor's work orders and notes to be transferred to the Lottery's CRM system by Retailer location and equipment to allow viewing by authorized Lottery Staff. This method shall ensure the work orders and notes are kept current in the Lottery's CRM. (KBR)

6.4.8.m The Contractor shall use Lottery-supplied checklist and provide evidence that Preventative Maintenance checks are being performed using the recommended Lottery checks. Evidence shall be available to the Lottery at any time for review. (KBR)

> **THE FOLLOWING ITEM(S) WILL BE SCORED.**
> **Provide responses to each of the following items.**

6.4.8.1 Describe the installation procedures and controls that will be implemented for Retailer hardware.

6.4.8.2 Describe process and systems that the Proposer will use, and give the Lottery access to, for the management and tracking of the Retailer hardware installation, servicing, and removal process.

6.4.8.3. Describe the Preventative Maintenance schedule for Retailer Terminals and Peripherals. Describe how the Proposer will ensure quality of service across Retailer sites and field technicians. Include checklists and verification tools if applicable. (Checklist example will be excluded from page limit.)

6.4.8.4 Describe the estimated field work by week/month/year and the field service staffing model based on the Retailer footprint and the proposed Retailer hardware. Include Preventative Maintenance assumptions.

6.4.8.5 Describe the proposed training program for Field Service Technicians.

6.4.8.6 Describe the process for how the System, for example the CRM, and/or the Lottery could automatically notify the Proposer of work order requests.

6.4.8.7 Describe in detail the proposed plan and procedures for the Maintenance and repair of all Terminals and related sales equipment.

6.4.8.8 Describe the process for reassigning Terminal paper to a new Retailer for a change of owner or other reasons provided by the Lottery without the use of a Field Service Technician.

6.4.9 Technical Hotline Support

The Contractor shall provide and staff a telephone hotline to function twenty-four (24) hours per Calendar Day, seven (7) Days per week to respond to Retailer technical problems, accounting or connecting to the Lottery team as required. Hotline staff shall resolve problems including but not limited to providing Retailers instruction in operating hardware, dispatching service technicians, reporting stolen and missing tickets, and taking orders for Consumable supplies. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
6.4.9.a The hotline shall handle all incoming calls on toll free circuits. (KBR)

6.4.9.b Under normal circumstances, ninety percent (90%) of calls shall be answered within thirty (30) seconds by a staff person or a Voice Response Unit (VRU). (MMR)

6.4.9.c The Contractor shall queue inbound calls if all available operators are busy. A pre-recorded message must be played, and the calls must be queued for the next available staff member. If a call is queued, the system must provide call status information to the caller at specified intervals, including estimates of hold time, and the system must support custom pre-recorded messages as directed by the Lottery. The Contractor May provide call back features for the convenience of Retailers. (KBR)

6.4.9.d Hotline staff shall be trained to diagnose and resolve communication, Retailer, or equipment problems specific to the Lottery's hardware, software, and policies. (KBR)

6.4.9.e Hotline staff shall have access to a display of Terminal status allowing the operator to see if a Terminal is down, if a Retailer is signed on, and other relevant diagnostic information. (KBR)

Lottery Gaming System

6.4.9.f All hotline conversations shall be recorded. Recording of conversations shall adhere to all federal, State, and local laws. Recorded conversations shall be available for Lottery review for a minimum of ninety (90) Days. The Contractor shall provide the Lottery with access to the recording system via electronic means, preferably a secure web browser. (KBR)

6.4.9.g All hotline calls shall be tracked and reported. Data to produce such Reports shall be available to Authorized Users. Data shall reflect at least twelve (12) months of historical hotline information. (MMR)

6.4.9.h Hotline call data shall include identification and tracking of retail equipment with chronic issues and notification of these issues to the Lottery. A chronic issue is any equipment that failed three (3) or more times within any thirty (30) Day period for the same issue, or equipment that failed three (3) or more times within any sixty (60) Day period regardless of the issue. (KBR)

6.4.9.i The Contractor shall provide a weekly Report of hotline activity. This Report shall include but is not limited to: the frequency of busy signals, the amount of time callers spend before being connected or on hold, VRU activity, customer service score, and the number of abandoned calls. The Report shall include a description of any steps being taken to resolve substandard performance. (KBR)

6.4.9.j The Contractor shall allow Retailers to call the hotline to report tickets as stolen or missing, including full or partial Instant ticket Packs and ticket stock. Within one (1) hour of first receiving notification, the Contractor shall identify tickets as stolen or missing on the System. (MMR)

6.4.9.k Hotline staff shall be proficient in spoken English. The Contractor shall provide other languages as required by Lottery retailers. (KBR)

6.4.9.l The Contractor shall provide callers with Lottery approved satisfaction surveys upon completion of the call. All survey statistics shall be logged and provided to the Lottery, including but not limited to; satisfaction rating, number of surveys issued, number of surveys completed, and number of callers not provided with surveys. Under normal operating conditions, the Contractor shall provide a ninety five percent (95%) survey acceptance rate. (KBR)

6.4.9.m The call management system shall provide comprehensive analytics and tracking tools available to Lottery staff. The analytics tool shall include but not be limited to, capturing key performance metrics related to inbound and outbound calls, live chats, emails (e.g., call time, average time an issue is open, time to resolve) and any additional support channel that is implemented. The system must have the ability to assign a problem type, specific asset identifier, response time and resolution code and provide useful Reports for review. (KBR)

6.4.9.n The call management system shall have the ability to generate quality management Reports that assess agent and team performance scores, comparisons, and trends. The Contractor shall provide sample Reports for Lottery approval. (KBR)

> **THE FOLLOWING ITEM(S) WILL BE SCORED.**
> **Provide responses to each of the following items.**
>
> **6.4.9.1** Describe how the hotline service function will be staffed and managed to ensure timely, professional, and accurate responses to all calls, including the location and description of the hotline site and the number of telecommunications lines.
>
> **6.4.9.2** Describe the training plan (both initial and ongoing) for hotline staff.

6.4.9.3 Describe how frequently the hotline call reporting will refresh.

6.4.9.4 Describe how long hotline call data will be retained on the System.

6.4.9.5 Describe the types of hotline call data to be retrieved and maintained by the hotline system.

6.4.9.6 List and provide samples of the Reports available to facilitate the monitoring of problem resolution and the hotline.

6.4.9.7 Describe hotline quality assurance practices.

6.4.9.8 Describe hotline problem resolution procedures.

6.4.9.9 Describe how the Lottery may independently verify the accuracy and validity of the data captured by the hotline tracking and reporting system.

6.4.9.10 Describe the ability of the hotline staff to accommodate languages other than English.

6.4.9.11 Describe the technical hotline support for paperless currency transactions, including support for issues which may occur.

6.4.9.12 Describe the mediums and methods available to support Retailer inquires.

6.4.9.13 Describe the call back approach for unanswered calls within thirty (30) seconds.

6.4.10   Network Management

The Contractor shall manage the Retailer Telecommunications Network (RTN) twenty-four (24) hours per Calendar Day, seven (7) Days per week. The Contractor shall provide a set of network tools and processes to assure the successful operation of the entire RTN. This service shall be integrated into related business processes that address ongoing support activities. (MMR)

6.4.10.1   Availability, Performance, and Problem Resolution Management

The Contractor shall conduct problem resolution on all network issues identified by their network management center, any Retailer, or the Lottery. The Contractor shall monitor the RTN components to provide information about performance and service outages within the network. The Contractor shall provide a solution that is proactive in nature, initiating corrective action upon detection rather than waiting to respond to a Retailer or Lottery-initiated problem notification. The Contractor shall monitor the network to the Terminal level. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
6.4.10.1.a The Contractor shall implement processes that diagnose, isolate, and correct all faults, performance issues, and availability issues in the RTN including but not limited to; host processor, front-end processor, Retailer Terminal, and/or diagnostic equipment. These components must notify the network monitor or System monitor of significant transmission failures or outages as soon as possible after occurrence. (KBR)

6.4.10.1.b The Contractor shall coordinate as necessary with the Lottery and Retailers to restore service, eliminate chronic failure situations, or correct network latency issues. (KBR)

6.4.10.1.c The Contractor shall coordinate with communication carriers, Retailers, and the Lottery to maximize availability and reliability of the RTN. (KBR)

6.4.10.1.d The Contractor shall provide weekly Reports to the Lottery regarding network performance, outages, and repairs to the RTN. (KBR)

6.4.10.1.e The Contractor shall maintain a log on CRM of data network configuration changes and asset records, including but not limited to an inventory of Lottery network resources and their operating parameters. Change management control procedures and online storage of network components configuration files are required. (KBR)

6.4.10.1.f Data network performance and capacity management shall be the responsibility of the Contractor. Data network performance management includes but is not limited to monitoring data network utilization and managing data network resources to maximize capacity and minimize contention. Data network capacity management includes but is not limited to planning for expansion of the data network and/or re-alignment of the data network to ensure sufficient capacity is available. (KBR)

THE FOLLOWING ITEM(S) WILL BE SCORED.
Provide responses to each of the following items.

6.4.10.1.1 Describe the Proposer's approach to network management, including availability, performance, and problem resolution management.

6.4.10.1.2 Describe procedures for resolving RTN problems. Implemented procedures shall be subject to approval by the Lottery. The procedures shall address the problem resolution response time based on severity levels (e.g., single versus multiple retail sites affected) and include escalation. Specify the timeframe for escalation and resolution, the staff to be contacted based on problem type, expected actions to be taken, and updates to the escalation procedures. Include copies of actual service level agreements with Subcontractors, if applicable, or example of an agreement suitable for the Contract.

6.4.10.1.3 Describe the network management diagnostic tools and their capability to identify problems.

6.4.10.1.4 Describe how network management will coordinate with Retailers, Lottery staff, and any Subcontractors to handle telecommunication issues.

6.4.10.1.5 Describe if and how Authorized Users in Lottery offices will be able to monitor the RTN to the Retailer site level.

6.4.10.2 RTN Service

The Contractor's System shall support the business process of adding, removing, or changing Retailer or Lottery site locations. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
6.4.10.2.a The Contractor shall coordinate the placement and connections needed for Terminal hardware to be installed within the retail location or Lottery site with the Retailer, any Subcontractors, and the Lottery. (MMR)

6.4.10.2.b The Contractor shall perform all on-site work relating to addition, removal, or change of RTN services. (KBR)

6.4.10.2.c The Contractor shall ensure adequate RTN capacity. The Contractor shall engineer the changes to the network management infrastructure, the RTN, and related local access services that are needed to support current and future needs of the Lottery. (KBR)

6.4.10.2.d The Contractor shall ensure that all changes to the RTN configuration shall be reflected immediately in the views presented by the appropriate network management tools. (KBR)

> **THE FOLLOWING ITEM WILL BE SCORED.**
> **Provide a response to the following item.**
>
> **6.4.10.2.1** Describe the installation procedure and turnaround time from the time the Lottery initiates a request to add, remove, or change RTN service to a retail location or Lottery site.

6.4.11   Business Intelligence Services

The Contractor shall provide a business intelligence (BI) system and services that will allow the Lottery to transform data into information that can be used to make more informed and more profitable business decisions, without degrading System performance. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
6.4.11.a The Contractor shall administer, manage, and coordinate the design, development, implementation, and on-going operation of the BI system using Contractor provided hardware, software, and staff. (MMR)

6.4.11.b The BI System timelines, processes, and software and Report deliveries shall be separate from Lottery Gaming System software development and management. (KBR)

6.4.11.c The Contractor shall ensure the design, development, and implementation of BI deliverables shall not delay any other System software deliverables and vice versa. (MMR)

6.4.11.d The BI system shall provide the Lottery with a data warehouse or data lake consisting of Gaming System transactions to the most granular level including terminal-based data, along with other internal and external data (e.g., economic, market, geographic, and demographic). (MMR)

6.4.11.e The BI system shall provide the Lottery with analytical tools that use the data to make more informed business decisions, including but not limited to decision support systems, executive information systems, online analytical processing, query and reporting, data mining, and operational data services. (KBR)

6.4.11.f The Contractor shall provide the staff to design, build, and implement the BI system as well as the staff to provide ongoing support and maintenance of the BI system. (MMR)

6.4.11.g The Contractor shall provide data extraction of the BI system data and metadata at end or termination of the Contract, along with related documentation such as data definitions and data dictionaries, in a format to be determined by the Lottery. (MMR)

6.4.11.h The Contractor shall provide full-time staff for ongoing BI operations that includes, but is not limited to, database administration, systems administration, data quality administration, training, and customer service and support. (MMR)

6.4.11.i The Contractor shall include one (1) dedicated BI Analyst for ad hoc reporting requests from the Lottery. The BI Analyst shall be in the continental US. Local is preferred. (MMR)

6.4.11.j The Contractor must support System-changed jackpot amounts between draws as its own data object. (MMR)

6.4.11.k Data within the Business Intelligence Service shall be maintained and stored for the life of the Contract. This includes any conversion data from the previous System. (MMR)

6.4.11.l The Contractor shall load historical Lottery data from the previous system. Timeframe to be determined by the Lottery. (MMR)

THE FOLLOWING ITEM WILL BE SCORED.
Provide a response to the following item.

6.4.11.1 Describe in detail the proposed business intelligence, analytics, and reporting capabilities, including but not limited to, design, development, data integration, delivery, and on-going administration and management, and training. The Proposals should also address hardware, software, and project staffing. Include information on third-party resources or subcontractors in use.

6.4.11.2 Provide examples of where these features have been implemented in other NASPL lotteries including dashboard screen shots, reporting catalogs, and other examples as required for each area discussed. (Examples will be excluded from the page limit.)

6.4.11.3 Discuss how the Proposer will ensure that BI development and management will be kept separate from Lottery Gaming System software development and management.

6.4.11.4 Provide a plan detailing how the Proposer will implement the BI System prior to the System Conversion date. Include in the Proposer's response the meeting frequency.

6.4.11.5 Describe database technology, architecture, and data integration, including but not limited to, ETL, database and online analytical processing development, data architecture, acquisition architecture, and technical architecture. Discuss the Proposer's metrics to determine when the System should be scaled up based on increased performance and storage needs over time.

6.4.11.6 Describe how data warehouse services will interact with Lottery's Reporting and Data Handling needs, consistent with Section 6.4.4 (Data Handling and Reporting Requirements).

6.4.11.7 Describe how data warehouse services interact with Lottery's CRM needs, consistent with Section 6.10 (Customer (Retailer) Relationship Management).

6.4.11.8 Describe how on-going BI operations will be staffed, including for each: position title and description, qualifications, and hours per week.

6.4.11.9 Describe how BI data is managed and reviewed to ensure no structural updates are made to standard/approved Reports.

6.4.11.10 Describe how historical data elements will be incorporated into the proposed BI reporting system.

Lottery Gaming System

6.4.12 Player Mobile App (Specified Option)

The Contractor shall provide, whether using an in-house product or a third-party option, a player mobile application solution to deliver features, functionality, and support for iOS and Android mobile devices. The development of the mobile app shall not impact System Conversion timelines and Go-Live dates. (MMR)

6.4.12.1 General Requirements

> MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
> **6.4.12.1.a** The Contractor shall design and develop a fully functional iOS and Android mobile app published to Google Play and Apple App Stores. (MMR)
>
> **6.4.12.1.b** The Contractor shall ensure if any portion of the mobile app is offline, other mobile app features that don't require an internet connection shall remain available to the player. (KBR)
>
> **6.4.12.1.c** The Contractor shall integrate, in coordination with Lottery, some components developed on the Lottery website. (KBR)
>
> **6.4.12.1.d** The Lottery shall be the exclusive owner of player data. (MMR)
>
> **6.4.12.1.e** All player data, including transaction history, must remain available for reporting through the System for the Life of the Contract, plus an additional six (6) months after the Contract ends or until complete data transfer is confirmed by the Lottery. The Contractor shall not keep such data after that time. (MMR)
>
> **6.4.12.1.f** The System shall allow Authorized Users to mine and extract mobile app data (for BI purposes). (MMR)
>
> **6.4.12.1.g** The System shall provide capabilities for registered players, and certain qualified registrations, to upload and transfer documents in a secure manner to the Contractor. (KBR)
>
> **6.4.12.1.h** The Contractor shall provide ongoing development services, maintenance, backend application hosting, and regular production releases as required for coordination with ongoing changes to the System. (MMR)
>
> **6.4.12.1.i** The Contractor shall provide the Lottery with documentation and integration support, including but not limited to, testing services related to the Application Programming Interfaces (APIs). (MMR)
>
> **6.4.12.1.j** The mobile app shall allow players to scan or manually enter a Lotto or Instant ticket barcode using a ticket checker scan feature. The Contractor shall preserve the player's mobile phone identifier, International Mobile Equipment Identity, used to validate the ticket. (MMR)
>
> **6.4.12.1.k** Ticket checker feature will show prize amounts based on the CGS configuration for winning tickets. (MMR)
>
> **6.4.12.1.l** Players who are low tier winners (i.e., prizes up to five hundred ninety-nine dollars ($599)) shall be instructed to go to a Retailer or the Wisconsin Lottery Redemption Center(s) for payment. These messages shall be approved by Lottery. (KBR)
>
> **6.4.12.1.m** Players who are high tier winners (i.e., prizes six hundred dollars ($600) or more) shall be instructed to go to the Wisconsin Lottery Redemption Center(s) for payment, or if implemented, instruct the Player how to redeem online. These messages shall be approved by the Lottery. (MMR)

Lottery Gaming System

6.4.12.1.n Mobile app shall allow players to locate winning numbers for Draw Games, including a winning numbers search feature. (MMR)

6.4.12.1.o Most recent Draw results displayed on the mobile app shall be available as soon as the Draw process is complete. (MMR)

6.4.12.1.p Games with multiple Draws per Day shall indicate the Draw time (e.g., midday or evening). (MMR)

6.4.12.1.q Player shall be able to view jackpot prizes, prize payout for Fast Play games, and the corresponding draw for each set of winning numbers (meaning how many prizes were won in a particular Draw, by prize level). The first set of winning numbers shall be presented to the player, then the player can scroll through additional winning numbers to view the complete set. (KBR)

6.4.12.1.r The Contractor shall allow a player to use stored favorites to create a Digital Playslip. The Contractor shall allow a player to add boards, specify numbers, or remove boards to and from the Digital Playslip. (MMR)

6.4.12.1.s Mobile barcode formats shall be configurable to match the CGS configuration to functionally scan at Retailer Terminals (including SSVTs) to produce Lotto tickets. The Contractor shall allow a player to purchase a Draw Game ticket via quick pick or manual pick at a Retailer using a Digital Playslip based on the following process (MMR):

1) The player selects numbers or uses randomly selected quick picks for the Digital Playslip.

2) Mobile app generates a barcode based on the Digital Playslip to be used by the CGS.

3) The player presents the mobile app generated barcode at a Retailer.

4) Retailer scans the mobile app barcode at the Retailer Terminal and generates the ticket.

5) Barcode will work on SSVTs.

6) The Contractor shall allow a player to purchase a ticket for a particular Fast Play game of their choosing at a Retailer using a barcode similar in manner to a Digital Playslip (e.g., they can scan a barcode from their mobile app at a Self-service Vending Terminal to print a five dollars ($5) Fast Play ticket). (MMR)

6.4.12.1.t At a minimum, the Contractor shall provide Game information and instructions in the mobile app, including price per ticket/play, how to play and win each Lotto game, Lotto game draw dates and times, Lotto game details, prize amounts and odds of winning each prize amount, Instant game play information and details, initial top prize count and top prizes remaining for Instant games (configurable by the Lottery), Instant game numbers, start dates and expiration dates for Instant tickets, status for Instant games (e.g., new, expiring, etc.), prize tiers and price point options for Instant tickets, and Game rules or link to Game rules. (MMR)

6.4.12.1.u The Contractor shall allow a player to search for the nearest Retailer(s) based on their current location. The search feature will include options to limit the number of Retailers returned and filter by Retailer name, address, city, zip code, or other data elements. The displayed address shall be presented as a map to show Retailers in designated areas with the ability to show directions to the location. (KBR)

Lottery Gaming System

6.4.12.1.v The Contractor shall provide a customer support contact mechanism and provide technical support/customer service for mobile app users through that contact mechanism. See Section 6.4.12.5 (Mobile App Support). (MMR)

6.4.12.1.w The Contractor shall provide a "Responsible Gaming" section in the mobile app that includes responsible gaming information and contact details for any support/help number. (KBR)

6.4.12.1.x The Contractor shall interface as needed with the CGS to provide updated jackpot amounts (including the Fast Play jackpot) in real or near real time. (MMR)

6.4.12.1.y The Contractor shall provide "How to Claim Prizes" information and other key Lottery information in the mobile app. (MMR)

6.4.12.1.z Mobile app development shall not impact the System development timelines. (MMR)

6.4.12.1.aa Mobile app shall have the ability to identify and display frequency of winning numbers. (KBR)

> **THE FOLLOWING ITEM WILL BE SCORED.**
> **Provide a response to the following item.**
>
> **6.4.12.1.1** Discuss specific integrations the Proposer plans to utilize from the Lottery gaming system.
>
> **6.4.12.1.2** Describe in detail a breakdown of native features versus WebView features, as well as disclose the development languages and any conversion tools that will be used to implement the mobile app, including a detailed explanation as to the advantages of the chosen software languages and developer tools (for example, software development kits).
>
> **6.4.12.1.3** Discuss how the mobile app follows all guidelines from the Apple App and Google Play stores regarding lottery, gambling, and real money transactions.
>
> **6.4.12.1.4** Describe a maintenance plan with specific details on how software will be delivered to support the mobile app (e.g., release cycles).
>
> **6.4.12.1.5** Describe how the mobile app prevents and protects against cyber-attacks and breaches, including technology deployed to protect against such occurrences. Also include a detail description of the Proposer's standard operating procedure on handling cyber-attacks and data breaches.
>
> **6.4.12.1.6** Describe how user interface components comply with current accessibility and ADA standards.
>
> **6.4.12.1.7** Describe how the modular design of the mobile app can grow with new features and functionality.
>
> **6.4.12.1.8** Discuss how font size can be adjusted within the mobile app (e.g., application slider bar to adjust the size for content within the mobile app).
>
> **6.4.12.1.9** Discuss capability to include a built-in video player with sound in the mobile app to play informational videos and/or commercials.

6.4.12.1.10 Describe how messaging within the ticket checker can be customizable by the Lottery.

6.4.12.1.11 Describe how the mobile app can provide payment for scanned winning tickets through the mobile app, including but not limited to payment options, claim process (e.g., proof of win, claim form, etc.), embedding security checks into the process (including internal Lottery staff), and how messaging and responses differ by prize amount.

6.4.12.1.12 Describe how players, through the mobile app, can enter second chance drawings using non-winning tickets.

6.4.12.1.13 Describe how the mobile app can generate multiple Digital Playslips with one (1) barcode, similar to a shopping cart.

6.4.12.1.14 Describe how the mobile app can use geo-location to ensure play does not occur at a residence.

6.4.12.1.15 Discuss how Lottery can produce coupons with barcodes that work on Retailer Terminals to send these coupons to defined groups of players or individual players (e.g., birthday coupons).

6.4.12.1.16 Discuss how the mobile app can allow players to enter special "no purchase necessary" prize giveaways.

6.4.12.1.17 Describe how the mobile app presents "hot" and "cold" numbers (i.e., numbers that have been drawn the most or least frequently) for a specified game for a specified number of draws.

6.4.12.1.18 Describe how the mobile app permits search capabilities based on frequency of drawn numbers (e.g., last ten (10), twenty (20), fifty (50), and one hundred (100) Draws).

6.4.12.1.19 Describe the Retailer search features in the mobile app, including how a SSVT is displayed for those Retailers who have a SSVT, how Instant games are displayed based on Retailer inventory. Include functionality not described in the requirements.

6.4.12.1.20 Describe how player and mobile device data can be associated with the mobile app ticket checking process from an Enforcement and Compliance perspective.

6.4.12.1.21 Discuss the ability to convert the language of the mobile app to other languages other than English. Describe how the language is validated prior to public release.

6.4.12.1.22 Describe other mobile app features available but not outlined in the requirements sections.

6.4.12.2 Content Management System (CMS)

The Contractor shall provide a CMS that can support mobile app updates with operational ease, including but not limited to, advertising banners and static content pages. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
6.4.12.2.a GUI components must be customized to meet the Lottery's brand guidelines and accessibility requirements. (MMR)

6.4.12.2.b Certain GUI components must be made available as a secure API service that the Lottery, or its designated third parties, can integrate with to create fully customized user interface components. (KBR)

6.4.12.2.c The API services must be highly scalable with constant availability and redundancy to support the mobile app capacity needs. (KBR)

6.4.12.2.d The mobile app must support the ability for GUI components to dynamically display personalized content to individual players and subsets of players. (MMR)

> **THE FOLLOWING ITEM WILL BE SCORED.**
> **Provide a response to the following item.**
>
> **6.4.12.2.1** Diagram and fully describe the CMS system, detailing the features, capabilities, configurable parameters, and process to send updates to the mobile app.
>
> **6.4.12.2.2** Describe how the CMS is managed to maintain an optimized user experience across different device screens.
>
> **6.4.12.2.3** Describe the process for Lottery to change images in or functionality of the mobile app that cannot be performed through the CMS system, if any.

6.4.12.3 Player Account Management (PAM)

The Contractor shall provide a unified Player Account Management (PAM) system for players to register through the Lottery mobile application or Lottery Website. The capabilities described below within the mobile app should be the same functionality supported through the Lottery website. The PAM system shall maintain player data to identify players and their product interactions through the mobile app. (MMR)

> **MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS**
> **6.4.12.3.a** Mobile app shall provide capabilities to support player registration. (MMR)
>
> **6.4.12.3.b** Mobile app shall ensure that only one (1) account can be created per person. (KBR)
>
> **6.4.12.3.c** Mobile app shall use strict protocols to block attempted registrations that do not meet age requirements and identity verification controls. (MMR)
>
> **6.4.12.3.d** Mobile app shall have the capability to identify or restrict certain individuals when attempting to create accounts. (MMR)
>
> **6.4.12.3.e** Player registration shall include the following data elements at a minimum:
>
> 1) Username
> 2) Password
> 3) First and last name
> 4) Address information (civic and mailing)
> 5) Email address
> 6) Date of birth
> 7) Phone number(s)

8) Security questions and answers

9) Terms and conditions / privacy policy acknowledgements

10) Email list opt in/out

11) Push notification opt in/out

12) Other elements as determined by Lottery, such as preferred Games, etc. (MMR)

6.4.12.3.f Mobile app shall allow the player to update their profile information, including but not limited to:

1) Password

2) Address information (civic and mailing)

3) First and last name

4) Email address

5) Phone number(s)

6) Email list opt in/out

7) Push notification opt in/out

8) Security questions and answers (MMR)

6.4.12.3.g Mobile app shall allow authorized Lottery staff to access players PAM information. (MMR)

6.4.12.3.h Mobile app shall use central and persistent authentication across all authentication endpoints, including but not limited to mobile app and websites. (KBR)

6.4.12.3.i Mobile app shall utilize a secure method for user login, including mandating minimum password security strength, and shall be capable of restricting player accounts from login for any Lottery specified reason. (MMR)

6.4.12.3.j Mobile app shall mandate the use of multi-factor authentication to login to the app (the second method can be a code delivered via email or text message, or some other agreed upon method to validate the identity of the player beyond a username/password combination and security questions). (MMR)

6.4.12.3.k Mobile app shall provide capabilities for players to manage opt-in communication preferences, including the ability to opt in and out of email messaging, text messaging, and push notifications with fully configurable custom options based on criteria provided by the Lottery. (KBR)

6.4.12.3.l The Contractor shall allow authorized Lottery staff to view player notifications. (MMR)

6.4.12.3.m The Contractor shall maintain a complete history of player transactions including but not limited to prizes paid, claims, uploaded documentation, and other player-associated transactions. Such history must be accessible to players and Authorized Users through user interface components. (MMR)

6.4.12.3.n The Contractor shall limit PAM administration access to Lottery specific network connections. (MMR)

Lottery Gaming System

6.4.12.3.o The Contractor shall limit PAM administration access to authorized staff using Role-Based Access Control or similar architecture. (MMR)

6.4.12.3.p The Mobile app shall support full player registration only. No lean registration will be permitted. The registration must capture the information needed to support Know Your Customer (KYC) to identify age and identity. (MMR)

6.4.12.3.q Duplicate registrations and accounts (i.e., same player attempting to register multiple times) must be prevented. (KBR)

6.4.12.3.r Contractor shall provide centralized player registration services on behalf of the Lottery. Each account created must pass through the KYC and geolocation processes. (MMR)

6.4.12.3.s Each Contractor must identify their selected KYC partner. Age and identity data is collected and must occur within the first few steps of registration and then must permit immediate log-in for successfully registered players. (MMR)

6.4.12.3.t The Contractor must supply a secure document upload method to upload player sensitive documentation to the KYC system during the registration process. (KBR)

6.4.12.3.u Players shall have limited access to the application until the KYC verification is successful. (KBR)

6.4.12.3.v The Contractor shall receive the KYC response and update the player account data based on the KYC response details. If the KYC is valid, the player shall receive full function of the mobile app. If the KYC is invalid, this shall appear to the player in the mobile app and prevent the player from access until the registration has been updated from resubmission. (KBR)

> **THE FOLLOWING ITEM WILL BE SCORED.**
> **Provide a response to the following item.**
>
> **6.4.12.3.1** Diagram and fully describe the PAM system, detailing the features, capabilities, configurable parameters, and how PII data will be protected. Include any mobile app functionality not included in the above requirements.
>
> **6.4.12.3.2** Detail what minimum information is required to create an account (e.g., name, mailing address, etc.) and a "marketing level" registration that does not include providing a funding source or funds.
>
> **6.4.12.3.3** Describe how the mobile app PAM component May provide a one-way interface with the State's digital communications platform (currently a Granicus/GovDelivery application) to allow mobile app users to sign up for the Players Club emails. This will be an opt-in/opt-out feature included in the PAM system.
>
> **6.4.12.3.4** Describe how the mobile app performs geofencing across land-based, Wi-Fi and cellular connections. Also discuss how the mobile app geolocation services can accurately identify VPNs, proxy servers, and other methods of hiding or concealing location.
>
> **6.4.12.3.5** Discuss how the mobile app can provide integration with social media to allow players to share play activity with friends.

6.4.12.3.6 Discuss how the mobile app can provide player polling and surveys defined and issued by the Lottery.

6.4.12.3.7 Describe how player registration data will be securely stored and be available for use by Authorized Users.

6.4.12.3.8 Describe the technology used to ensure player registration information is accurate, especially around KYC and AI.

6.4.12.3.9 Describe the ability to track and report abandoned registrations.

6.4.12.3.10 Discuss how the Proposer recommends simplifying the player registration process, including all tools necessary.

6.4.12.3.11 Discuss how the PAM can implement MFA and future approaches to support the latest technology.

6.4.12.3.12 Describe how the system will allow easy, instant, and unfettered access to all player data by Authorized Users using the principle of least privilege.

6.4.12.3.13 Discuss management of the mobile app data, including but not limited to; where it will be stored, access times to run Reports/queries, ease at creating/transferring/storing Reports, ability to tie into external BI (Power BI, etc.,), systems and dashboards.

6.4.12.3.14 Discuss how and what elements of player data can the player access.

6.4.12.4 Push Notifications

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
6.4.12.4.a The Contractor shall include a notification area where secure messages, such as alerts about current LTO or requests for documentation, can be sent to players with a prominent notification to the player. Push notifications shall be customizable by the Lottery. The Contractor shall allow Lottery users of the mobile app to preview push notifications before distribution. Push notifications shall be created and distributed in HTML format. (MMR)

6.4.12.4.b The Contractor shall allow a multi-tier publishing workflow for push notifications. (KBR)

6.4.12.4.c The Contractor shall permit Lottery user access to a Contractor provided modern HTML interface which allows drag and drop functions and ability to edit at the HTML code level and desirable at the CSS code level. (MMR)

6.4.12.4.d Push notifications shall be used by the Lottery to send marketing notifications to mobile app players. (MMR)

6.4.12.4.e The System shall provide the ability to send customizable and automated push notifications to mobile app players (e.g., winning numbers after draw is held, marketing messages). (MMR)

6.4.12.4.f Mobile app shall send push notifications when changes to account settings are attempted, including but not limited to; changes to passwords and banking information. (MMR)

6.4.12.4.g Push notifications shall include transactional notifications, including but not limited to; emails and text messages. (MMR)

6.4.12.4.h Customization of push notifications shall include additional user interface components controlled by the PAM, including but not limited to; in-site dynamic notices. (KBR)

6.4.12.4.i The Mobile app shall allow players to modify their push notification preferences. (MMR)

6.4.12.4.j External message distribution solution shall capture push notification metrics and provide those metrics to the Lottery staff. (MMR)

6.4.12.4.k Notification editor must allow draft notifications to be stored, distributed, reviewed, and approved by authorized Lottery users. (MMR)

6.4.12.4.l The mobile app shall allow the Lottery to create an unlimited number of notification lists (i.e., ability to send notifications to certain players based on some Lottery defined criteria). (MMR)

6.4.12.4.m The mobile app shall allow the Lottery to send an unlimited number of notifications. The number of notifications to send shall not be based on message sizing, frequency, number of distributed messages, or any other constraint. (KBR)

> **THE FOLLOWING ITEM WILL BE SCORED.**
> **Provide a response to the following item.**
>
> **6.4.12.4.1** Describe in detail the push notification feature and types, including but not limited to process, timing, message life cycle, and limitations (such as images).
>
> **6.4.12.4.2** Discuss how geolocation can be utilized with push notifications, including limitations. (For example, the mobile app user is in Milwaukee, and the Lottery has an event nearby that it wants to alert the user to).
>
> **6.4.12.4.3** Discuss how notifications can be archived for State record keeping, including any limitations.

6.4.12.5 Mobile App Support

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
6.4.12.5.a The Contractor shall provide full technical support for the mobile app throughout the Life of the Contract. (MMR)

6.4.12.5.b The Contractor shall provide at a minimum phone and email technical support with defined response times. (MMR)

6.4.12.5.c Mobile app shall include a link to allow users to initiate an email to a specific email address, or call to phone number, which could be directed to a Wisconsin Lottery email address and/or call center serviced email address or phone number. (KBR)

> **THE FOLLOWING ITEM WILL BE SCORED.**
> **Provide a response to the following item.**
>
> **6.4.12.5.1** Discuss in detail how the Proposer will provide full technical support for the mobile app, including but not limited to technology and process.

6.4.12.5.2 Discuss how the mobile app, player, Lottery, and Proposer call center support can interact with a Proposer provided public facing frequently asked questions feature.

6.4.13 Webmaster/Mobile App Coordinator

The Lottery's public-facing website, https://wilottery.com, is separate from the mobile app. The website is hosted on multiple servers maintained by the State of Wisconsin's data center. The host infrastructure is engineered to ensure data, hardware, and networking redundancy. The current website's infrastructure relies on the Drupal content management system (CMS), allowing Lottery staff to develop and administer content that is displayed for public access.

The Contractor shall provide the resource to maintain the Lottery's website and mobile player app, the Lottery will provide in-office equipment (e.g., laptop, cell phone, etc.) and workspace for the webmaster/mobile app coordinator. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS

6.4.13.a Contractor shall provide one (1) full-time webmaster/mobile app coordinator, subject to Wisconsin Lottery's approval, throughout the Life of the Contract. (MMR)

6.4.13.b Contractor provided webmaster/mobile app coordinator will be dedicated to Lottery public-facing website development and maintenance, as well as coordination with the Contractor for any development and maintenance of the mobile app. (MMR)

6.4.13.c Contractor is responsible for hiring and paying for the webmaster/mobile app coordinator resource, including all payroll taxes and benefits. (MMR)

6.4.13.d The Contractor will be responsible for recruiting this position in coordination with the Lottery, with final approval by the Lottery. The Lottery May require replacement of the webmaster/mobile app coordinator at its discretion, which will not be unreasonably invoked. (MMR)

6.4.13.e Contractor provided webmaster/mobile app coordinator will be located within the Lottery's Product Development and Marketing Bureau office. All work and services shall be performed by the webmaster/mobile app coordinator at the Lottery's premises, or at such other locations as requested by the Lottery and approved by the Contractor (with such approval not to be unreasonably withheld, conditioned, or delayed). (MMR)

6.4.13.f The Contractor shall be the legal employer of the webmaster/mobile app coordinator and shall retain the legal right to fire, supervise, and discipline the webmaster/mobile app coordinator; provided, however, the Lottery shall have the right to direct the Contractor to terminate or discipline the webmaster/mobile app coordinator should there be performance or other issues in the webmaster/mobile app coordinator's performance of services for the Lottery. (MMR)

6.4.13.g For purposes of rendering the services to the Lottery, the Lottery has the right to exercise supervision, control, and direction over the webmaster/mobile app coordinator, and the Lottery (and State) shall remain liable for the acts or omissions of its employees in connection with the Lottery's supervision, control, or direction over the webmaster/mobile app coordinator. (MMR)

6.4.13.h The webmaster/mobile app coordinator will be required to sign the Lottery's non-disclosure agreement and will be required to maintain the confidentiality of all Lottery trade secrets, internal discussions, and other sensitive matters, and shall not share any such information with Contractor or other Contractor staff without specific written permission of the Lottery. (MMR)

6.4.16.i The webmaster/mobile app coordinator Position will be required to sign the Contractor's non-disclosure agreement and will be required to maintain the confidentiality of all Contractor trade secrets, internal discussions, and other sensitive matters, and shall not share any such information with the State, the Lottery, or other State or Lottery staff without specific written permission of Contractor. (MMR)

6.4.13.j The webmaster/mobile app coordinator shall at all times remain subject to the policies and procedures set forth by the Contractor, as may be amended from time-to-time. (MMR)

6.4.13.k The webmaster/mobile app coordinator shall at all times during the Life of the Contract be subject to the Lottery's policies and procedures, to the extent not expressly inconsistent with those of the Contractor. (MMR)

6.4.13.l In the event of the removal of the webmaster/mobile app coordinator for any reason, Contractor shall use commercially reasonable efforts to provide a replacement, subject to the foregoing provisions, within six (6) weeks of notification of the need for a new webmaster/mobile app coordinator, and Contractor shall make a good faith effort to provide a replacement sooner, acknowledging that the foregoing time periods are subject to the Lottery's active participation in the hiring and replacement process. Any replacement shall be subject to the same requirements as the original webmaster/mobile app coordinator. (MMR)

6.4.13.m The annual salary for the webmaster/mobile app coordinator Position is at the sole discretion of Contractor, assuming all requirements of the position under this Contract are satisfied. (MMR)

6.4.13.n The Contractor shall furnish and keep in full force and effect at all times and at its own cost, workers' compensation insurance covering the webmaster/mobile app coordinator. (MMR)

6.4.13.o The Contractor shall maintain at all times and at its own cost, policies of liability insurance for the actions and omissions of the webmaster/mobile app coordinator occurring during the course of employment and the provision of the services to the Lottery. (MMR)

6.5   Accounting Functions

The System shall support the Lottery's accounting functions. (MMR)

6.5.1   Validation and Prize Payments

The Contractor shall provide functionality to accommodate the validation, payment, and maintenance of all prize payments resulting from tickets and non-ticket prizes (e.g., Drawings, merchandise prizes, cash, and non-cash prizes). Included with this are transactions for Drawings, installment payments (annuity payments), merchandise payments or other administrative payments. (MMR)

THE FOLLOWING ITEM WILL BE SCORED.
Provide a response to the following item.

6.5.1.1 Describe how the System will accommodate the validation, payment, and reporting with the finalization of all prize claims processed by the Lottery. Include the claim lifecycle from ticket validation, re-issuing checks, the processing of the transactions in the Statewide financial accounting system and escheating funds with the ability to search and edit a claim at any time during the claim cycle. Include examples of the System's capabilities in the form of diagrams, charts, or Reports. Provide evidence of where this is used in other NASPL lotteries.

6.5.1.2 Describe how the System will accommodate multiple payment options available to players, including the payment option types, reporting of all prize claims processed by the Lottery. Include examples of the System's capabilities in the form of diagrams, charts, or Reports and integration points with third party payment platforms, if applicable. Provide evidence where this is used in other NASPL lotteries.

6.5.2 Claims and Payments Processing

The System shall provide an integrated function for the Lottery to process prize claims. The Lottery will specify the accounting entries, file format, and Report Requirements. The Contractor shall integrate with State financial systems and State banking partners, currently US Bank, to facilitate claims accounting functions and prize payments to players. The Contractor shall update integrations if these systems or partners change. (MMR)

Note Under State law (ch. 565.30(5), Wis. Stats.), the Lottery must verify each winner of a lottery prize equal to or greater than $600 has been assigned to be delinquent in State taxes, child support, or debts owed to the State. The Lottery must withhold payments of prizes in accordance with State statutes. Some examples of withholding include, State taxes, child support, or debt owed to the State, spousal support, maintenance, or family support required, fines, assessments, and restitution.

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
6.5.2.a The System shall verify that a ticket or coupon presented for prize payment is valid based on the following criteria:

1) The claim period for the ticket has not expired,
2) The ticket has not been canceled or paid,
3) The ticket is in the appropriate status for being paid. (MMR)

6.5.2.b The System shall handle exception claims to process any ticket that may fall outside the normal functions of processing a standard claim such as a previously paid or stale-dated claim. (MMR)

6.5.2.c The System shall only allow Authorized Users access to the claims system. (KBR)

6.5.2.d The System shall properly capture the prize amount from the validation process and identify the ticket as validated or paid. (KBR)

6.5.2.e The System shall securely allow for modification of any ticket or claimant added or removed to any claim after entry or verification and prior to the submitting for payment processing. (KBR)

6.5.2.f The System shall perform inquiries for winning tickets and amounts. (KBR)

6.5.2.g The System shall identify the user who created the claim or any edit of an existing claim through processing of the payment. (MMR)

6.5.2.h The System shall link the claim form with the corresponding records in the System (currently by use of a claim reference number). (KBR)

6.5.2.i The System shall capture and retain for both individuals and entities the following claimant information electronically including, but not limited to:

1) The type of claim, for example, mail-in, walk-in or online with specific identification to each.

2) Name (separate fields for first name, last name, middle initial and suffix).

3) Taxpayer Identification Number (for example SSN, ITIN, or FEIN).

4) Foreign tax identification number (if provided).

5) Auto-entry of an address including a country data field using ZIP code (validation of address required).

6) Phone number including area code.

7) Email address.

8) Date of birth.

9) Photo Identification (if applicable).

10) Product game and/or grid (Fast Play) won.

11) Prize level and amount (including merchandise).

12) Draw number.

13) Gross amount won.

14) Federal tax withheld.

15) State tax withheld.

16) Other amounts withheld (e.g., tax intercept) impacting amounts above the threshold. (MMR)

6.5.2.j The System shall record all payment transactions in accounting entries and securely interface the information with the State's current and any future accounting system only after the claim has been completed and all approvals have been made. (KBR)

6.5.2.k The System shall securely interface with other State data to determine whether the claimant is a State debtor (e.g., unpaid taxes, child support, etc.) and deduct payment when it has been determined the claimant is not eligible to receive a full or partial payment. (MMR)

6.5.2.l The System shall verify a claimant's TIN against the State debtor File and allow for manual override. (KBR)

6.5.2.m The System shall calculate and withhold the appropriate federal and State taxes including back-up withholding from prize payments. (MMR)

6.5.2.n The System shall calculate taxes and withhold other designated amounts (e.g., requested additional withholdings) from a prize on an ad hoc basis, and allow for manual override (with secondary approval). (KBR)

6.5.2.o The System shall display a warning message and not allow the manually calculated withholding amount to be lower than the automatically calculated withholding minimum. (KBR)

6.5.2.p The System shall capture all tax reportable information for prize winnings and end of year reporting Requirements of the Internal Revenue Service (IRS) and DOR. This includes automatically updating player demographic information for any updates made to the player profile. The System shall comply with IRS and DOR regulations which require the Lottery to comply with a variety of tax laws and regulations pertaining to prize payments, tax withholding, data security, and tax reporting. The information shall be securely transferred either electronically or by portable media by the filing deadline to avoid penalties. (MMR)

6.5.2.q The System shall allow a claim to move to a HOLD status to prevent payment processing (e.g., the entry of further claimant information, the results of a security investigation, etc.). The System shall automatically alert the user and suspend claim processing when required fields are left blank. The Lottery shall define all alert conditions and shall be able to add, modify, and delete alert conditions. (KBR)

6.5.2.r The System shall allow quick review of claims in the form of a dashboard, online view or report, or other method. This Claim Status Review should allow claims to be filtered by status, such as filtering by HOLD status. (KBR)

6.5.2.s The System shall provide a single data screen that allows claim entry for Instant, Lotto, Fast Play games, and merchandise prizes. (KBR)

6.5.2.t The System shall process multiple tickets on a single claim for one player without requiring the re-entry of claimant information for each claim. The number of tickets that can be associated with a single claim shall be a minimum of one hundred (100) prior to starting another claim. (MMR)

6.5.2.u If the Lottery chooses to award a replay, bonus ticket, or other merchandise prize, the System shall process the claim for the cash equivalent. (KBR)

6.5.2.v The System shall allow a claim to move to generate a payment once the claim data has been entered and verified. (KBR)

6.5.2.w The System May limit access to Sensitive Information within the claim. This will be based on the credentials of the user. (KBR)

6.5.2.x The System shall support the deactivation of (i.e., prevent from further processing) a claim. All deactivated claim data shall be maintained on the System so that they can be referenced and viewed. (KBR)

6.5.2.y The System shall support multiple owned prize claims with two (2) to at least two hundred (200) prize claimants, dividing prize amounts equally between claimants but maintaining the ability to allow the Lottery to adjust how much will be paid to individual claimants, accommodating the issuance of multiple payments and capture, and retaining all individual claimant tax reporting information. (KBR)

6.5.2.z The System shall have the ability to edit any part of a claim/payment until the check is printed. The System shall show in real time any changes/updates made to the claim or payment. (KBR)

6.5.2.aa When an exception claim is created, any part of a claim/payment is edited or modified, a security hold is in place, or other Lottery-determined scenarios, the system shall request approval from another Authorized User (Dual Approval) to allow the claim to proceed to payment. If changes are made to the payment prior to payment of the check(s), the claim shall request approval from another Authorized User. All approved changes shall have the ability to show the modifications applied. (KBR)

6.5.2.bb The System shall verify each winner of a Lottery prize equal to or greater than six hundred dollars ($600) to check debtor files to determine if the claimant has been assigned to be delinquent in State taxes, child support, or debts owed to the State. If monies are owed to the State by the claimant, the System must withhold payment and ensure any amount owing is collected on behalf of the State, and allow for manual override with approval. The System must ensure the amount deducted is communicated to the State to ensure the amount collected is deducted from the amount owing. Some

examples of withholding include, State taxes, child support, spousal support, maintenance, or family support required and federal and State taxes. (MMR)

6.5.2.cc The System shall not allow creation of duplicate player profiles with the same SSN, TIN, or FEIN, and shall display a message indicating the reason for now allowing the creation of a player profile. (MMR)

6.5.2.dd The System shall contain internal controls, security features, auditing tools, and/or other measures to prevent and detect fraudulent or improper claim payments. Software security or other design features shall limit the opportunity for identity theft or other improper use of a claimant's PII. (KBR)

6.5.2.ee The System shall store, and secure documents provided by players for payment to be made. This includes the claim form, player identification such as a driver's license or passport, and any additional release forms. (KBR)

6.5.2.ff The Contractor shall provide the ability for claimants to complete a digital claim form. Claimants shall be able to fill out the digital claim form (e.g., at kiosks at claim centers or on a web-based form), where a Lottery staff member can pull up a claim record in the System and process it with no need for a physical claim form. (KBR)

6.5.2.gg The System shall not allow certain Redemption Centers to redeem the following:

1) Claims two hundred thousand dollars ($200,000.00) and over or an amount determined by Lottery.
2) Annuities.
3) Supported exception claims.
4) Multi-claimant support. (KBR)

6.5.2.hh The System shall capture the date and time the claim is created or anytime modifications are made after the claim is created. (KBR)

THE FOLLOWING ITEM(S) WILL BE SCORED.
Provide responses to each of the following items.

6.5.2.1 Describe how the System maintains authorization and access control within the payment generation process.

6.5.2.2 Describe the process of adding tickets to a specific individual claim. Describe any specific scenarios where a ticket cannot be included in the list and trigger a separate claim. Discuss the number of tickets that can be added to a claim and any limiting features.

6.5.2.3 Describe how searches for claimant records of payment and validation can be performed.

6.5.2.4 Describe if and how the System will verify that TINs match up to claimant information provided by the player. Describe how a claimant record is matched to a new player when a TIN is not provided.

6.5.2.5 Describe the reporting functionality to reconcile payments made from the Lottery to the banking system.

6.5.2.6 Describe how the Proposer maintains and monitors tax reporting compliance with changes (i.e. how does the System handle IRS or DOR tax rule changes that would impact reporting, withholding amounts, or other requirements).

6.5.2.7 Describe how the System can produce and File amended tax forms and files.

6.5.2.8 Describe how tax data can be viewed and/or modified upon request. Include controls that are in place to limit access to this data.

6.5.2.9 Describe the System's capabilities in preventing the creation of duplicate SSN, FEIN or ITIN profiles.

6.5.2.10 Describe how the System can store claim materials electronically, display records, and attach files to claims while securing PII data and limiting access. Describe the ease of uploading data.

6.5.2.11 Describe how the System can easily identify the claim type from mail in, walk in or e-file, the individual processing the claim and other claim related data.

6.5.2.12 Describe any technological modernization or automation the System can provide to improve the claims or payment processing. Discuss plans to continue to evolve the solution over the Life of the Contract.

6.5.2.13 Discuss the special characters permitted in the claim and player information with the character limitations during the process.

6.5.2.14 Discuss the use of a photo ID to quickly collect claimant information including the Photo.

6.5.2.15 Describe how non-domestic addresses can be supported within the claim system by the entry of a ZIP or Postal code.

6.5.2.16 Describe how the System can identify, and merge, multiple player profiles for a single individual. Discuss the security features and secondary approver capabilities for making such changes.

6.5.2.17 Describe support for an electronic claim form to allow the player to generate and submit a claim from a web and mobile device. Provide examples of where this functionality has been deployed at other NASPL lotteries.

6.5.3 Prize Payment Processing

Prizes up to five hundred and ninety-nine dollars ($599) can be claimed at Retailer locations. The Milwaukee Redemption Center can currently redeem prizes under two hundred thousand dollars ($200,000) and the Madison Headquarters Redemption Center can redeem all prize values. The Lottery may seek to have super validating Retailers to process claims over five hundred and ninety-nine ($599) dollars. These amounts are subject to change and appropriate thresholds and claim holds should be put in place to allow the System flexibility to these thresholds. Currently, all prize payments are reported on a daily payment register, an accounts payable database in the State's accounting system, a payment register integrated with the Wisconsin Department of Administration (DOA), and an integration with the State's banking partner. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS

Lottery Gaming System

6.5.3.a The reporting function shall uniquely identify by number the check printer or office, and a username that issued the check or void check. (KBR)

6.5.3.b The System shall have the ability to assign and track System generated check numbers and physical check stock numbers. (KBR)

6.5.3.c The System shall issue one payment when a winner submits multiple winning tickets. (KBR)

6.5.3.d The System shall produce, either annually or on a Lottery defined parameters, W-2G and 1042-S forms, based on thresholds and filing requirements for federal and State tax withholdings for each specific play. (MMR)

6.5.3.e The System shall support a manual process for generating payments for prizes that could not be paid through the normal validation process including, but not limited to, multiple year prizes, claim period expired, exception claims, merchandise, and Drawing payments. The manual process for generating payments shall conform to Lottery Requirements. (KBR)

6.5.3.f The System shall have the ability to void a payment (with reason code) only on the day that it was written and reissue a payment under Lottery defined conditions, with access controls. This functionality shall provide the ability to update and modify claimant information and record all historical modifications by user I.D. with a system-generated date and time stamp. This functionality shall also provide the ability to inquire online and produce ad hoc Reports detailing claim modification history (KBR)

6.5.3.g The System shall have the ability to reverse a payment redemption from the reporting system to show the correct redeemed liability balances when a payment is voided and not reissued. (KBR)

6.5.3.h All re-issued payments after the initial day must be handled through the Department of Administration. The System will have the ability to note with a re-issued payment request form sent to the Department of Administration with the ability to maintain the form, with access controls. (KBR)

6.5.3.i The System shall print Lottery checks and affix signatures securely, and check stubs utilizing MICR (Magnetic Ink Character Recognition) capable printers located in all Lottery Redemption Centers and programmed to print on State issued check stock, currently 8½" x 11". (KBR)

6.5.3.j The System shall capture and retain tax reporting information without producing a physical check if a prize payment is made by wire transfer, EFT, non-cash prize, State debtor capture and other alternative payment methods. (KBR)

6.5.3.k The System shall capture the date and time the payment is approved/processed. (KBR)

6.5.3.l The System shall capture the time the payment is issued as the time of a payment. (KBR)

6.5.3.m The System shall allow for the automation of debt setoff collection with the ability to manually adjust the amounts, if needed. (KBR)

6.5.3.n The payment and detail remittance form shall contain both winning and non-winning ticket counts associated with the claim. (KBR)

> **THE FOLLOWING ITEM WILL BE SCORED.**
> **Provide responses to each of the following items.**

6.5.3.1 Describe if and how the System will have the ability to provide information (e.g., an itemization of the tickets validated, identifying if any of the tickets are non-winners, tax information, etc.) to claimants via printing, email or other methods.

6.5.3.2 Describe what type of information can be displayed, and how to update and change the layout. For example, if Lottery decides to present specialized wording or a limited time marketing opportunity. This would apply to a check stub, claim form or other issued forms.

6.5.3.3 Describe how the System will be updated for new check stub stock if the Lottery decides to replace or modify it.

6.5.3.4 Describe how dollar thresholds for multiple Redemption Centers or payment types can be maintained.

6.5.3.5 Describe how the System could interface with the State's banking System to view payment status (i.e. cashed, non-cashed etc.)

6.5.3.6 Describe how the System can setup and maintain an adequate internal controls over the Lottery prize payment and check writing activities to ensure problem or fraudulent claims are identified.

6.5.3.7 Describe the support for super validating retailers and how amounts for validation can be supported for these Retailers including support for varying redemption levels depending on Lottery requirements. Discuss the equipment needed per Retailer and how each supported Retailer would be equipped.

6.5.4   Multiple Year Prize Payment Management

The Lottery needs to manage the information and processes necessary for multiple year prize payments (annuities). The management of multiple year prize payments includes securely storing and updating data from winners, corresponding with winners, maintaining payment schedules, checking State debtor files, and making payments. Multi-year prizes shall be paid in a variety of frequencies such as, but not limited to, weekly, monthly, or annually. (MMR)

> **MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS**
> **6.5.4.a** For each multiple year prize claim, the System shall securely store data for an individual or multiple winners entitled to each prize claim. (KBR)
>
> **6.5.4.b** The System shall calculate the amount of federal and State taxes withheld and allow for manual correction if payee requests more than the minimum be withheld. A warning message shall notify the user if the amount of taxes withheld is less than the calculated minimum withholding. (KBR)
>
> **6.5.4.c** The System shall integrate to the State's financial accounting system to submit payments to annuitants once the payment information has been reviewed and finalized. The payment shall be transferred to the annuitant on the scheduled payment date. (MMR)
>
> **6.5.4.d** The System shall verify the winner of the annuity against debtor files to determine if the claimant has been assigned to be delinquent in State taxes, child support, or debts owed to the State. If monies are owed to the State by the claimant, the System must withhold payment and ensure any amount owing is collected on behalf of the State. The System must ensure the amount deducted is

communicated back to the State. Some examples of withholding include, State taxes, child support, spousal support, maintenance, or family support. (MMR)

THE FOLLOWING ITEM(S) WILL BE SCORED.
Provide responses to each of the following items.

6.5.4.1 Describe how the System will track changes to and retain all stored data for a claim including the user who made the change. A claim may have several payee changes throughout the payment period (e.g., death of a payee, establishment of a trust, court orders, levies, conversion of multiple payments into a lump-sum, etc.).

6.5.4.2 Describe if and how the System generates pre-scheduled payments within a specified date range (e.g., sixty (60) Days before payment, thirty (30) Days before payment) and retain scheduled payment dates, scheduled payment amounts, and bank information for electronic payments (ACH, etc.)

6.5.4.3 Describe if and how the System will generate standard form letters, on official Lottery letterhead, with the capability for Lottery to modify the text/letter format. Note that it is not acceptable to send via email System-generated form letters which contain Sensitive Information. System-generated form letters are desired for, but not limited to, the following:

1) Correspondence to the payee for notification of payment on a specified date; any changes to names, addresses, or phone numbers; and the payee's preference for payments (check, electronic (ACH), other).

2) Correspondence to other State agencies for any State debtor information.

6.5.4.4 Describe how the system could interface payment information to the statewide financial accounting system for annuity payments.

6.5.5   Financial Transaction Reporting

The System shall provide data associated with financial Transactions. The System shall provide the financial data in a format (e.g., Reports, Files, etc.) defined by the Lottery. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
6.5.5.a The System shall provide information about Lotto and Instant Game financial activity including, but not limited to:

1) Lotto ticket sales, commissions, and validations by draw (and by date), by Game, price point of Game, by Retailer, and by prize level.

2) Lotto outstanding prize liabilities and purged prizes by Game, by draw, and by prize level.

3) Instant ticket sales, commissions, and net cost by Day, by Game, by price point, and by Retailer.

4) Instant ticket allowance (reducing the amount of sales by the estimated returned tickets rate) for returns, by Game, price point and by Retailer. The system shall allow for change in percentage for when the rate is changed.

5) Prize levels of validated tickets by Game, date, and by Retailer, Redemption Center, and payment option type.

Lottery Gaming System

6) Instant ticket Non-Profit (NPO) sales, commissions, Guaranteed Low-End Prize Structure (GLEPS) discount, and net cost, by Day, by Game, price point, and by Retailer.

7) Instant ticket inventory by Day, by number of tickets, by Game, by location, by Pack status, and by Retailer.

8) Ticket returns by day, by number of tickets, by Game, by location, by Pack status, by return credit amount, and by Retailer. Including Transactions when tickets were previously assigned to a Retailer, returned, and re-issued to a new Retailer.

9) Accounting Transactions for LTO, by Game, by price point, and by Retailer.

10) Accounting Transactions for Retailer adjustments defined by the Lottery, including but not limited to, unreadable ticket adjustments, Pack adjustments, ticket return issues, licensing fees, special event Retailer adjustments, non-fund transfer transactions and fees, COD check payment adjustments, previously paid ticket validation corrections, etc.

11) Accounting data for prize validations and payments made in the lottery Redemption Centers, including gross prize values, federal and State taxes withheld, State debt amounts withheld, non-cash prizes, and net payment. Data is needed by payment type (e.g. check, ACH, wire transfer, etc.), name of prize winner, and by Game. Data should be able to be pulled by accounting date, or as a certain point in time. (e.g. end of Business Day).

12) Paperless currency transaction activity such as specific activity logs, balancing, and dispute issues, velocity controls by payment type, day, month, and aggregated Retailer data such as total transfer and amount by payment type. (MMR)

6.5.5.b Storage and reporting of this information shall not negatively impact processing time in the System for loading transactions and Reports. (KBR)

6.5.5.c The System shall generate On Demand Report(s) in near real time that outline the payment activity, type of payments issued, and activity made. For example, a Report showing payments issued that day, what checks were voided, and what claims were made outside the normal process with information determined by the Lottery (exceptions claims). (KBR)

THE FOLLOWING ITEM(S) WILL BE SCORED.
Provide responses to each of the following items.

6.5.5.1 Describe the format types (e.g., Reports, Files, etc.) available for each data element.

6.5.5.2 Describe how the reconciliation process would work for interface files to the statewide financial accounting system to verify the System has accurate data.

6.5.5.3 Describe how new Reports or updates to existing Reports are managed and maintained.

6.5.5.4 Describe training on Report contents and Transactions to understand how the data flows.

6.5.5.5 Describe internal processes used to verify data in the System for accuracy.

6.5.5.6 Describe the process to identify, raise, resolve, and track reconciliation errors between the system and the State's financial system. Describe the ability to search for tracked activity based on Retailer, date, Game, etc.

6.5.5.7 Describe how the System will allow easy, instant, and unfettered access to data collected in this section (and historical data) in an easily accessible way for use by Authorized Users. Describe how the data will be managed, including where it will be stored, access times to run Reports/queries, ease at creating/transferring/storing Reports, ability to interface into external BI (Power BI, etc.) systems and dashboards.

6.5.6 Financial Accounting Interface

The System shall interface with the State's accounting system. This interface shall contain all necessary financial activity required by the State's accounting system. The interface shall meet the State's required format. The Contractor, along with Lottery Accounting, shall map the accounting codes between the System and the Statewide financial accounting system to ensure both systems are synchronized. The System shall accommodate the exchange of data between the System and entities within and outside the Lottery. Interfaces May range from real time to daily, weekly, monthly, annually, or On Demand. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
6.5.6.a The System shall maintain an interface for all financial activity and shall be securely delivered to the State's accounting system and give Authorized Users the ability to create Reports that may be generated electronically or printed as hard copy or saved as a File using State Standard Applications. (KBR)

6.5.6.b The System shall assign the proper accounting entry, as specified by the Lottery, for all payment transactions. The accounting codes shall be defined by the Lottery and securely transmitted to the Statewide financial accounting system on an agreed upon timeframe with daily being the minimum requirement. A Report with the accounting entries and codes shall be generated, which can be saved in a readable, printable format opened as a File using State Standard Applications. (MMR)

6.5.6.c The System shall assign the proper accounting entry and codes, as specified by the Lottery, for all financial activity. The accounting codes shall be entered into a summarized general ledger entry and securely transmitted to the State's accounting system on an agreed upon timeframe with daily being the minimum requirement. A Report with the accounting entries and codes shall be generated to verify system activity, which can be saved in a readable, printable format and opened as a File using State Standard Applications. Financial activity transactions include, but are not limited to, the following:

1) Instant ticket sales and returns by Game, by price point, by Retailer.

2) GLEPS expense for non-validated pull-tab sales and returns by Game, and by price point.

3) Commission expense for Instant sales and returns by Game and by price by Retailer and Retailer type.

4) Accounts receivable for Instant sales and returns by Game and by price by Retailer.

5) Ticket inventory for Instant sales and returns by Game and by price by Retailer.

6) Sales allowance (i.e., anticipated future debits recorded in advance) for Instant ticket sales and returns by Game and price point, by Retailer.

7) Lotto ticket sales (including advanced draw sales) and prize expense for Lotto prizes won by draw and by Game.

8) Lotto ticket sales discounts and commission expenses by draw and by Game.

9) Lotto game jackpot accrual amounts by Draw and by Game.

10) Lotto accounts receivable and sales for current and all future draws by draw and by Game.

11) Lotto ticket redemptions by Retailer, by Day, and by Game.

12) Retailer Performance Program Incentives by week, by incentive type and by product type.

13) Contract fees (i.e., fees paid by Retailers to support Lottery contracting) posted by Day.

14) Purged Lotto prizes by Day and by Game.

15) Specific manual adjustments to Retailers' accounts by Day and by Game.

16) Liability Reports for each Lotto game, by Day, by Game.

17) Unfunded and funded jackpot prize data, by Day.

18) Summary of changes in Instant Pack status, by Game, by Retailer, by Day. (MMR)

6.5.6.d The System shall collect the detailed amounts from each Retailer and generate the necessary summary and detail data to create payment Files that will be used to sweep a Retailer's bank account by the Statewide financial accounting system. The deposit transactions will go to Statewide financial accounting system, and to US bank to process the deposit including a supplemental Report to be generated from the System to verify the dollar amount and count of the File that was sent to the bank. Reconciliation will be performed automatically with any imbalances reported to Lottery. (KBR)

6.5.6.e The System shall securely exchange data between entities within and outside the Lottery, including but not limited to the following:

1) State's accounting system (STAR) - The System shall provide daily Files of Retailer and Game financial data to the State's accounting system.

2) DOA - The System shall provide a secure daily File in a DOA-specified format with (payment) information.

3) IRS and DOR – The System shall provide an annual File for 1099, 945, 1042-S reporting and W-2G reporting to the IRS and DOR. The Contractor shall be required to process follow-up IRS and DOR correction Files.

4) State's bank – The System shall provide a weekly or daily File(s) using the required ACH File layouts to the State's bank. Files shall include all weekly debits and credits to Retailers' accounts and all pre-notification transactions.

5) Interfaces back from State's bank for rejected payments, reasons for those rejections, and banking notification of changes.

6) Interfaces to the Department of Revenue's System for withholding offsets (WINPAS). (MMR)

6.5.6.f The System shall provide new and existing financial interfaces as they are identified and defined by the Lottery. (MMR)

6.5.9.g The Contractor shall update current File layouts and software to adapt to any agency mandatory changes. (MMR)

6.5.9.h The System shall support a Report to generate current Retailer balances with detail (Net amounts, outstanding instant ticket amounts, outstanding Lotto remittance, ticket returns,

redemptions, and manual adjustments). This Report shall be able to run at any given date and time, and allow for back dated Report execution. (KBR)

THE FOLLOWING ITEM(S) WILL BE SCORED.
Provide responses to each of the following items.

6.5.6.1 Describe if and how the System will automatically calculate and make appropriate entries for the daily jackpot amounts for non-annuitized Lotto games (e.g., Badger 5).

6.5.6.2 Describe if and how the System will automatically calculate and make journal entries for the amount owed to any multi-jurisdictional entity in connection with a jackpot game Drawing.

6.5.6.3 Describe in detail how more advanced interface capabilities could be performed to allow greater flexibility and data flow to the Statewide financial accounting system. Provide some examples from NASPL customers where this interface is currently operational.

6.5.6.4 Describe in detail any automation or other methods to ensure accurate reporting for accounting and finance. Explain any internal controls to ensure accurate reporting.

6.5.6.5 Discuss in detail the Proposer's process to perform, and time to deliver (including testing), software changes to accounting and interface file modules.

6.5.7 Retailer Financial Account Management

6.5.7.0.1 The System shall provide an Electronic Funds Transfer (EFT) File for the purposes of billing a Retailer's account. The types of transactions that shall debit a Retailer's account include, but are not limited to ticket sales, contract fees, and other adjustments. The types of transactions that would credit a Retailer's account include, but are not limited to ticket returns, prizes paid by the Retailer, commissions, bonuses, performance incentives, and other adjustments. (MMR)

6.5.7.0.2 Currently the Lottery collects amounts due from Retailers and pays amounts due to Retailers on a weekly basis almost exclusively by an EFT through the federal Automatic Clearing House (ACH) process. The Lottery also accommodates collections using the Collect on Delivery (COD) process for Non-profit Organizations (NPOs). The System shall securely interface with the State's accounting system and US Bank to Report all financial activity. The System shall securely submit Retailer billing to the US Bank for collection or deposit and track payment rejections. (MMR)

6.5.7.0.3 From an Instant Ticket perspective, Retailers are billed for packs twenty-one (21) days after packs have been activated, Retailers are force billed for any non-activated packs forty-two (42) days after they are received. By law, all packs received by the Retailer (activated or not) must be billed within sixty (60) days. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
6.5.7.a The System shall accommodate the billing and crediting of Retailer accounts through the lifetime of the Retailer's contract and create searchable Reports of the history for all transactions needed including, but not limited to:

1) Automatically posting and maintaining the amount billed or credited to each Retailer's account for the sale of Lotto, scratch, and pull-tab tickets, return of Instant tickets for credit, and prizes paid.

2) Automatically posting and maintaining the fees billed to each Retailer's account associated with contracting (e.g., contract fees upon application, certificate fees once approved, and renewal fees at the time of renewal), and NFTs and fees at times specified by the Lottery.

3) Automatically posting and maintaining the amount credited to each Retailer's account for commissions earned for selling Lotto, scratch, and pull-tab tickets; Winning Ticket Incentives; and other Lottery determined incentives such as yearly and quarterly sales incentives.

4) Automatically posting and reporting tickets for financial and non-financial prizes (e.g., coupons, merchandise, and any limited time offers, etc.).

5) The System shall have the ability to edit Retailer banking information prior to and after the EFT is generated, with the ability to regenerate, if necessary. The System should track the changes made prior to and after the changes were applied. Any change requires Dual Approval. (MMR)

6.5.7.b The System shall provide a manual adjustment process to add, modify, or delete transactions that shall post to Retailer accounts. The System shall provide an audit trail of adjustment amount, date of adjustment, users who entered and approved the adjustment, and a description/reason for the adjustment. The System shall allow these adjustments to be posted as on-demand (immediate) transactions or week-ending transactions. All manual adjustments require dual approval. (MMR)

6.5.7.c The System shall provide a process for multi-store chain and pseudo-chain accounting at the Retailer's option. Authorized Users shall be able to see individual store accounting as well as chain roll-ups. (KBR)

6.5.7.d The System shall support daily, weekly, monthly, and annual System balancing and reconciliation of all transaction components. (KBR)

6.5.7.e The System shall record, in accounting entries, all financial transactions posted to Retailer accounts by program, by product, by Game, and by price point as transmitted to the State's accounting system. (KBR)

6.5.7.f The System shall allow Authorized Users to make financial adjustments (i.e., post credits and debits) by Retailer, by type of program, by product type, and by Game number, as directed by the Lottery. The System shall automatically prevent any invalid adjustment types from occurring (e.g. The System will only allow Unreadable Online Ticket adjustments to be tied to a Lotto Game). (KBR)

6.5.7.g The System shall allow Authorized Users to add, modify, or delete various types of adjustments and historical view of the changes. (KBR)

6.5.7.h The System shall accumulate adjustments in a batch type structure during the same day so adjustments can be reviewed and edited any time before they are posted. (KBR)

6.5.7.i The System shall allow for multiple adjustments of different types within the same batch. (KBR)

6.5.7.j The System shall allow Authorized Users to initiate the posting of the adjustments to the Retailers' accounts after the Lottery determines the adjustments in a batch are accurate. (KBR)

6.5.7.k The System shall allow Authorized Users to identify adjustments pending and posted allowing filtering between each status type. (KBR)

6.5.7.l The System shall allow for the removal of a manually entered adjustment prior to it being posted. (KBR)

6.5.7.m The System shall record, in accounting entries, all adjustments posted to Retailer accounts by program, by product, by Game, and by price point as transmitted to the State's accounting system, as directed by the Lottery. (MMR)

6.5.7.n The System shall securely transmit an EFT File to the State's bank on a weekly basis or as determined by the Lottery, in accordance with federal ACH procedures. (MMR)

6.5.7.o The EFT File shall include the correct amounts for all Retailers for all Game or other financial activities. (KBR)

6.5.7.p The System shall automatically create a pre-notification file using zero amounts to verify a Retailer's account at the time the account information is entered into the System during the retailer licensing process. The pre-notification process shall be in accordance with federal ACH and NACHA requirements procedures. The pre-notification process May be run in conjunction with the regular EFT process, but no payment should be included when a pre-notification is pending. The System must record the rejection of a pre-notification with an alert to Lottery indicating the failure. (KBR)

6.5.7.q The System shall allow Authorized Users to temporarily exclude a Retailer from the EFT process. (KBR)

6.5.7.r The System shall allow Authorized Users to create On Demand adjustments approved by the Lottery, which cause EFT sweeps outside of the regular billing sweep cycle. Multiple, on-demand EFTs can be applied in the same week and each should be independent transactions. (KBR)

6.5.7.s The System shall allow for multiple on-demand transactions in a single invoicing period to be posted. (KBR)

6.5.7.t The System shall prevent On Demand Transactions from being posted more than once, regardless of what other Transactions may be processed during the same invoicing period. (KBR)

6.5.7.u The System shall allow Authorized Users to apply a different billing status (e.g., weekly, monthly, EFT, COD) to a Retailer's account and bill accordingly. (KBR)

6.5.7.v The System shall support the ability to view only pending unapproved adjustments and the ability to search prior approved and released adjustments in multiple ways, including but not limited to, adjustment identification number, invoice period, status, by date created, by Retailer, and by adjustment reason. (KBR)

6.5.7.w The system shall allow Authorized Users to make adjustments up to the point to where the file is transmitted to the State's bank account. (KBR)

6.5.7.x The System shall process return Files from the State's bank that identify payment rejections and the reason. The System shall track payment rejections and provide a history of payment activity for each Retailer. Any fees related to rejected payments must be captured and applied to the Retailer as defined by the Lottery with appropriate accounting entries issued to the State's account system. (KBR)

6.5.7.y The System shall upload a detailed deposit entry into STAR based on retailer billing. (KBR)

6.5.7.z The System shall require the ability to scan supporting documentation for adjustments made, with the ability to view the documentation when researching and reviewing adjustments. Documentation shall only be available for Authorized Users. (KBR)

> **THE FOLLOWING ITEM WILL BE SCORED.**
> **Provide responses to each of the following items.**

> **6.5.7.1** Describe if and how the System will create a File of all activity for a given EFT sweep (e.g., weekly, on-demand, etc.), containing all applicable accounts receivable or program account codes, transmitted to the State's accounting system and how rejected sweep amounts and notifications of change, and changes, will be reported back to the Lottery and recorded in the System.

> **6.5.7.2** Outline the timing on generating or performance of the following: the bank file generation, edit or modification of specific information such as bank or routing numbers, change the date when a file is generated, and make adjustments to payment files, comparing performance against ACH banking file standards.

> **6.5.7.3** Explain how the System can alert for pre-notification failures.

6.5.8 Financial Risk Activities

This section describes the Lottery's Requirement to limit liability from Retailers who pose a financial risk potential, usually by EFT transmissions that are rejected due to insufficient funds or other reasons. Other risks are Retailers whose accounts have been written-off or who have been sent to collections but continue to have amounts due.

> **MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS**
> **6.5.8.a** The System shall allow Authorized Users to view, edit, and remove sensitive Retailer and owner data on Retailer accounts. (MMR)

> **6.5.8.b** The System shall maintain an alert indicating increased financial Risk (seen by Authorized users only) that can be applied manually against Retailer accounts and Retailer Owners within the System using various status codes (e.g., written-off, sent to collections, etc.). (KBR)

> **6.5.8.c** The System shall automatically (based on current Lottery policies) suppress and un-suppress a specific individual Retailer's Instant ticket ordering and Lotto wagering based on parameters set by the Lottery and also allow for manual suppression of an individual or group of retailers, including chains and pseudo-chains. (KBR)

> **6.5.8.d** The System shall provide codes for identifying the reasons for disabling a Retailer's Terminal (e.g., if a Retailer is disabled for a collection-related problem and a disciplinary problem, both reasons shall be recorded and clearly displayed upon inquiry). The System shall keep a record of all historical reason codes. (MMR)

> **6.5.8.e** The System shall provide the ability to review and manually prevent posting automatic adjustments (e.g., Winning Ticket Incentives) to each ineligible Retailer account on a timeline agreed upon by the Lottery. (KBR)

> **THE FOLLOWING ITEM(S) WILL BE SCORED.**
> **Provide responses to each of the following items.**

Lottery Gaming System

6.5.8.1 Describe the System's capability to modify sweep amounts and change bank account information on the EFT File prior to submission to the State's bank.

6.5.8.2 Describe System capabilities to automatically append and track EFT collections, which are returned as Non-Funds Transfer (NFT), within the Retailer's account history as the NFT are reported on the File received from the State's bank.

6.5.8.3 Describe the System's ability to record a history of Lottery collection activities for a Retailer. Discuss how it can be viewed and displayed in screens and Reports. (Report examples will be excluded from the page limit.)

6.5.8.4 Describe the ability to manually set credit limits for an individual Retailer's Instant ticket ordering in the form of limiting order value, limiting number of packs or by another criteria.

6.5.8.5 Provide examples where these financial risk features have been implemented in other NASPL lotteries including screen shots, Reports and other artifacts as required for each area discussed. (Examples will be excluded from the page limit.)

6.5.8.6 Describe the integration between the System and CRM to avoid manual entry of NFT occurrences. Discuss how the System can track NFT occurrences on a rolling twelve (12) month period.

6.5.8.7 Discuss how the System could notify the Lottery of a potential financial risk activity for an associated owner when reviewing Retailer applications.

6.5.9 Retailer and Player Tax Reporting

The IRS and DOR require the Lottery to comply with a variety of tax laws and regulations related to Retailer compensation and player prize winnings. These Requirements include reporting Retailer earnings (e.g., commissions, bonuses, and incentives) on 1099-NEC forms and reporting player prize winnings and taxes withheld on W-2G and 1042-S forms and with separate annual filings for those withholdings and payments to the IRS and DOR. The Contractor shall ensure the security and integrity of all tax reporting information. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
6.5.9.a The System shall capture all tax reportable information for Retailer earnings and player prize winnings to meet all tax reporting requirements for annual filings with the IRS and DOR. The information shall be securely transferred electronically by the filing deadline to avoid penalties. For player prize winnings for specific tax filing types (U.S. Citizen and Resident Alien requiring a W-2G), the System shall generate a File for all prizes with a gross amount of six hundred dollars ($600) or more, and for prizes where taxes were withheld. Separate forms for Non-Resident Alien status (1042-S) must be submitted and filed for any prize amount. For the retailer compensation withholding process, the System shall compile a File of Retailer earnings, and if required withhold and pay federal taxes. (MMR)

6.5.9.b For all IRS and DOR required forms, the System shall accommodate tax withholding and reporting on all business types and be able to differentiate between identification types so that SSN, ITIN, FEIN are properly formatted and reported. (KBR)

Lottery Gaming System

6.5.9.c The Contractor shall provide a process that allows Authorized Users to make manual adjustments to tax reportable information on 1099-NEC, W-2G, and 1042-S files, and shall allow Authorized Users to track and view the manual adjustments. (MMR)

6.5.9.d The Contractor shall provide 1099-NEC, W-2G, and 1042-S Files, on a schedule and with required information determined by the Lottery, to the Lottery, that can be opened in State Standard Applications by Authorized Users. The data shall be stored in a manner that allows for sorting, reconciling, and verifying data reported. (KBR)

6.5.9.e The Contractor shall generate, print, and mail the appropriate 1099, W-2G, and 1042-S tax forms each year by the required deadline to required recipients. Notification to the Lottery shall be provided on the location where the forms were mailed. The process shall allow for easy reproducing of tax forms when requested. This process shall be at no cost to the Lottery. (MMR)

6.5.9.f Copies of tax forms shall be maintained and viewable by the Contractor to the Lottery. Tax forms must be kept for the current fiscal year plus six (6) years, destroyed confidentially after this time period has expired, and maintained per the State's records retention and disposition authorization (RDA) process. (MMR)

6.5.9.g The System should only permit Authorized Users to permit the viewing, modification, or printing of tax forms. (i.e. Lottery Validation staff can print tax forms but are not able to change data). (MMR)

6.5.9.h The System shall generate appropriate 1099 based on Retailer type. For example, roll up all owner or chain stores to one (1) 1099 based on EIN/TIN. Reports shall show individual Retailer data rolled up to owner or chain total. (KBR)

6.5.9.i The System shall allow for adjustments for amended tax filings for previous years, and generate and file the appropriate documents electronically to the IRS and DOR. (MMR)

> **THE FOLLOWING ITEM (S) WILL BE SCORED.**
> **Provide responses to each of the following items.**
>
> **6.5.9.1** Describe how the System will meet the Requirements of the IRS for missing and incorrect name and TINs. If unable to verify missing or incorrect data, describe how the System will apply backup withholding. Describe how the process will provide the Lottery with an audit trail of action taken.
>
> **6.5.9.2** Describe how the System will compile a File from the weekly invoices for Retailer earnings on sales commissions, Retailer adjustments, Winning Ticket Incentives, Short-Term Incentives, quarterly sales incentives, and annual sales incentives. Describe how the information will be provided to the Lottery.
>
> **6.5.9.3** Describe how the System will compile a File for required prize amounts, including W-2G or 1042-S claims, with prizes that had taxes withheld. The Reported prizes include prizes paid by check, merchandise prizes, and prizes not paid to the winner due to being captured for State debt collection or other reasons. Describe how the information will be provided to the Lottery.
>
> **6.5.9.4** Describe how often Retailer and player tax data will be compiled, reconciled, and reported.

6.5.9.5 Describe how the System will update and maintain player and Retailer demographics for tax form generation.

6.5.9.6 Describe how the Proposer will monitor updates to tax reporting requirements and how files are submitted to the IRS and DOR. Describe the recommended approach for generating tax forms and how, the approach for supplying tax forms to retailers and players.

6.5.9.7 Discuss how PII and taxpayer information is securely stored, accessed, and controlled.

6.5.9.8 Identify in detail the methods available to deliver tax forms to individuals or Retailers. Include in your response how players or Retailers may opt in to any electronic offering which would prevent mailing of physical tax forms.

6.5.9.9 In the event where the Postal Service forwards a player or Retailer tax forms (specifically identified by Lottery), define how the System can automatically capture this information from a supplied Postal Service source. Any costs associated with this activity should be covered by the Proposer.

6.5.10   Retailer Performance Program

The Lottery's Retailer Performance Program (RPP), currently described in Chapter Tax 61.085 Administrative Code of the State of Wisconsin, is intended to provide additional compensation to Retailers above the standard commissions a Retailer earns for selling Lottery products. Retailers are required to meet certain performance goals identified by the Lottery. The program currently consists of three major parts: Winning Ticket Incentives, Short-Term Incentives, and Sales Goal Incentives.

There are three important concepts within the RPP that shall be understood before a Contractor can successfully implement incentive payment services. First, a Lottery Retailer shall be eligible (a checklist of statuses that confirm good business behavior) before being able to qualify (generate a sales increase) for an incentive. Eligibility and qualification are important concepts and are recalculated for each Retailer for each incentive. The Contractor shall be able to Report on several eligibility and qualification statuses.

Second, data for the RPP is status-sensitive; that is, the status of a Retailer May change during a sales period. The Contractor needs to address this within the relevant processing.

Third, the RPP relies on sales data aggregated by product type and by history at a particular location. The product types currently include Instant tickets (scratch and pull-tab), daily Lotto tickets (Pick 3, Pick 4, Badger 5, All or Nothing, SuperCash!, Fast Play), jackpot Lotto tickets (Megabucks, Mega Millions, and Powerball), and raffle-style Lotto tickets. The history at a location includes data from previous owners at the same sales location, which allows the Lottery to maintain an established sales channel. The aggregation of product sales and the association of prior history at a location are important to the calculation of the RPP.

The Contractor is required to support those parts of the RPP identified by the Lottery and should expect that the Lottery will modify the RPP to suit its business needs. (MMR)

> **MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS**
> **6.5.10.a** The System shall determine and pay Winning Ticket Incentives. The payment process shall be automatic, so that if no interaction with an Authorized User occurs, Winning Ticket Incentives shall be posted as soon as possible after the identification of a winning ticket. The process shall allow Authorized Users to override the eligibility of a Retailer, so that a pre-determined payment is not

applied, and the System records the override and the original data as history. The System shall provide the Lottery the ability to enter parameters. (MMR)

6.5.10.b The System shall provide a process to pay quarterly and annual Sales Goal Incentives, on a schedule determined by the Lottery. These payments shall be posted automatically within System processes. The System shall provide the Lottery the ability to enter parameters. (KBR)

6.5.10.c The System shall process Short-Term Incentive payments. Short-Term Incentives are of variable length of time with widely differing structure, calculation, and payment methods. The System shall provide the Lottery the ability to enter parameters. The System shall evaluate Retailer participation in each Short-Term Incentive based on these parameters. These payments shall be posted within System processes along with the specific Short-Term Incentive identified. Sample Feature and Procedure documents for Short-Term Incentives are available in Appendix 5. (KBR)

6.5.10.d The System shall create a funding report that displays how much was paid out in different incentive types (including each Short-Term Incentives that uniquely identifies each one) by quarter, and by quarter earned. (KBR)

6.5.10.e The System shall supply the ability to make manual retailer adjustments for RPP in case issues are identified. (KBR)

6.5.10.f The System shall automatically include the required accounting entries on any interface Files for financial reporting. (KBR)

6.5.10.g The System shall automatically include any RPP adjustment or payment for tax reporting purposes. (MMR)

6.5.10.h The System shall track all changes for historical and audit purposes. All modifications shall be identified along with the Authorized User making the change. (KBR)

> **THE FOLLOWING ITEM(S) WILL BE SCORED.**
> **Provide responses to each of the following items.**
>
> **6.5.10.1** Describe if and how the System will support Retailer cashing incentive and payment amounts based on prize level values.
>
> **6.5.10.2** Provide examples of Reports available for RPP funding, for various RPP types and timelines, and how to verify the funding available for RPP payments based on sales. (Example Reports will be excluded from the page limit.)
>
> **6.5.10.3** Propose at least two Short-Term Incentive options that would assist in accomplishing the Lottery's goals and how the System can accommodate these incentives.
>
> **6.5.10.4** Describe the process and timeframe for identifying a winning ticket qualifying for an RPP incentive, the time to post the amount to the selected Retailer, and when the Retailer might be credited the amount.
>
> **6.5.10.5** Describe how quarterly and annually reported RPP can be applied after fiscal year end to the prior fiscal year automatically into the Statewide financial accounting system.

Lottery Gaming System

6.5.11 Retailer Contract Management -- Application, Activation, Ongoing Maintenance, Renewal, and Termination Processes

The System shall provide an automated and integrated process for managing and maintaining information on Lottery Retailers. Components of this process include (1) Retailer application review and processing, (2) Retailer initial activation and set-up, including equipment and telemarketing services, (3) Ongoing maintenance such as temporarily inactivating or reactivating a Retailer, (4) Contract renewals, (5) Voluntary discontinuations or involuntary terminations, (6) Suspensions. (MMR)

6.5.11.1 Applications

The System shall facilitate Lottery staff efforts to enroll applicants as new Retailers. (MMR)

> **MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS**
>
> **6.5.11.1.a** The System shall support the Lottery Retailer application process for all potential Lottery Retailer types including but not limited to chains, pseudo-chains, independents, and nonprofits, regardless of the application method. Lottery Retailer applications are received by email, fax, mail, and online. (MMR)
>
> **6.5.11.1.b** The System shall securely interface with other State agencies to allow the Lottery to process statutorily required compliance checks under State law (sec. 556.10, Wis. Stats.) to determine whether the business entity and the owners are aligned, secured, and meeting regulatory objectives. (MMR)
>
> **6.5.11.1.c** The System shall assign a unique Retailer number to each physical location and allow for the grouping of Retail locations together based on criteria as defined by the Lottery (e.g. all independent locations reporting to the same FEIN). (KBR)
>
> **6.5.11.1.d** The System shall provide automated methods for entering data from Retailer applications regardless of entry method (by mail, online, fax, etc.) (KBR)
>
> **6.5.11.1.e** The System shall automatically link groups of retailers together when using the same SSN or FEIN. (KBR)
>
> **6.5.11.1.f** The System shall notify Authorized Users when applications are entered into the System using a FEIN or SSN for any past or existing Lottery Retailers. (KBR)
>
> **6.5.11.1.g** The System shall limit one profile creation for each SSN entered for owners or officers. The System shall automatically update the application with the existing profile when entering a known SSN. (KBR)
>
> **6.5.11.1.h** The System shall generate Files used to produce mailing labels and location labels for Retailers along with a listing of new Retailer applications. (KBR)
>
> **6.5.11.1.i** The System shall maintain current and historical data for each initial Retailer application the following information including, but not limited to:
>
> > 1) Owner or officer names, phone numbers, dates of birth, Social Security Numbers (SSNs), addresses, and emails. Include the ability to update, change, and remove information while creating an audit history in the System of any such changes.
> >
> > 2) Corporate name and phone number if a chain.

3) Retailer name, Doing Business As name, hours of operation, physical address, mailing address, billing address, shipping address, phone number. The System shall integrate with USPS address lookup to verify valid delivery points and suggest address corrections for mismatch data or typos.

4) Tax reporting information, including if the business is reporting using SSN or FEIN.

5) Ownership type.

6) Business and Retailer type.

7) Social Security Numbers (SSN) or Federal Employer Identification Number (FEIN).

8) Physical location address, billing address, shipping address, and mailing address.

9) Accurate change history, Including Reports regarding timeline and steps in the process from entering an application through activation. (KBR)

6.5.11.1.j The System shall provide a status code (e.g., active, inactive, temporarily inactive, approved, suspended, terminated, pending, etc.) and reason code (e.g., ownership change, security risk, probation, etc.) structure as determined by the lottery. This information shall be searchable and be able to run Reports, including statuses over a specific period of time adjustable by Authorized Users. (KBR)

6.5.11.1.k The System shall be flexible and provide varied groupings of independent locations, pseudo chains and corporate chains based on tax reporting, owner information, or other parameters as set by the Lottery. The chain structure shall allow for multiple level rollup (e.g., Retailer locations, regional headquarters, corporate headquarters, chains reporting to other chains). The Lottery shall be able to group existing Retailer locations into a chain or ungroup existing locations to eliminate a chain. Changes in chain structure shall not affect Retailer location identifiers or sales history. The System shall allow for groups of Retailers to use the same bank account information or separate accounts. The System shall retain history on previous chain structures. (MMR)

6.5.11.1.l The System shall automatically generate a Certificate of Authority upon completion of the application process and replacement if required. The System shall allow for the Certificate of Authority to be printed from the Retailer Terminal, automatically shared electronically, or exported in a format acceptable to the Lottery. (KBR)

6.5.11.1.m The System shall allow for the filtering of applications and retrieving applications in the pending status. (KBR)

6.5.11.1.n Only Authorized Users shall have access to Sensitive Information. (KBR)

6.5.11.1.o The System shall allow the applicant to choose how to pay the licensing fee (e.g. EFT, check) and record the selection for appropriate action when the application is fully processed. (KBR)

6.5.11.1.p The System shall allow for varied contract types to be assigned to Retailers by the Lottery (e.g. standard, temporary, seasonal, etc.). (KBR)

6.5.11.1.q The System shall be able to provide standard letters to Retailers based on Lottery provided criteria. These letters shall be easily updated, be on official Lottery letterhead, and shall be able to be tracked when they are generated. (KBR)

Lottery Gaming System

6.5.11.1.r The System shall be able to track different stages of the Lottery application process and be able to report on the timeliness of processing. (KBR)

6.5.11.1.s The System shall report on how the application was initiated (physical versus electronic). (KBR)

> **THE FOLLOWING ITEM(S) WILL BE SCORED.**
> **Provide responses to each of the following items.**
>
> **6.5.11.1.1** Provide screen shots that focus on efficiencies and logical screen layouts that are user friendly.
>
> **6.5.11.1.2** Describe the process to approve and finalize an application.
>
> **6.5.11.1.3** Describe how the System will generate new standard form letters with the capability to modify text. Describe the process, length of time to update standard form letters, how they will be generated in a readable, printable format, tracked, and exported.
>
> **6.5.11.1.4** Describe if and how the System will terminate the set-up process and flag the Retailer record as a canceled application.
>
> **6.5.11.1.5** Describe how owner/officer profiles are managed to limit duplication of profiles or information in the System.
>
> **6.5.11.1.6** Discuss how electronic signatures can be integrated to provide a secure method for signing contracts or other documents.
>
> **6.5.11.1.7** Describe how the System can manage multiple types and lengths of contracts by Retailer.
>
> **6.5.11.1.8** Describe online application and renewal processes from both the Retailer and internal Lottery perspective. Include in your response, example screenshots, layouts, and format. (Examples will be excluded from page limit.)
>
> **6.5.11.1.9** Discuss the ability to view Retailer letters, current contract, and correspondence electronically and have data available per the RDA guidelines.
>
> **6.5.11.1.10** Discuss how the System can automatically produce system messages and provide an application status electronically. Explain the automation steps that the System can utilize to increase efficiency.
>
> **6.5.11.1.11** Discuss how the Retailer website can be used to require Retailer information or to confirm information already supplied to the Lottery for accuracy and how the System can be automatically updated and track any updates.
>
> **6.5.11.1.12** Discuss the automation and population of existing Retailer data within the System for new applications for chains and pseudo chains.

6.5.11.2   Set-Up and Activation Process

The System shall facilitate Lottery staff efforts in assigning equipment and establishing the ability to sell tickets for new Retailers. (MMR)

Lottery Gaming System

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS

6.5.11.2.a The System shall support the set-up and activation process for assigning Terminal equipment to new Retailers. The System shall be integrated with the Contractors workorder software with triggers for equipment installation and removal. (KBR)

6.5.11.2.b The System shall record an approval date and assign an expiration date for the Retailer contract. There shall be variable contract lengths and types that will be assigned to Retailers at the Lottery's discretion. (KBR)

6.5.11.2.c The System shall record when an Authorized User receives a signed contract and only then allow the Retailer to be activated. (KBR)

6.5.11.2.d The System shall automatically post licensing and certificate fees to the Retailer's billing account after activation, or on a schedule determined by the Lottery, and record appropriate accounting entries. The System shall allow for the reversal of these fees when payment is received in an alternate manner. (KBR)

6.5.11.2.e The Contractor shall schedule and conduct Retailer training when new Retailer equipment is delivered. (KBR)

6.5.11.2.f The System shall generate orders for all equipment for approved Retailer locations. In addition, the System shall generate instructions for installation of Terminals and all other Retailer site hardware. (KBR)

6.5.11.2.g The System shall provide a status code (e.g., active, inactive, temporality inactive, approved, suspended, terminated, pending, etc.) and reason code (e.g., ownership change, security risk, probation, etc.) structure as determined by the Lottery. This information shall be interfaced in near real-time to the CRM. (KBR)

6.5.11.2.h The System shall automatically generate, at the time of Contract an appendix for Lottery-defined Retailer locations to be attached to the Retailer contract. Chains and pseudo chain applications shall list all locations in that chain in addition to all information provided for independent locations. (KBR)

> **THE FOLLOWING ITEM(S) WILL BE SCORED.**
> **Provide responses to each of the following items.**
>
> **6.5.11.2.1** Describe the process to set up and activate a Retailer account. Provide screen shots of the set up and activation process that focus on efficiencies and logical screen layouts that are user friendly.
>
> **6.5.11.2.2** Describe how the Lottery will be able to communicate installations and equipment moves to the Proposer within the System and viewable through CRM and describe how Lottery will be able to pull Reports and other data through BI.

6.5.11.3 Ongoing Retailer Maintenance

The System shall facilitate Lottery staff efforts to maintain Retailer information. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS

6.5.11.3.a The System shall support automated methods for entering data from Retailer forms electronically. (KBR)

6.5.11.3.b The System shall allow only Authorized Users to view and change Retailer data. (KBR)

6.5.11.3.c The System shall maintain, in real time by Authorized Users, for each Retailer the following information including, but not limited to:

1) Retailer number.

2) Retailer tax reporting and State licensing information (business type, FEIN, Seller's Permit, etc.).

3) Retailer name, DBA, and phone number.

4) Location address, including county.

5) Mailing address with a unique contact person name.

6) Multiple Shipping addresses with unique contact person name for each address.

7) Billing information including address and unique contact person name.

8) Bank account information, and whether any other Retailers utilize the same account.

9) Order contact person and phone number.

10) List of individuals that the Lottery is authorized to discuss information with or act on behalf of Retailer owners.

11) Store hours.

12) Lottery representative assignments.

13) Number and types of Terminals and equipment installed.

14) North American Industry Classification System (NAICS) codes.

15) Identification of Lottery product types being sold.

16) Dates of application approval or denial, contract renewal, and contract expiration.

17) Audit of change history for all information and status changes. (MMR)

6.5.11.3.d The System shall identify and automatically link previous Retailer accounts and track location history when a change of ownership requires a new application by a Retailer. (KBR)

6.5.11.3.e The System shall provide a status code (e.g., active, inactive, approved, suspended, terminated, pending, etc.) and reason code (e.g., ownership change, security risk, probation, etc.) structure with parameters and options determined by the Lottery. The reason code options shall be able to be updated or changed as necessary by the Lottery. The status and reason code structure shall control the functions a Retailer is permitted to perform. The Lottery will define the codes and functions permitted. (KBR)

6.5.11.3.f The System shall allow the Lottery to group existing Retailer locations into a chain, pseudo chain or ungroup existing locations to eliminate a chain or pseudo chain. Changes in chain structure shall not affect Retailer location identifiers or sales history. The System shall retain history on previous chain structures. (KBR)

6.5.11.3.g The System shall maintain a transactional history log of all changes made to the Retailer master and reference File information, accessible to Authorized Users on the System for at least three

(3) years following a Retailer termination. The information shall be retrievable for the Life of the Contract. The transactional history log shall identify the user that made the change. (MMR)

6.5.11.3.h The System shall support and track historical movement of equipment between Retailer locations. (KBR)

6.5.11.3.i Critical Retailer Data that May be updatable by the Retailer shall have the option to be submitted electronically to the Lottery, validated, and approved by the Lottery and tracked historically within the System. (KBR)

> **THE FOLLOWING ITEM(S) WILL BE SCORED.**
> **Provide responses to each of the following items.**
>
> **6.5.11.3.1** Describe how the System will track location history across multiple Retailers. This information will be used to track sales and order history.
>
> **6.5.11.3.2** Describe how the System maintains authorization and access control in the Retailer contracting process.
>
> **6.5.11.3.3** Describe how data inputted into the CRM can be integrated into the System as Retailer information such as store hours, GPS coordinates, phone numbers, key point of contact, etc.

6.5.11.4   Renewals

The System shall facilitate Lottery staff efforts to renew Retailer contracts. (MMR)

> **MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS**
> **6.5.11.4.a** The System shall support automated methods for entering data and changes from Retailer renewal application forms. (KBR)

6.5.11.4.b The System shall generate a Report of Retailers that are due to renew along with mailing labels for those Retailers. (KBR)

6.5.11.4.c The System shall generate an alert on Lottery specified Retailer's Terminal and send an email notification to the Retailer (owner) that contract expiration is nearing, and renewal should be completed. (KBR)

6.5.11.4.d Renewals processed for a chain or pseudo-chain shall automatically apply to all active Retailers under that chain or reporting using the same tax information. (KBR)

6.5.11.4.e The System shall record when an Authorized User receives a signed renewal and only then allow the Retailer to be renewed. (KBR)

6.5.11.4.f The System shall record a renewal approval date and assign a new expiration date for the Retailer contract. (MMR)

6.5.11.4.g The System shall post certificate fees to the Retailer's billing accounts after renewal. (MMR)

6.5.11.4.h The System shall automatically generate a Certificate of Authority upon completion of the renewal process and replacement if required. The System shall allow for the Certificate of Authority to be printed from the Retailer Terminal, automatically shared electronically, or exported in a format acceptable to the Lottery. (KBR)

Lottery Gaming System

6.5.11.4.i The System shall automatically generate, at the time of contract renewal, an appendix for Lottery-defined Retailer locations to be attached to the Retailer contract. Chains and pseudo chain renewals shall list all locations in that chain in addition to all information provided for independent locations at the time of renewal. (KBR)

6.5.11.4.j The System will automatically inactivate a Retailer if a renewal has not been received within a Lottery-defined period of time. (MMR)

6.5.11.4.k The System shall be able to provide standard letters to Retailers based on Lottery provided criteria. These letters shall be easily updated, be on official Lottery letterhead, and shall be able to be tracked when they are generated. (KBR)

6.5.11.4.l The System shall be able to track different stages of the Lottery renewal process and be able to Report on the timeliness of processing. (KBR)

6.5.11.4.m The System shall report on how the renewal was initiated (physical versus electronic). (KBR)

> **THE FOLLOWING ITEM(S) WILL BE SCORED.**
> **Provide responses to each of the following items.**
>
> **6.5.11.4.1** Describe how the System will generate new standard form letters with the capability to modify text. Describe the process, length of time to update standard form letters, how they will be generated in a readable, printable format, tracked, and exported.
>
> **6.5.11.4.2** Describe the process to review, update information, and renew a Retailer contract, and include the automation that occurs within the system.
>
> **6.5.11.4.3** Describe how the system could automatically set compliance indicators from pending to pass/fail based on responses from compliance check interface files.
>
> **6.5.11.4.4** Describe how the online renewal process works for a Retailer and any System automation for the CGS. Include in your response, example screenshots, layouts, and format. (Examples will be excluded from page limit.)

6.5.11.5 Discontinuation, Suspension, and Termination

The System shall facilitate Lottery staff efforts to discontinue, suspend, and terminate Retailer accounts. (MMR)

> **MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS**
> **6.5.11.5.a** The System shall provide processes for Authorized Users to discontinue, suspend, and terminate Retailer accounts on a temporary or permanent basis. (KBR)
>
> **6.5.11.5.b** The System shall provide a status code (e.g., active, inactive, approved, suspended, terminated, pending, etc.) and reason code (e.g., ownership change, security risk, probation, etc.) structure. The status and reason code structure shall control the functions a Retailer is permitted to perform. The Lottery will define the codes and functions permitted. (KBR)
>
> **6.5.11.5.c** The System shall automatically generate orders for the removal of all equipment or other field service tasks for approved Retailer locations, as defined by the lottery. The System shall generate instructions for removal of Terminals and all other Retailer site equipment. (KBR)

Lottery Gaming System

THE FOLLOWING ITEM WILL BE SCORED.
Provide a response to the following item.

6.5.11.5.1 Describe the process to suspend, voluntarily discontinue and involuntarily terminate a Retailer account, including how equipment removal will be handled.

6.6 Security Plan

The Contractor shall propose a Security Plan for the operation of the Lottery's System and data. It is imperative that a Security Plan be put into place that meets or exceeds the needs of the Lottery and ensures that the Lottery's integrity is addressed and maintained. This requires both the Lottery and the Contractor to maintain a comprehensive approach to security controls aligned with industry standards (e.g., MUSL, COBIT, ISO 27001 and 27002, WLA, NIST). Staff shall be organized, assigned, and operate under procedures and controls that mitigate threats (e.g., insider fraud). (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
6.6.a Prior to operations under the Contract, the Contractor must provide an Operations Security Plan ready for approval by the Lottery that includes the sections below. Approval of this plan is an entry criterion for Acceptance Testing. The Lottery and the Contractor must work to mutually agree on an outline for this plan.

1) Business Impact Analysis
2) Risk, Threat, and Vulnerability Analysis
3) Security Strategy
4) Personnel Security Practices
5) Physical Security
6) Data Security, including development of data security requirements, data encryption, PII, Transaction logging with time stamps, Terminals and Central System re-send and Ticket producing formations.
7) Systems Security
8) Telecommunications Operational and Physical Security Systems Network Security
9) Retailer and Terminal Security
10) Telecommunications Access Security
11) Applications and Data Security, including the use of PII data, ID and password for access to authorized Software and related programs residing in the Terminals and management workstations, and to provide an audit trail of sign-on attempts and successes on nonerasable or modifiable magnetic media.
12) Encryption Key Management
13) Patch Management
14) Incident Response
15) Protection of Software and Other Copyrighted Materials
16) Plan Evaluation
17) Security Awareness and Training
18) Plan Maintenance
19) Validation Maintenance and Testing.

The Contractor shall establish the Operational Security Plan for the entire System, subject to the written approval of the Lottery. The Security Plan shall comply with MUSL rules and security Requirements. The Security Plan shall be reviewed and updated by the Contractor at least annually. Updates to the final Security Plan shall be approved by the Lottery. (MMR)

Lottery Gaming System

6.6.b When accessing Lottery networks and systems, the Contractor shall comply with all applicable policies and regulations regarding data security and integrity. When on any property owned or controlled by the State, the Contractor shall comply with all security and safety rules applicable to people on those premises. (KBR)

6.6.c The Contractor shall submit the final Security Plan to the Lottery for approval no later than one hundred and twenty (120) Days prior to Go-Live. The Security Plan must be compliant with MUSL rules. The Security Plan shall include the following sections:

1. **Physical Security**: The Contractor shall implement security measures to prevent unauthorized entry and activity at each Contractor site as well as support any applicable federal, State, and local fire and safety regulations. The physical security processes shall:

    a) Prevent unauthorized persons from accessing the facilities.

    b) Provide a record to the Lottery of all entries and exits from each facility.

    c) Include access control and an intrusion detection system at each site that shall sound an alarm at a staffed location.

    d) Provide a system to monitor all activities at entrances, exits, computer rooms, and all other high security or sensitive areas, (including security camera monitoring).

    e) Provide for authorized Lottery staff to have access at all times to the Contractor's facilities and video at the discretion of the Lottery, including, but not limited to offices, warehouses, and offsite storage, maintenance, and computer facilities, cameras both live and recorded video.

    f) Provide controls used to maintain protection of the Contractor's assets.

    g) Provide controls used to prevent loss or damage of assets and to prevent interruptions caused by power failures.

2. **Data Security**: The following security Requirements apply to all System configurations in the Local Data Center, the Backup Data Center, test systems, as well as any administrative host systems supporting games management or other applications operated by the Contractor.

    a) All System access and user access rights shall be approved by the Lottery.

    b) All System and network access shall be logged, and the logs shall be available to the Lottery for audit.

    c) Systems shall be compliant with all Systems security and fault tolerance Requirements of any multi-jurisdictional associations (currently MUSL).

    d) The Contractor shall ensure the System is not vulnerable to unauthorized access. The plan shall specify the methods by which the System shall be protected against unauthorized access, viruses, spyware, denial of service, and other attacks.

    e) The Contractor shall ensure computer systems, data networks, and services involved in storing, using, or transmitting data are secure and protect that data from unauthorized interception, disclosure, modification, or destruction.

    f) The Contractor shall not allow the Lottery's data to be loaded onto portable computing devices or portable storage components or media without Lottery approval. With Lottery approval, the Contractor May allow data loading if adequate

security measures are in place (e.g., physical security for these devices, anti-virus software, personal firewalls, System password protection, and Encryption). The Contractor shall maintain an accurate inventory of all these devices and the individuals to whom they are assigned.

g) The Contractor shall implement a cybersecurity solution to detect and prevent cybersecurity attacks using endpoint security, threat intelligence and cyberattack response services.

h) The plan shall address user access management, user responsibilities, Network Access Control, operating system access control, and application access control.

i) The plan shall incorporate cryptographic controls, security of System Files, and application controls designed to ensure correct processing (e.g., validation of input data).

j) The plan shall indicate how access to, and storage of all Personally Identifiable Information (PII) shall adhere to State and federal law, and DOR/Lottery policies.

k) Describe how a Data Loss Prevention (DLP) solution will prevent and Report on key information from exfiltrating the Contractor's control. This may include but not limited to: Source code, PII, etc.

3. **Problem Notification**: The Contractor shall maintain an Incident response process for all security breaches. The Contractor shall detail this process in a written policy that defines procedures for how the Contractor shall detect, evaluate, and respond to adverse events that May indicate a breach or attempt to intrude on or access Lottery data or the infrastructure associated with Lottery data. The plan shall describe controls and processes used to ensure security events and weaknesses are communicated in a timely manner and are managed effectively.

a) In case of a security breach or suspected security breach the Contractor shall notify the Lottery upon detection of the breach, upon detection determined and to fully cooperate with the Lottery to mitigate the consequences of the breach. This includes any use or disclosure of the Lottery data that is inconsistent with the terms of the Contract. The Contractor shall give the Lottery full access to the details of the breach and assist the Lottery in making any notifications to potentially affected people and organizations that the Lottery deems necessary. The Contractor shall document all such Incidents providing a written report to the Lottery within twenty-four (24) hours.

4. **Reports**: The Contractor shall report within thirty (30) minutes or less of the incident any security violation, System compromise, violation of law (e.g., theft), or disappearance of any Instant tickets, Lotto ticket stock, validation Files, or other hardware, software, or materials used in the performance of the Contract

a) The Contractor shall report any change in, addition to, or deletion from, the security violation information disclosed to the Lottery. The Report shall be submitted within fourteen (14) Days of the effective date of the change, addition, or deletion.

b) The Contractor shall report within thirty (30) minutes or less of the incident the involvement of any of the Contractor's employees, owners, Subcontractors, or agents in any criminal arrest (not including minor traffic violations) or investigation. The Contractor shall follow-up with a written letter within five (5) Days of the Incident.

Lottery Gaming System

5. **Personnel Security**: The Lottery May initiate investigations into the backgrounds of any officers, principals, investors, owners, Subcontractors, employees, or any other associates of the Contractor it deems appropriate. All background investigations shall include fingerprint identification. Contractor personnel shall undergo a background investigation conducted by the Lottery or other process approved by the Division Administrator or their designee. The Contractor consents to cooperate with such investigations, and to instruct its employees to cooperate. The Lottery May terminate the Contract based upon adverse results of these background checks. The cost of the background checks shall be borne by the Contractor.

   a) The Contractor shall obtain confidentiality statements from employees and Subcontractors working on the Contract. The confidentiality statement shall specifically address the safeguarding of Lottery data and be approved by the Lottery.

   b) The Contractor shall sign and manage an MNDA with the Lottery and ensure all Subcontractors and employees adhere to the NDA state all parties. Copies of NDAs shall be submitted to the Lottery upon request.

   c) The Contractor shall provide controls and practices used to reduce the risk that employees, Subcontractors, and third-party users will cause intentional or unintentional security Incidents, including controls and practices used prior to employment, during employment (e.g., training and awareness programs), and upon termination or change of employment.

   d) The Contractor shall ensure that all employees, Subcontractors, and third-party users must use Multi-Factor Authentication to access systems and infrastructure within the Contractor's and Lottery's networks.

6. **Ticket Security**: The Contractor shall provide methods to investigate and verify damaged and altered tickets and shall provide ticket stock that includes security features. Security features of the ticket stock and methods to investigate and verify damaged and altered tickets shall be addressed, including reconstructed tickets at Lottery's request.

7. **Unclaimed Prize Security**: The Contractor shall describe its approach to protecting the Lottery from the fraudulent cashing of unclaimed prizes including access control to unclaimed prize information, monitoring for suspicious activity, access reporting, and escalation procedures.

8. **Telecommunications Operational and Physical Security Systems Network Security:** The Contractor shall describe their approach to protecting the Telecommunications equipment and infrastructure.

9. **Telecommunications Access Security:** The Contractor shall describe their approach to protecting logical and physical access to their telecommunications. (i.e. What steps are taken to validate the user's need for access. How do you provide and manage access)

10. **Protection of Software and Other Copyrighted Material**: Including patch management process and other controls implemented to reduce the risks from published technical vulnerabilities.

11. **Security Awareness Training**. Employees must have annual security awareness training and the Contractor must provide evidence to the Lottery proving the training has been performed.

12. **Risk Assessment and Mitigation**: Identifying, quantifying, and prioritizing risks against criteria for risk mitigation or acceptance.

13. **Security Policy**: Provides Contractor's direction and articulates Contractor's support for security.

14. **Organization of Internal Security**: Framework used to initiate, control, and monitor the implementation of security within the Contractor's organization.

15. **Organization of External Security**: Controls used to maintain the security of information that is accessed, processed, or managed by external parties on behalf of the Contractor.

16. **Communications and Operations Management**: Includes Requirements for documented operating procedures, segregation of duties, change management, information backups, controls used to protect information in networks, and monitoring and log management.

17. **Compliance**: Controls and processes used to avoid breaches of law, regulatory and Contract obligations, and security Requirements.

18. **Operations Security Plan Assessment and Maintenance**: The Contractor must facilitate an annual Gaming System integrity and security assessment conducted by an independent professional with at least five (5) years of lottery or gaming system security testing experience. The selection of the independent professional is to be done by the Contractor subject to the approval of the Lottery. The first assessment must be completed within ninety (90) Days of commencing operations and annually thereafter. (MMR)

THE FOLLOWING ITEM(S) WILL BE SCORED.
Provide a response to the following item.

6.6.1 Provide an example Security Plan currently in use with another NASPL lottery. (Security Plan will be excluded from the page limit.)

6.6.2 Describe any additional security features offered.

6.6.3 Describe how the Proposer supports MFA and how the Proposer plans to implement a solution such as this in the Lottery environment. Include the types of MFA in use.

6.6.4 Describe how IDS and IPS reports on attempted access to data are reported. Discuss the implementation of an SIEM solution and how this has improved recognition of security threats and vulnerabilities with other Lotteries.

6.6.5 Describe all cybersecurity tools used to identify, prevent, and stop cybersecurity breaches. Discuss the use of security operation centers, threat intelligence software and other new technologies and services available to fight cybercrime.

6.6.6 Discuss cybersecurity intervention and security awareness training, available for both Lottery and Proposer staff. Securing technology is only a portion of cyberattack prevention. Discuss continuous training programs for Lottery and Proposer staff to identify and Report phishing attempts.

6.6.7 Describe how System hardening is performed on operating systems, logins, password controls and how log management is supported to ensure all activities are captured.

6.7 Disaster Recovery Plan

The Contractor shall commit to working with the Lottery to construct an annual disaster recovery (DR) plan in conjunction with the Lottery's COOP. This plan shall be used to execute against when testing various DR

Lottery Gaming System

scenarios from the smallest of scale to the largest of scale. The Contractor shall provide examples of where DR plans have been implemented and how these continue to be used from a validation perspective.

In the event of a disaster that disables either of the data centers, the Contractor shall provide hardware, software, facilities, other components, and services necessary to resume Lottery operations under a two-site operational scenario. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
6.7.a The Contractor must provide a Disaster Recovery Plan for the data centers used in this Contract one hundred and twenty (120) Days prior to Go-Live. The plan must include, but is not limited to, the following:

1) Business Impact Analysis
2) Risk, Threat, and Vulnerability Analysis
3) Recovery Strategy
4) Emergency Response
5) Problem Escalation
6) Plan Activation
7) Recovery Operations
8) Plan Validation, Testing, and Maintenance schedules
9) Key personnel contact list including Lottery staff (MMR)

6.7.b The plan must take into account disasters caused by weather, water, fire, environmental spills and accidents, malicious destruction, acts of terrorism, and contingencies such as strikes, pandemics, epidemics, etc. The plan must ensure continuity of the System and the Lottery's Games. Provision must also be made for the safe, secure offsite storage of all scheduled secondary data and programs. (KBR)

6.7.c Should implementation of any portion of the Disaster Recovery Plan become necessary, all costs associated with implementation of the plan must be borne by the Contractor. (KBR)

6.7.d Hardware, software, facilities, and other components shall be furnished, installed, and operational within thirty (30) Days after the disaster. Any substitute facilities shall meet Lottery-approved environmental and security measures. (KBR)

6.7.e The costs of implementation of any portion of the Disaster Recovery Plan shall be borne by the Contractor. (KBR)

6.7.f The Contractor shall submit a detailed Disaster Recovery Plan to the Lottery for approval no later than sixty (60) Days after Contract execution but one hundred and twenty (120) Days prior to Go-Live. This plan shall be due at System Conversion, approved by the Lottery, and be updated and tested annually. The Contractor's plan shall align with the Lottery's COOP. The Contractor's plan shall include, but is not limited to, the following sections, including timelines for recovery:

1) Recovery strategy
2) Emergency response
3) Problem escalation
4) Plan activation
5) Recovery of operations, including detailed System recovery procedures and documentation
6) Continuity of the System and Lottery's Games
7) Installation of replacement hardware

8) Secure off-site storage of all scheduled backup data and programs
9) Plan review, testing, and regular updating
10) Contact information (MMR)

6.7.g The Contractor shall provide a copy of their Disaster Recovery Plan for its own additional facilities and capabilities necessary to support the Lottery. For example, the Contractor's manufacturing and central software development and support facilities are critical for the Life of the Contract. This plan shall be due at System Conversion and be updated and tested annually with a report provided to the Lottery. (KBR)

6.7.h The Contractor will at minimum be required to test their Disaster Recovery Plan along with Lottery COOP with the final report delivered to the Lottery. (MMR)

THE FOLLOWING ITEM(S) WILL BE SCORED.
Provide responses to each of the following items.

6.7.1 Provide an example Disaster Recovery Plan currently in use with another NASPL lottery. (Disaster Recovery Plan will be excluded from the page limit.)

6.7.2 Describe the approach, methodology, and testing that will be used to develop the Disaster Recovery Plan.

6.7.3 Provide examples of how recent disasters have impacted your planning and execution.

6.7.4 Discuss previous DR plans constructed with lotteries and discuss the ability of the System to recover from backup System, backup data storage, non-volatile storage, tape, log files, etc.

6.8   Off-Site Data Storage Requirements

The Contractor shall keep, in a secure location remote from the data centers, back-up copies of all software and data required to support a full System recovery without loss or corruption of data. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
6.8.a The Contractor shall provide secure on-site and off-site storage of critical Files, software, and back-up data, subject to approval of the Lottery. The location, storage type, and retention are all subject to approval of the Lottery. Stored materials retention shall follow a schedule determined by the Lottery. Media stored in archives shall be checked and exercised periodically to ensure usability. At the Lottery's direction, the Contractor shall restore a backup File to a test system to ensure viability. (MMR)

6.8.b The off-site storage location shall be sufficiently remote including but not limited to the same flood plain, earthquake faults, etc. from the data centers. (KBR)

6.8.c Daily data transport shall be via secure and reliable methods and all back-up data shall be secure from unauthorized access. (KBR)

6.8.d A complete audit trail of the generation, transport, retention, and destruction of the back-up data shall be maintained for periodic review by the Lottery. (KBR)

THE FOLLOWING ITEM(S) WILL BE SCORED.
Provide responses to each of the following items.

Lottery Gaming System

6.8.1 Describe the expected location, plans, and procedures for off-site data storage. Include a description of the expected location of the off-site storage facility, the frequency by which data will be taken off-site, and the procedures and timing for retrieving data from the off-site facility.

6.8.2 Describe the off-site data facility's security measures.

6.9   Implementation Plan

The Implementation Plan ensures a smooth transition from the Lottery's existing system to the proposed System and takes into consideration the Lottery's objective to maintain sales and minimize Retailer and player impact with limited down time at Conversion.

6.9.1   Project Management

Project management is paramount for on time and on budget delivery of the systems and products described in this RFP. The Contractor is responsible for providing a project management team and a Lottery approved project manager exclusively dedicated to this implementation. Lottery has the discretion to add additional project management services as required. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
6.9.1.a The Contractor shall complete a Conversion of services and all historical data from the current system, smoothly and within the timeline approved by the Lottery. (MMR)

6.9.1.b The Contractor shall provide regular work status, walkthroughs, and status meetings as defined by the Lottery. Additionally, the Contractor shall provide access to work records to Lottery staff to monitor project management tasks, milestones, and risks. (KBR)

6.9.1.c The project management requirements in this Contract begin within thirty (30) Days from signing of the Contract and continue through the transition to the Contractor's operational staff. (KBR)

6.9.1.d The Contractor shall propose a work team structure (to include both Contractor and Lottery Staff) as well as processes and tools that facilitate Lottery oversight of the implementation of the System. Samples shall be provided of the following Conversion/project framework documents utilized by another jurisdiction:

1) Project Governance Structure
2) Project Plan
3) Project Schedule
4) Requirements Analysis and Traceability Matrix
5) Gap Analysis
6) Total Cost of Ownership (TCO)
7) Status Reporting
8) Issues Management
9) Risk Management
10) Change Management
11) Resource Management
12) Financial Management
13) Quality Assurance and Control Testing
14) Communications and Training Plan
15) Knowledge Transfer to Operations (MMR)

Lottery Gaming System

6.9.2   Transition Management – Conversion Implementation

The Lottery will be on a specific timeline to convert to the new System. Efficient start-up planning and execution is imperative to accomplish this goal.

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS

6.9.2.a The Contractor shall produce a Proposal that contains a detailed Implementation Plan and cutover strategy, with a timeline, identifying major milestones to be accomplished for a successful Go-Live of the System. This includes, but is not limited to, defining business requirements, data center construction, assembling and delivering equipment, software programming, server installation, testing software and hardware, File conversion, installing equipment in the Retailer environment, and the development and installation of the new mobile app. The plan must make clear which items are on the critical path for timely implementation and initiate the Implementation Plan thirty (30) Days after the date of Contract execution. The final Implementation Plan is subject to Lottery approval. (MMR)

6.9.2.b The Contractor shall provide a detailed Implementation plan and timeline that includes the following:

1) All major milestones and critical path items

2) A retailer distribution plan on how the rollout of Retailer Terminals and Peripherals, including SSTs, will occur.

3) Installation plan, including all hardware and communications equipment for each Retailer within the Lottery network Requirements definition, including the drafting, documenting, review and approval processes, Software development process, including design, implementation, testing, problem tracking and resolution, change control management, release management, installation, and configuration management.

4) Development, testing, and installation of all Software.

5) Installation and testing of Retailer devices, including Peripherals.

6) Integration of existing Lottery systems and processes.

7) Lottery Acceptance testing of all Software, Retailer Terminals, and peripherals.

8) Acquisition and readying of facilities.

9) Terminal rollout strategy that ensures maximum terminal uptime for the Retailer network, including SSVT and Retailer Terminals.

10) Risk mitigation strategy that identifies any key risks, includes a strategy to minimize Go-Live risks (such as coming up late on Go-Live, coming up without key System functionality or without the full complement of Retailers), minimizes disruption to selling tickets and paying winners while maintaining good Retailer relations, and addressing Retailer issues during Conversion (such as inconvenient training opportunities, getting all Retailers trained, and demand for counter space when installing a new Retailer Terminal).

11) Acceptance Testing, including test process, plan development, and documentation of results.

12) Converting and testing existing data.

13) Distribution of initial Retailer supplies.

14) Securely interfacing and converting from the Lottery's existing system to the new System.

15) Training and supporting Retailers and Lottery staff.

16) If the Conversion involves interim configurations, facilities, staffing, or business procedures, the plan shall explicitly describe them and note their development and use within the schedule. Costs associated with interim facilities are strictly the Contractor's obligation.

17) Historical Data. The Contractor shall include details on how to convert pre-existing sales and operating data for Go-Live.

18) Removal of Previous Retailer Terminals. The Contractor shall remove and recycle the existing complement of Retailer Terminals, networking equipment, and Peripherals if these items have not already been removed. Retailer Terminals installed prior to the effective date of this Contract must all be replaced.

19) Validation on and after Go-Live. The Contractor shall accommodate validation of winning draw Tickets sold prior to the Conversion, both by reading the barcode or by accepting manual or automatic entry of the "old" winning ticket's serial number. The Contractor shall also convert the Instant scratch ticket validation files to permit validation by barcode read (and manual entry). The goal, both during Conversion and after, is to reduce friction for the players and Retailers.

20) Transition to the latest CRM technology as required by the Lottery.

21) Transition to the Retailer Website provided by the Contractor including data and report conversion from portal to portal.

22) Validation of winning Lotto and Instant tickets sold prior to Conversion. The Contractor shall accommodate validation of winning Lotto and Instant tickets sold prior to the Conversion for a maximum period of two hundred (200) Days from the winning draw. The goal, both during Conversion and after, is to minimize confusion and effort for the players and Retailers.

23) The Contractor shall complete the Conversion of the Instant, EZ Match, and Fast Play ticket database to accommodate validation of existing Instant, EZ Match, and Fast Play games.

24) Transition and integration from the legacy mobile app to the latest mobile app technology. (MMR)

6.9.2.c Requirements and Technical Specifications. The Lottery believes that business analysis plays a key role in bridging business problems with technology solutions as well as analyzing, documenting, and ultimately solving business problems with technology. This section is intended to provide criteria that will be used to evaluate the business analysis practices for Conversion and the transition to operations.

Lottery Gaming System

The Lottery expects the Contractor to hold detailed requirement gathering sessions with the Lottery as part of the Software Development Life Cycle (SDLC).

The Contractor shall provide a request system, dedicated to the Lottery, to be used by the Lottery for making any type of requests including, but not limited to, new LTOs, Gaming System Enhancements, defect tracking, ad-hoc reports, and any new report Enhancements. The same system must also be used by Contractor's development team to update the status on all requests. For any rejected requests, the explanations and notes for the rejections must be provided directly by the Contractor's System developer(s) with Contractor's project managers' approval initials and be recorded in the request system. For any open and active requests in the request system, project estimations and status must be updated in real time.

The Contractor must describe its business analysis practice, proposed request system, and its role within the SDLC ensuring to cover, but not limited to, the following areas:

1) Requirements Management
2) Functional and Non-Functional Requirements
3) Process Mapping
4) CGS Release.
5) Database and Reporting Specialist
6) Shared Records for Change Management
7) Technical Gaming System Development
8) CGS Analysis
9) Business Model Analysis
10) Business Cases
11) Use Cases
12) Strategic Planning
13) Process Improvement
14) Cost Benefit Analysis
15) Training Material
16) Quality Assurance Testing (MMR)

6.9.2.d The current system holds multiple years of data dating from the previous Go-Live date for all Draw, Fast Play, and Instant Games, all Games, Retailers, and all sales, commissions, Promotions, claims, prize winner data, and other Transactions performed by the system. The Contractor must convert all BI data including pre-existing sales and operating data to the new the System so the Lottery and the Retailers will see a continuity of data in displays and reports from before, during, and after Go-Live. (KBR)

6.9.2.e The new System must process eighty-four (84) months of tickets and other transactional data from the old system and provide relevant messaging for players and Retailers at the time of implementation of the new System. The System must process validations, full and partial pack returns, stolen ticket reporting, distribution, shipment confirmation, activation, and settlement. Draw wagers for future Games must be converted and tested from the old system to the new Gaming System at Conversion. Validations must be supported on all Games, including past unvalidated winners. (KBR)

6.9.2.f The plan shall list expected roles and responsibilities of the Contractor, Lottery staff, and third-party providers, including estimated staffing time and Requirements. The overall project

plan shall then be updated weekly and provided to the Lottery to include the tracking and status of all critical milestones including the plans identified above and provided to the Lottery. (KBR)

6.9.2.g The plan shall include Contracts or letters of commitment from all entities upon which the implementation schedule is dependent. (KBR)

6.9.2.h If the Conversion involves any interim facilities, the plan shall include how the interim facility shall satisfy the Requirements of Section 6.1.3.1 (Local Data Center Site Requirements). (KBR)

> **THE FOLLOWING ITEM(S) WILL BE SCORED.**
> **Provide responses to each of the following items.**
>
> **6.9.2.1** Provide a draft Implementation Plan in the RFP response. The draft shall contain written commitments from any other entities upon which the implementation schedule is dependent. (Draft Implementation Plan excluded from page limit.)
>
> **6.9.2.2** Describe the contingencies for all aspects of the Implementation Plan, including appropriate measurements that will help determine when contingencies will be adopted, how any lost time will be recovered, and any cost implications associated with adopting an alternate approach.
>
> **6.9.2.3** Describe escalation procedures for resolving any issues that arise during implementation, including conditions that will trigger the escalation and reactions to recover from the issue.
>
> **6.9.2.4** Describe the project team structure and process that will facilitate Lottery oversight of the System implementation, including regular reporting, walk-throughs, and project status meetings.
>
> **6.9.2.5** Recommend and describe the proposed Conversion approach including the Proposer's experience with similar System Conversions. Include examples of the last two (2) Conversions performed for a NASPL Lottery.
>
> **6.9.2.6** Describe the Proposer's data Conversion methodology and provide a recommendation for converting historical data currently existing in the System.

6.9.3 Quality Assurance Testing

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
6.9.3.a Quality assurance testing, as used by the Lottery, means an extensive verification process to demonstrate and ensure all requirements and provisions pertaining to Go-Live of System operations and the capability to perform future development projects can be met. The System May be tested for each, and every requirement included in this Contract. The functional, technical, and operational documentation for the System, including mutually agreed modifications, must be delivered to the Lottery's scheduled Acceptance. (MMR)

6.9.3.b The results of the quality assurance tests will determine whether the Lottery accepts an application or a change to an application for Acceptance Testing. The Lottery will have sole discretion for determining the pass or fail decision for each of the quality assurance tests and test components. (MMR)

Lottery Gaming System

6.9.3.c All new programs and any changes to existing programs must be tested thoroughly by the Lottery prior to installation. Quality assurance testing is used to ensure all programs utilized in the System operation are performing accurately and reliably prior to installation. In addition, quality assurance testing also ensures all accounting (e.g., ICS, STAR, State of Wisconsin banking partner), management reporting, interfaces with external environments, and Retailer support functions are operating accurately and reliably prior to implementation. All Software installations, including Terminal applications and System applications, must be approved in writing by the Lottery prior to installation. (MMR)

6.9.3.d The Lottery assumes no responsibility or liability with the Contractor for the development and execution of the Acceptance test. The Contractor is ultimately responsible for the quality of the Gaming System and Software releases. Lottery approval, based on Acceptance test results for the implementation of Software, does not change the Contractor's absolute responsibility for the continued quality and effectiveness of the Software. (MMR)

6.9.3.e When the Contractor is ready to deliver any System product, the Lottery will determine whether the product is acceptable according to Requirements. The method for handling problems must be agreed to by the Contractor and the Lottery. Before Acceptance Testing, the Contractor must assist the Lottery in identifying time schedules, procedures for evaluation, software and hardware environments and resources required, and Acceptance Testing criteria. (MMR)

6.9.3.f The Contractor must provide onsite personnel able to modify the System and all support systems during Acceptance Testing. The onsite personnel must be assigned to the Lottery on a full-time basis (at least forty (40) hours a week) during Acceptance Testing and must also be experienced with the specific hardware and software being tested. The Contractor must perform and document extensive self-testing, debugging, testing for defects, and quality assurance testing on all software prior to submitting it to the Lottery for Acceptance Testing. All software submitted to the Lottery for testing must be fully operational and principally ready for production. The Lottery reserves the right to reject any software not in acceptable testing condition. (KBR)

6.9.3.g It is required that the Contractor must have practices for incident, problem, configuration, and release management. The Lottery expects these processes to apply to quality assurance testing. (MMR)

6.9.3.h The Contractor must meet all mandatory minimum requirements listed below regarding the Acceptance Testing system.

1) Test systems used for Acceptance Testing must be identical in architecture and capacity to the production systems.
2) The Encryption scheme must be in effect during all tests.
3) The test system must communicate with all System applications the Lottery uses.
4) Test systems must be available to accomplish production interfaces, such as the Statewide financial accounting system integration. (MMR)

THE FOLLOWING ITEM(S) WILL BE SCORED.
Provide responses to each of the following items.

6.9.3.1 Describe how yearly release plans are developed, the typical type of development builds to be used and provide an example of a typical yearly release cycle outlining the

types and frequency of releases being developed and deployed, including product releases, patching releases, maintenance releases, emergency releases, and business enhancement releases. (Examples will be excluded from the page limit.)

6.9.3.2 Describe the software development life cycle process, software quality assurance and testing practices. Include the following areas:

a) Overall Test Strategy
b) Test Methodology
c) Test Planning Process
d) Test Case Development Process
e) Test Tools and Scripts
f) Test Systems and Configuration
g) System Integration Testing Process
h) Quality Assurance Testing Process
i) Defect Management
j) Communications, Reporting, and Metrics
k) Disaster Recovery and/or Failover Testing
l) Performance Testing
m) Staffing and Lottery Support Model
n) Continuous Improvement Process

6.9.4   Acceptance Testing – Conversion

The Lottery takes a comprehensive approach to Acceptance Testing and reserves the right to perform any acceptance testing on the System necessary per the Lottery's Acceptance Testing model. The Contractor shall coordinate Acceptance Testing to be conducted at the Contractor's local facility. Lottery reserves the right to include a third-party vendor to conduct Lottery Acceptance Testing at the Contractor's expense.   The Lottery reserves the right to reject hardware, software, telecommunications, or any other feature. Final acceptance by Lottery shall not be unreasonably withheld (MMR).

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
6.9.4.a The Contractor and the Lottery shall develop and agree upon detailed Acceptance Testing criteria that shall be met prior to the System being put into production. The Lottery will consider the System ready for Acceptance Testing once all hardware and software is installed and configured to operate in the test environment. Acceptance Testing will be considered complete when all components of the System have been tested and all significant issues identified (as identified in 6.9.4.dd) are resolved by the Contractor and validated by the Lottery in writing. (MMR)

6.9.4.b All new programs and any changes to existing programs must be tested thoroughly by the Lottery prior to installation. Acceptance Testing is used to ensure all programs utilized in the System operation are performing accurately and reliably prior to installation. In addition, Acceptance Testing also ensures all accounting, Reports defined by the Lottery, interfaces, and Retailer support functions are operating accurately and reliably prior to implementation. All Software installations, including Terminal applications and System applications, must be approved in writing by the Lottery prior to installation. (MMR)

Lottery Gaming System

6.9.4.c The Lottery assumes a shared responsibility with the Contractor for the development and execution of the Acceptance Testing. The Contractor, however, is ultimately responsible for the quality of the System and software releases. Lottery approval, based on Acceptance Testing results for the implementation of software, does not change the Contractor's absolute responsibility for the continued quality and effectiveness of the software. (MMR)

6.9.4.d When the Contractor is ready to deliver any System product, the Lottery will judge whether the product is acceptable according to previously agreed-upon criteria. The method for handling problems must be agreed to by the Contractor and the Lottery. Before Acceptance Testing, the Contractor must assist the Lottery in identifying time schedules, procedures for evaluation, software and hardware environments and resources required, provide test scripts used, and Acceptance Testing criteria. (MMR)

6.9.4.e The purpose of Acceptance Testing is to verify that the System can:

1) Recover from various equipment, power, and communication failures and return to full network operation within the required time without loss of data.
2) Process Transactions by meeting or exceeding the Lottery's throughput Requirements.
3) Provide Terminal network and CGS data to Lottery staff allowing real-time measurement of Terminal response times for selected lines and time periods.
4) Produce all mandatory Reports for all Games accounting as defined in, but not limited to, Appendix 6 (Report List) and Appendix 7 (Existing Back Office Software Applications).
5) Send appropriate Terminal responses for all Transactions, both valid and invalid.
6) Provide management workstation functionality to all Lottery management workstations.
7) Process all Transaction types, both valid and invalid, correctly.
8) Process all Transaction types using various methods of entering the information (for example, manual entry of Validations and cancelled Tickets).
9) Process all prize levels in accordance with Lottery Requirements, including the generation of prize payments for tickets validated by the Retailer Terminal and the Lottery's privileged Terminals.
10) Respond correctly as various thresholds are reached (for example, invalid attempts to Validate scratch Tickets).
11) Perform all Retailer Terminal functions.
12) Process barcoded items correctly.
13) Comply with all specifications provided by the Lottery.
14) Comply will all MUSL rules and regulations. (MMR)

6.9.4.f The test system must include all Terminal types (including Self-Service and all Peripherals) using all communication methods applicable in the Retailer environment. The Lottery requires a minimum of three (3) of each type of Terminal to be utilized in the field by the Lottery for Acceptance testing. The Lottery will determine the configuration of the test Terminals. (MMR)

6.9.4.g Any of the individual System applications or subsystems must be available at any time for testing by the Lottery, with full support from the Contractor. The Lottery will not accept a uniquely configured test system different from the System configuration. (MMR)

6.9.4.h Lottery Acceptance Testing shall include, but not be limited to, the following areas:

Lottery Gaming System

1) Terminal and Game functionality.
2) Draw management and reporting.
3) Game engine validation.
4) Warehouse, Distribution and Tel-Sell.
5) Validations and processing of winning tickets.
6) Prize payments.
7) Retailer hotline module for receiving, tracking, dispatching, and reporting Terminal repair calls from Retailers.
8) Management workstation functions for Lotto applications, including Instant Ticket inventory management capabilities including all required Terminal and Central System reports.
9) Retailer contracting and licensing functions.
10) Retailer billing.
11) The entire System communications network.
12) ICS integration.
13) Mobile app testing.
14) Interface testing.
15) The security and integrity of the System.
16) Failed takeover and recovery in a test environment.
17) Evidence of System performance in a test environment.
18) System functionality when set on future dates. (MMR)

6.9.4.i The Contractor must provide technical support in the form of consultation, answering questions, assistance in diagnosing problems, and providing additional hardware and software capabilities as requested by the Lottery. (MMR)

6.9.4.j The Lottery will define the tests it will conduct to prove the basic capabilities of the System. The full Acceptance Testing must include all System and Reports, showing that all data is properly maintained, and appropriate accounting principles are observed. Additionally, at its sole discretion, the Lottery May include additional testing Days to demonstrate year-end processing and other date-dependent System functions. A set of predetermined Transactions must be entered through a Retailer Terminal or management workstation in the test. Other tests will be interactively developed. At the Lottery's discretion, the Contractor must restart testing on a particular Day after implementing a fix to a particular failure to meet a requirement. Immediately after each test session, the Contractor must supply the log file to the Lottery. Once an error is found that the Contractor must fix, there must be a record of what changes were made and the outcome of the changes. (MMR)

6.9.4.k The ability of the Backup Data Center to take over total operation of all Games and subsequently return operational control to the Local Data Center, must be tested. The same ability must be tested for the production system at the Backup Data Center. Transmission of data to the Lottery's Backup System must be tested. This must all occur transparently to Lottery staff. (MMR)

6.9.4.l Daily and weekly tasks necessary to keep the acceptance test environments operational must be performed by the Contractor. This includes completing Drawings for any Games that occur using a script provided by the Lottery. Draw Games using an automated process with a certified RNG (like production) will need to have the option to be overridden with scripted

outcomes when requested for testing. Additionally, the test system must complete financial balancing before integrations are tested with third parties (including ICS and MUSL). (MMR)

6.9.4.m Backups of the test system must occur at a minimum on a weekly basis. The test system must be fully restorable to previous states in a timely manner. (KBR)

6.9.4.n The Contractor must provide a mechanism by which the Lottery and any Lottery-authorized third party May verify software tested and accepted by the Lottery is the same Software moved into production, and that no other software is moved into production without Lottery approval. (MMR)

6.9.4.o To support Acceptance Testing, the Contractor must have the data center facilities, systems, network hardware and software, and at least three (3) of each type of Retailer (including Self-Service and all Peripherals) Terminal configurations deployed, including all communications mechanisms installed at the Lottery-designated testing area. One (1) of each type of Retailer Terminal configuration must be permanently installed at each testing location selected by Lottery. (KBR)

6.9.4.p Training and written procedure manuals specific to the Lottery must be delivered to the Lottery upon availability of the Gaming System for Lottery Acceptance testing. During the testing period, the Contractor must provide technical staff on-site as a resource to collaborate and support the Lottery's Acceptance testing. The Contractor shall update the procedure manual based on Lottery Acceptance Testing in preparation for Lottery training. (KBR)

6.9.4.q Samples from the Contractor's randomizer software in the Retailer Terminals and from any automated Drawing software application must be submitted for quality testing. The randomizer samples are due on or before the start of the Lottery Acceptance Testing period. The Contractor is responsible for the cost of third-party testing and certification of the randomizers by a Lottery-selected laboratory. (MMR)

6.9.4.r Each release of the software for testing by the Lottery must be accompanied by release notes. The release notes must provide evidence of configuration management practices, namely, each release must be identified by a version number and the changes must be succinctly defined. The Contractor must also provide the results of its internal testing process which includes, but is not limited to, test plans, test cases, final test report(s), and a master defect log. Lottery May request support from Contractor in the planning and creation of its testing artifacts for their quality assurance test activities. (MMR)

6.9.4.s During the testing period, the Contractor must provide onsite technical staff as a resource to collaborate and support the Lottery's Acceptance Testing. This includes test environment management and configuration as needed in accordance with Lottery's test plan. Post Conversion staffing is discussed in Section 6.9.5.b. (MMR)

6.9.4.t The Contractor must commence, and complete quality assurance testing based on entry and exit criteria defined by the Lottery. Lottery will consider the System ready for Acceptance Testing once all hardware and software items are installed and configured to operate in the Lottery's environment and in accordance with the Lottery's standards. The Lottery will have successfully completed testing when all components of the System have been tested and all significant issues identified during testing are resolved by the Contractor and validated by the

Lottery. The Contractor and the Lottery will develop and mutually agree upon detailed criteria to be met prior to the CGS being put into production. (KBR)

6.9.4.u The Contractor shall provide a schedule for Lottery Acceptance Testing no later than one hundred and eighty (180) Days prior to Conversion. The System test documentation shall include, but is not limited to, use cases, test scripts, test conditions, and test criteria. (KBR)

6.9.4.v The Contractor shall submit samples of the production ticket stock to a Lottery approved laboratory for certification, on or before the start of Acceptance Testing. (KBR)

6.9.4.w The Contractor shall provide production ticket stock and Playslips for Acceptance Testing to ensure that it is manufactured in accordance with all RFP Requirements, on or before the start of Acceptance Testing. (KBR)

6.9.4.x Samples from the Contractor's randomizer software in the Retailer Terminals shall be submitted to a Lottery approved laboratory for certification, on or before the start of Acceptance Testing. (KBR)

6.9.4.y The Contractor shall have all facilities, the System, and network hardware and software installed, configured, and operational for testing one hundred and fifty (150) Days prior to the scheduled Conversion. (KBR)

6.9.4.z The Contractor shall ensure that Retailer Terminals and Peripherals for testing are installed, configured, and operational in the Acceptance Testing facility one hundred and fifty (150) Days prior to the scheduled Conversion. (KBR)

6.9.4.aa The Contractor shall complete extensive self-testing, debugging, and quality assurance on all software prior to submitting it to the Lottery. The Contractor shall provide the results of its testing to the Lottery one hundred and fifty (150) Days prior to Conversion. The Contractor must successfully meet the Lottery's Acceptance Testing requirements no later than two (2) weeks prior to the scheduled installation and placement into live production of any new software or Enhancements. (KBR)

6.9.4.bb The Contractor shall provide the hardware and software necessary to simulate the live production environment. All software submitted to the Lottery for Acceptance Testing shall be fully operational and ready for testing in a live production environment, with version controls, by the date agreed in the Implementation Plan. The test system shall be clean of all data at the start of Acceptance Testing. (KBR)

6.9.4.cc The Contractor shall report to the Lottery any issue or concern regarding effective and timely testing. (KBR)

6.9.4.dd Performance and Acceptance of the System. During each period identified in the Implementation Plan, the Lottery will perform Acceptance Testing. The acceptable level of performance will be determined by defect severity and joint triage between Contractor and the Lottery. Defect severity will be based on the definition and requirements of each severity level described below.

    1) Level 1 – Critical: A critical failure or issue with multiple functional or non-functional failures which prevent the proper functioning of the whole application and/or System, or of large parts of the application and/or System, impacting crucial

business functions for which no applicable workaround is available, or a blocking issue potentially blocking test cases which have a significant business impact.

  a) Critical defects must be resolved as soon as possible with a hot fix if the next scheduled release does not coincide with the resolution of the critical defect.

  b) Critical defects must be resolved for Go-Live and/or release approval.

  c) Critical defects fixed outside of a scheduled release must be accompanied by a hot fix release form identifying the change and impact of the change.

2) Level 2 – Major: A single functional or non-functional failure that has a major business impact on the customer (i.e., financial data, transactional problems, etc.) for which no workaround is available.

  a) Major defects cannot become known issues (defects that are not fixed in the next scheduled release) and a fix must be deployed in the next scheduled release or the one after (depending on the time of creation).

3) Level 3 – Moderate: A single functional or non-functional failure of medium business impact that does not affect financial data, Transactions, etc.

  a) Lottery and non-Lottery systems are impacted across functional channels in a way that causes an inconvenience in the application's use. If left unresolved, the problem will affect productivity without impacting business functions. The issue has a suitable workaround that will allow the system to continue to function with minor impact on the users.

  b) Moderate defects must be fixed as soon as possible, but deployment of the fix to production May be deferred to a scheduled release no later than one hundred and twenty (120) Calendar Days from the start of the defect.

4) Level 4 – Minor: A minor or trivial issue not impacting service functionality (e.g., cosmetic issues) that has a non-significant business impact for the business user or customer. Close monitoring of the problem May or May not be required until a permanent resolution is applied. If the functionality requires a workaround, a workaround must be present, or the issue is minor enough that it can be managed until a permanent fix is available.

  a) Minor defects must be fixed as soon as possible, but deployment of the fix May be deferred to a scheduled release no later than two hundred and forty days (240) Calendar Days after the start of the defect. Minor defects must not block the next phase of the Work from starting as scheduled. (MMR)

THE FOLLOWING ITEM WILL BE SCORED.
Provide a response to the following item.

6.9.4.1 Describe the process, hardware, and software that will be used to conduct Acceptance Testing of the System prior to start-up. Identify all functions that will be tested.

6.9.5 Implementation, Conversion, and Continuity Staffing

The Contractor shall provide sufficient staff to ensure successful implementation and Conversion. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
6.9.5.a The Contractor shall provide an organizational chart showing names of all management, supervisory, and key technical personnel who will be active in the implementation and Conversion of

the System prior to Conversion. The Contractor shall indicate what specific Contract functions they will perform and how long it is anticipated they will be engaged on the project. Additional support staff need not be named but can be listed by title and quantified. (KBR)

6.9.5.b The Contractor shall provide and retain sufficient staffing as determined by the Lottery, to address Conversion issues for a mutually agreed upon period after the Conversion date. (MMR)

6.9.5.c The Proposer may have other project commitments at the time of the Wisconsin Lottery implementation and must be able to conduct any such multiple implementations without schedule delays and quality issues for the Wisconsin Lottery due to resource overload. The Proposer must provide a timeline prior to Conversion with the lottery project commitments that may be concurrent with the implementation for Wisconsin and must not interfere with the Wisconsin Lottery project. (MMR)

> **THE FOLLOWING ITEM(S) WILL BE SCORED.**
> **Provide responses to each of the following items.**
>
> **6.9.5.1** Provide a staffing plan that shows how the Proposer will provide sufficient staffing during and after implementation and Conversion of the System.
>
> **6.9.5.2** Provide a continuity training plan, which includes information on the extent and methods for training of the employees who will operate the Local Data Center and perform services local to Wisconsin. Describe how this training will occur prior to Conversion.

6.9.6   End of Contract Conversion

The Lottery intends to award a new contract for replacement of the System, approximately eighteen (18) months prior to the expiration of the Contract resulting from this RFP or extension. The Lottery shall be solely responsible for establishing the timeframe for conversion of Terminals and the System.

> **MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS**
> **6.9.6.a** The Contractor is responsible for the System. The Contractor is expected to continue to run these services pursuant to the terms and conditions and at the same rates set forth in the Contract until the State provides notice that this work will no longer be required. (MMR)
>
> **6.9.6.b** If the State decides to obtain the work from another contractor or perform the work itself and when reasonably requested by the State, Contractor must provide to the State such information, staffing, and other cooperation regarding performance of the work as would be reasonably necessary for the State or a third-party to prepare an informed option analysis for such work (for example, Retailer communication protocols or information to allow ticket bar codes to be read by a third-party system for validation), and for the State or a third-party not to be disadvantaged compared to Contractor if Contractor were to be invited by the State to submit a proposal for further performance of the work. (MMR)
>
> **6.9.6.c** At the end of the Contract that results from this RFP, the Contractor shall remove all equipment and materials relating solely to the System from each Retailer location and from Lottery property within thirty (30) Calendar Days after notice is provided by the Lottery, or Conversion of that location to the new system, whichever comes first. Equipment and materials not removed by the Contractor shall be considered abandoned and shall be disposed of at the Lottery's discretion and at the Contractor's cost, with no further liability to the Lottery. (MMR)

Lottery Gaming System

6.9.6.d Contractor must perform the activities reasonably required to affect a smooth and orderly transfer of operational responsibility for the terminated work, including the following:

1) Providing all data necessary for the transition and/or requested by the agency in a timely manner, and in agreed upon formats throughout the transition process. The timeliness, completeness, and accuracy of the data is essential, and efforts that deliver otherwise May delay the transition. (MMR)

2) Facilitating access to the State source code, object code, object and production libraries, reference files, field descriptions, record layouts and technical specifications, along with run documentation for the State software then in Contractor's possession including tools, scripts, Run Books, production schedules, and procedures as required to support the applications which May be used in training, knowledge transfer, sizing assessments, operational reviews, and other uses required by the State at the time of termination. (MMR)

3) Cooperating with the Successor in conducting migration testing. (MMR)

4) Providing the State-owned documents and information related to the functionality, program code, data model and data base structure, and access methods for the work and manual and automated processes used for the State, within the possession or control of Contractor, and reviewing such processes, documents and information with the Successor as reasonably requested. (MMR)

5) Cooperating with the State's test plans, back out procedures, and contingency plans as part of the migration of terminated work. (MMR)

6) After the transfer of the terminated work to the State, the Successor, or both, providing additional assistance as reasonably requested by the State to facilitate continuity of operations, through the end of the Conversion Period. (MMR)

7) At the agency's request, remove all equipment and materials relating solely to the System from each Retailer location and from agency property after final Conversion of any location within thirty (30) Calendar Days after notice is provided by the Lottery, or conversion of that location to the new system, whichever comes first. Any equipment and materials not removed by the Contractor within the applicable timeframe will be considered abandoned and become the property of the State to use or dispose of as the State sees fit at Contractor's expense. The State assumes no liability for any Retailer equipment that is not timely removed. (MMR)

8) Working with the Successor to ensure System Transactions, validations, cashing, and reporting remain operational until the Successor's Retailer conversion is complete. (MMR)

6.10 Customer (Retailer) Relationship Management

6.10.0.1 The Lottery currently uses a third-party CRM, GEM Intelligence. The Contractor shall propose a Customer Relationship Management system (CRM) to supply Lottery staff with current and accurate Retailer information. (MMR)

Lottery Gaming System

6.10.0.2 The CRM shall allow Authorized Users to view and edit data by Retailer and perform communication tasks via desktop PC clients or standalone portable devices which periodically update locally stored data. (MMR)

6.10.0.3 The Contractor shall provide a CRM with access for all Lottery staff which allows for multiple access levels (e.g. FMRs, supervisor, key accounts, etc.) to view and edit data by Retailer and perform communication tasks including but not limited to the following:

1) Lottery-defined Sales figures.

2) Sales by price point metrics including vending/vending OOS averages by retailer.

3) Current list of games selling from warehouse/Historical info on games.

4) Recent winners by Retailer/territory.

5) Top prize remaining information.

6) Pack status lookup.

7) "Packs of Concern" – alerts identifying Games with limited low and mid-tier validations, unconfirmed orders, missing, stolen, etc.

8) Point of Sale placements.

9) Instant ticket orders and delivery information, including proof of delivery.

10) Visit history/detailed history of field service technician visits and repair status.

11) Other basic Retailer information for each Retailer location.

12) Ability for Tel-sell integration for ticket orders/requests.

13) Ability to display sales using customized dates aligning with the RPP calendar quarters.

14) Ability to create custom forms with the ability to input data (text, images, etc.) to these forms.

15) Ability to build short term incentives including retailer opt-in/out and reporting.

16) Ability to build custom surveys with results reporting.

17) Ability to create customer reports.

18) Historical contact information, including action notices and comments.

19) Equipment tracking at retail level.

20) Equipment tracking/inventory.

21) Task assignment/management.

22) Territory reassignments.

23) Storage for reference documents.

24) Image storage at Retailer level.

25) Ability for Authorized Users to define Retailer groups for individual users with the ability to publish for others to view/modify/clone. Retailer groups include but are not limited to independent, chain, super chain and pseudo chain.

26) Ability for authorized Lottery administrative staff to create and modify user interface screens.

27) Allow users to send notices to other users on the System, requiring action on behalf of a particular Retailer or group of Retailers.

28) Email integration with CRM to include but not limited to creating tasks, viewing retailer service request and work order history, instant ticket orders and tracking information, completing Lottery forms, communicating with external contacts and other CRM data as required by the Lottery.

29) Vehicle mileage tracking and reporting.

30) Accurate goal tracking against forecasted amounts.

31) Recruiting ability as required for business development.

32) Ability to send email routed through the CRM with a record of the email stored on the contact/Retailer account history.

Any additional licenses needed for Contractor usage shall be at the Contractor's expense. (MMR)

Established third-party CRM products customized for lottery business needs are currently available in use in many U.S. lottery jurisdictions. The ability to integrate CRM functions with other System interfaces (e.g., telemarketer order screens, System including Business Intelligence and retailer services) in near real-time will increase efficiencies for the Wisconsin Lottery.

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS

6.10.a The Contractor shall propose an established CRM, currently in use in other U.S. lotteries, customized to Wisconsin Lottery needs as described above with the ability to be customized as required by the Lottery. All CRM servers and services shall be furnished and hosted by the Contractor. All pre-existing CRM data shall be migrated and maintained by the Contractor. (KBR)

6.10.b The full CRM functionality and data shall be available to Authorized Users via internet connection or zero-trust network. (KBR)

6.10.c CRM data shall be updated to match System data in near real time, including but not limited to full detail of field service work orders, notes on any onsite maintenance performed by the Contractor on Retailer equipment, and Instant ticket inventory loaded into a SSVT. (KBR)

6.10.d The CRM shall provide access for Authorized Users to all Retailer transaction data. (KBR)

6.10.e The CRM shall allow Authorized Users to view Retailer information and sales financial history, including the following information:

1) Retailer demographic data.

2) Current Day and historical financial information by Retailer or chain, by Day, by week, by month, by Lottery defined quarter, by calendar year, and by Lottery fiscal year, July 1 through June 30. (KBR)

6.10.f The CRM or the System shall allow Authorized Users to request any Retailer Report regardless of the status of the Retailer, and view data as the Retailer would view it on a terminal. (KBR)

6.10.g The Lottery will procure encrypted, internet capable tablets for designated field service representatives to access, and interact with, the CRM system (see Appendix 8 for Field Marketing Territory Map). The cost of the Lottery provided tablets will be reimbursed by the Contractor, including the data usage plan. Currently, there are twenty-six (26) field staff that will require tablets, in addition a minimum number of additional units as determined by the Lottery will be provided. The

Lottery Gaming System

tablets shall include a data usage plan provided by the Contractor. The devices shall be replaced every three (3) years at a minimum or as mutually agreed upon by the Lottery. (MMR)

6.10.h The CRM shall be fully compliant with DOR security rules and all MUSL rules and Requirements. Note the following:

1) MUSL and Lottery rules prohibit any computer connecting directly to the CGS as defined by MUSL or to the Lottery LAN, including prohibiting connections via secure means such as VPN or Citrix-style virtual machine, from physically outside the secured Lottery or Contractor work areas. Thus, CRM services to remote clients will need to come from servers that are adequately separated from the CGS as defined by MUSL.

2) Currently, DOR rules prohibit any non-State-owned device from connecting to any DOR network. Thus, Contractor-supplied client devices for field access to the CRM will not be permitted to connect to the DOR LAN. However, Lottery staff May use non-State-owned devices to access their email, and some other services hosted on State servers via the Internet, as approved by the DOR. (KBR)

6.10.i Remote devices that will store data shall encrypt that data at rest to U.S. Government standards as certified by NIST to make the data inaccessible if the device is lost, stolen, or tampered with. (KBR)

6.10.j Remote devices that connect to the internet shall be protected with security equal to or greater than client-based firewalls. (KBR)

6.10.k All CRM data shall be exportable, On Demand or on a scheduled recurring basis, by the Lottery without Contractor intervention. Formats shall include, but not limited to, the following: CSV, HTML, XML, TXT, PDF, XLS, XLSX, ODS. (KBR)

6.10.l The CRM shall allow FMR's to sign up Retailers for short-term incentives based on the RPP calendar. (MMR)

6.10.m The Lottery requires a minimum of one hundred twenty-five (125) users to access the CRM. (MMR)

6.10.n All CRM created data shall be provided to the CGS as defined by the Lottery, in near real-time. to synchronize with the necessary elements of the System. (KBR)

6.10.o All access to the CRM must use MFA for internet connected users. (MMR)

6.10.p The CRM must be able to record latitude, longitude, and former names for Retailer locations. (MMR)

6.10.q The CRM shall allow the FMR to work offline when no internet connections are available. The offline CRM data shall be stored in a cache on the tablet per Lottery's Encryption requirement. Once a connection to the internet is established, the encrypted cache data shall be transmitted to the CRM. (KBR)

6.10.r All Lottery entered CRM data shall exist in BI and/or CGS in near real-time. (KBR)

6.10.s The CRM shall receive real-time updates rather than updates through overnight processing. (KBR)

Lottery Gaming System

6.10.t The CRM will require updates on the Lottery's schedule. The CRM updates and schedule shall be prioritized for the Wisconsin Lottery. (KBR)

6.10.u Sales figures shall be sourced from both the Contractor's financial system and the State's financial system. (KBR)

6.10.v Any updates to the System from the CRM shall be identifiable within the System's change history to determine what was updated, when updates were applied, and who applied the change. (KBR)

6.10.w The Contractor shall ensure FMRs are assigned territories based on zip code. As a general practice, Lottery assigns all retailers in a specific zip code to a single FMR. The territory number has no significance and is not presently tied to the current System. (KBR)

THE FOLLOWING ITEM(S) WILL BE SCORED.
Provide responses to each of the following items.

6.10.1 Describe the general setup of the central CRM System, including:

a) servers.
b) database, including how frequently CRM data will be updated from and to System data.
c) how the CRM will be isolated from the System to ensure security, Performance, and compliance with multi-jurisdictional, Lottery, and DOR Requirements.
d) features to ensure maximum availability of the CRM.

6.10.2 Describe how System applications will integrate CRM data and functions. Provide screen shots and examples from current NASPL jurisdictions where the CRM System is in operation. (Response excluded from page limit.)

6.10.3 Describe the features provided by the proposed CRM System.

6.10.4 Describe how remote CRM clients will connect and synchronize their locally stored CRM data with the central CRM, including frequency of updates. Also, how the offline functionality will work and maintain a seamless user experience.

6.10.5 Describe how the remote CRM clients and the System will be protected from unauthorized access including exploits such as malware served from legitimate but compromised websites.

6.10.6 Describe the at-rest Encryption standard of data on remote CRM client devices.

6.10.7 Describe how the communications to remote CRM client devices will be secured.

6.10.8 Describe how the CRM interacts on State owned client devices, using State standard applications in all of the following ways:

a) To connect securely to the Internet via wireless LAN access points or wireless WAN.

b) To connect to State web-based applications including email.

c) To connect to third-party based applications such as survey software.

    d) To connect to Lottery, DOR, and other public websites as designated by the Lottery. Include any allowlisting and denylisting capabilities.

    e) To create, open, edit, save, and export word processing and spreadsheet documents compatible with Microsoft Office® Suite and fillable PDF forms.

    f) To print documents.

6.10.9 Describe how CRM Authorized Users will be able to enter and monitor performance measures (e.g., sales, call frequency, and Retailer inventory status) about their Retailers.

6.10.10 Describe how the Lottery can control what CRM data can be changed and by whom.

6.10.11 Describe how CRM Authorized Users can customize appearance and data shown by the CRM application.

6.10.12 Describe how the Lottery can customize appearance and data shown to all CRM clients.

6.10.13 Describe how CRM (authorized) users can access and export data on an ad-hoc basis.

6.10.14 Describe how the Lottery can quickly introduce and display new CRM data elements (e.g., Short-Term Incentive enrollment). See Appendices F Sample Features and Procedures for Short-Term Incentives, for example(s).

6.10.15 Provide a list of CRM data fields available for each Retailer account. Describe what will be available to remote and non-remote users if the information provided varies. Also describe the customization of data fields.

6.10.16 Describe the process for making modifications or additions to the CRM application and infrastructure, including how the CRM can be modified independently of other System software development processes, including timing and costs.

6.10.17 Describe if and how the CRM will import data from Lottery's existing GEM Intelligence CRM and permit full access to that data along with new data.

6.10.18 Describe how the CRM will integrate and display information from the Proposer's field service management system for tracking Retailer service history including specific service completed.

6.10.19 Describe how the CRM will operate over a cellular network connection at the same performance level as it would over land-based connections.

6.11 Options

Any functionality, feature, technology, security functions, services, equipment, supplies, etc. that are included in Section 6 (Technical Requirements - Gaming System and Services), Section 7 (Technical Requirements - Distribution Services), Section 8 (Technical Requirements - Warehouse Facility and Services), and Section 9 (Technical Requirements - Telemarketing (Tel-Sell) Services), must be included the Base Cost, except for Section 6.4.12 (Player Mobile App (Specified Option)) and 6.11.1 (Lottery Specified Options). Options provided at no charge above the base cost, or included in the Base Cost, should be priced as zero dollars ($0) on the Cost Proposal. The Lottery in its discretion May choose to purchase any option at any time during the Life of the Contract. The Lottery reserves the right to add additional or new options provided by the Proposer during the Contract period.

Lottery Gaming System

6.11.1 Lottery Specified Options

A Specified Option is identified as a product or service of specific interest to the Lottery. The Lottery anticipates acquiring such from the Proposer, although the Lottery may choose not to exercise such an option. The Proposer is required to include a Specified Option in the Proposal. Specified Options are scorable and are part of the evaluation.

To Be Determined (TBD) cost is not allowed. If the Lottery decides to implement any Specified Option after the initial eight-year period, cost will be negotiated and based on a mutual agreed statement of work. (MMR)

6.11.1.1 Lottery Integration with Retailer Equipment (Specified Option)

Describe the proposed solution to integrate Terminal functions with a Retailer's cash handling device, (e.g., cash register or cash drawer) including System Transaction initiation. Proposer's May also offer a solution for the ability to integrate into other Retailer POS systems.

6.11.1.2 Optical Sense Reader (Specified Option)

Describe how optical sense readers can be added to the Retailer Terminal and whether or not it would replace any OMR devices. This feature digitizes and records player signatures, ticket images, and other information beyond the practical capabilities of OMR devices. This would facilitate player registration and provide the opportunity for the Terminal to perform other non-Lottery functions. These scans would be available to Authorized Users. Include in your response the optical sense reader limitations and security features.

6.11.1.3 Wireless Special Event Terminals (Specified Option)

Describe the proposed capability for wireless, hand-held Terminals, which can be used as portable Terminals for special events. Include in your response general features, description, images of device(s), limitations, and security features.

6.11.1.4 External Card Reader (Specified Option)

Describe Retailer Terminal functionality which reads cards with magnetic strips or chips. This would allow the Lottery to offer players some form of rewards program or facilitate other player-related information gathering. Cards May be used, for example, by FMRs, other Lottery staff, or Proposer maintenance technicians.

Responses should include but not be limited to the following:

a) The ID card would cause certain capabilities to be made available via a menu of options, and the System would record any card swipe, or associated transactions performed.

b) The Lottery and the Proposer would set privileges for these cards through a games management application.

c) The card reader could allow player age verification through reading a driver's license or similar identification using a barcode or magnetized strip.

d) Describe how it could be added to Retailer Terminals and Peripherals, its security features, and whether it would replace any other device.

Lottery Gaming System

6.11.1.5   Remote Ticket Entry (Specified Option)

Describe additional remote technology (e.g., website, smart phone technology, etc.), outside of the mobile app Requirements, that allows players to enter purchased ticket information over a secure connection and store those entries for Lottery use.

6.11.1.6   Single Ticket Activation (Specified Option)

Describe how single ticket activation (each ticket to be activated with a single scan by a Retailer, including real-time accounting for tickets as activation) will occur, including Lottery and Retailer benefits and risk. Also include any requirements that would need to be on Instant tickets themselves in order for this to function properly (i.e., any special requirements for Instant ticket production).

6.11.1.7   Licensed Properties for Games or Marketing Initiatives (Specified Option)

Describe and provide a list of any licensed properties to be offered (by any third party or by the Proposer itself) for use on Lotto Games, Limited Time Offers/Promotions, or marketing initiatives during at least part of the Life of the Contract. Any licensed property that was developed by the Proposer must be included in the base cost of the Contract.

6.11.1.8   Random Number Generator (Specified Option)

Describe how the Proposer will supply a third party certified random number generator, and a backup, that May be attached to the System to perform Drawings for a Game that Draws on a frequency of six (6) times a Day or greater. Inclusive in this cost, there should be any programming and automation required to offer such a product (e.g., providing winning numbers to the Lottery website and mobile app, and graphical representation of winning numbers). Any discussion of this product should include the security features, including continuous video surveillance, and how it will be segregated from the rest of the CGS. The Proposer shall adhere to all State, federal, and MUSL regulations and all costs associated with compliance. All recertification and audits of the equipment shall be at the Proposer's expense.

6.11.1.9 Digital Play Station (Specified Option)

Describe how the Proposer will supply a single Digital Play Station for each Retailer location, with a dynamic screen that showcases similar content as defined in 6.2.8.2. (Player Awareness Display). The Digital Play Station should include, but not limited to, the ability for players to click more info on draw games or other content and have a looped list of content that can be managed by the Proposer marketing person in conjunction with the Lottery. Storage, installation, and support will be the responsibility of the Proposer.

6.11.1.10 Future Retailer Expansion (Specified Option)

Describe the process for purchasing additional Retailer Terminal and Peripherals in batches of twenty-five (25) units to allow for future Retailer expansion.

6.11.1.11   Digital Pull Tabs (Specified Option)

Describe how the Proposer will provide and support electronic/digital pull tab feature at Lottery Retailers, including but not limited to providing software, hardware, distribution, maintenance (including preventative), service, and technical support, at the direction of the Lottery.

7   TECHNICAL REQUIREMENTS – DISTRIBUTION SERVICES

This Section includes Technical Requirements for which the Proposer shall provide a narrative response (scored question) which will be evaluated, Minimum Mandatory Requirements (MMR(s)) that shall be met by the Proposer and reviewed on a pass/fail basis, and Key Business Requirements (KBR(s)) that must be met as described in Section 3.1 (Preliminary Evaluation).

Any material within the response including images, pictures, depictions, or diagrams that are not explicitly identified as outside the base product, will be considered part of the base System.

The State requires the Proposer to have the proven ability to deliver the types of services sought in this RFP. The purpose of this section is to provide the State with a basis for determining a Proposer's capability to undertake a Contract of this size and scope.

Unless requested to do so, Proposer must not direct the reader to a website or any other source outside of the applicable RFP section as part of its response to the requirement or question unless it is a map, diagram, or schematic included in another section within the RFP.

Responses to scored questions that merely restate the requirement or only indicate an acknowledgement of understanding and a willingness to comply will be considered unresponsive.

7.1   Distribution

The Contractor shall provide next Business Day delivery service for all Lottery tickets and Point of Sale (POS) materials to all Retailers everywhere in Wisconsin. Less than one percent (1%) of the deliveries will be to residential addresses. (MMR)

> **MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS**
> **7.1.a** The Contractor shall provide next Business Day delivery of Instant tickets to all Lottery Retailers. The Contractor shall ensure that the distribution is effective, efficient, secure, and presents a positive image of the Wisconsin Lottery to Retailers and others. (MMR)
>
> **7.1.b** The Contractor shall provide proof that the tickets have been received by the correct Retailer at the proper shipping address by obtaining a secure confirmation with the delivery such as a name and signature agreed upon with the Wisconsin Lottery. Additionally, the Contractor shall provide evidence that a barcode on the shipment was scanned to record delivery information including, but not limited to: date and time of delivery, order number, etc. (MMR)
>
> **7.1.c** The Contractor shall provide access to its monitoring system for Authorized Users at any time. The monitoring system must be able to use Lottery computer-generated manifests and barcoded labels. (MMR)
>
> **7.1.d** In addition to tickets, the Contractor shall deliver other Lottery materials (e.g., POS material, Lotto game supplies, etc.) as approved by the Lottery to the Retailers or residential addresses (e.g. an FMR's home address). Delivery must be made next Business Day. (MMR)

Lottery Gaming System

7.1.e At least three (3) attempts on Consecutive Business Days shall be made to deliver to or pick up items from a Retailer at no additional charge. These packages along with any that are refused by the Retailer must then be returned to the Lottery in one (1) Business Day. (MMR)

7.1.f Not including Initial Distribution orders, for orders placed during a Business Day, the Contractor shall complete loading of Lottery packages to ensure next Business Day delivery. Loading of approximately seven hundred fifty (750) packages takes about one hour and a half (1.5 hours). See Appendix 9 (Shipping Manifest) for sample of current daily shipment manifest. (MMR)

7.1.g The Contractor shall acknowledge receipt prior to packages departing via an authorized signature and shall verify all packages are listed on the daily manifest at the facility of first entry. (MMR)

7.1.h The Contractor shall handle and store all Lottery packages securely from time of pickup until proper delivery occurs. (MMR)

7.1.i The Contractor shall handle all COD orders on behalf of the Lottery. The Contractor shall remit payment of any COD orders to the Lottery within five (5) Business Days. The Contractor shall cover all charges and fees associated with this service. (MMR)

7.1.j The Contractor shall provide a daily delivery Report for all deliveries and delivery attempts made the previous Day. (KBR)

7.1.k The Contractor shall employ quality control measures to ensure its efficiency and accuracy. (MMR)

7.1.l The Contractor shall deliver and pick up other packages in Wisconsin as directed by the Lottery. (KBR)

7.1.m The Contractor shall provide and keep updated a shipping tracking system including an interface into CRM. (MMR)

7.1.n The Contractor shall be responsible for handling all mis-shipped orders including notifying the Lottery and Retailer(s) and any resulting costs incurred. (MMR)

> **THE FOLLOWING ITEM(S) WILL BE SCORED.**
> **Provide responses to each of the following items.**
>
> **7.1.1** Provide a distribution plan that best meets the Lottery's delivery needs as described in this RFP.
>
> **7.1.2** Describe the proposed method of distributing tickets to meet the requirements of the Lottery. If using a Subcontractor include the Subcontractor's qualifications.
>
> **7.1.3** Describe how Authorized Users will be able to monitor and track the delivery of tickets to and pickup from the Retailer. Include in Proposer's response what data will be available in the tracking System. Discuss how the tracking system will be linked to the CRM.
>
> **7.1.4** Describe how the Lottery will inventory and inspect, at its option, all shipments of tickets to Lottery Retailers.
>
> **7.1.5** Describe how Lottery packages will be secured between pickup and delivery.

7.1.6 Describe how and when the Lottery will be notified if a package is mis-sorted or not delivered as scheduled for any reason. Include escalation procedures if packages cannot be found.

7.1.7 Describe if and how delivery services between Lottery locations other than Retailers will be made available to the Lottery. Include in the Proposer's response how packages sent via the delivery service will be tracked and secured.

7.1.8 Provide a sample daily delivery Report and describe how the Lottery will request and obtain that Report. (Report example will be excluded from the page limit.)

7.1.9 Describe the quality control measures and how the Lottery will be able to monitor them.

7.2   Instant Ticket Pickup

The Contractor shall provide pickup services for Lottery tickets and POS for all Retailers everywhere in Wisconsin. Less than one percent (1%) of pickups will be from residential addresses. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
7.2.a The Contractor shall be responsible for the return of undeliverable, unaccepted, and unsold tickets. (MMR)

7.2.b Returned tickets, partial or full Packs from current games, must be returned to the warehouse within three (3) Business Days. The Contractor shall supply space for Lottery staff to drop off return tickets. Once received, the Contractor has two (2) weeks to perform the return in the System. Once returned into the System, the Contractor has one (1) month for shredding, if required. (MMR)

7.2.c The Contractor shall provide proof that the tickets have been picked up for return to the warehouse by providing evidence that a barcode on the shipment was scanned to record pickup information including, but not limited to: date and time of pickup, order number, etc. (MMR)

THE FOLLOWING ITEM(S) WILL BE SCORED.
Provide responses to each of the following items.

7.2.1 Describe the process and timeframe for returning tickets from Retailers to the warehouse.

7.2.2 Describe the process with steps to resolve lost/stolen ticket orders.

7.2.3 Describe the network of drop locations for Lottery staff to ship returned instant tickets.

7.3   Contractor Support

The Lottery reserves the right to approve all personnel assigned to work on the Lottery account regarding distribution. The Lottery reserves the right to request the transfer, dismissal, termination, or reassignment of any Contractor or Subcontractor personnel assigned to the Lottery account who, in the opinion of the Lottery, poses a perceived threat to the security, integrity, or efficiency of Lottery operations. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
7.3.a The Contractor shall provide visits by a corporate account manager as requested by the Lottery. The distribution account manager does not need to reside in Wisconsin. The account manager will act as a consistent point of contact for delivery issues. The account manager will not be an employee of the Lottery and all compensation for, and expenses of this position must be provided by the Contractor. The proposed individual's name and qualifications must be submitted to the Lottery for

review at time of Contract award.   The Lottery reserves the right to reject the individual proposed. (KBR)

7.3.b The Contractor shall respond to any Lottery inquiry within two (2) hours of request. Contacts made after 2:30 PM shall be responded to by 9:00 AM the following Business Day. (KBR)

7.3.c The Contractor shall utilize uniformed personnel who are efficient and courteous with vehicles that are in good working order. The Contractor shall ensure that all personnel and vehicles conform to Lottery security procedures and Requirements. (KBR)

7.4   Disaster Recovery Plan

In the event of a disaster that disables the distribution facilities, the Contractor shall provide hardware, software, facilities, other components, and services necessary to resume Lottery distribution operations. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
7.4.a The Contractor must submit a detailed Disaster Recovery Plan to the Lottery for approval no later than sixty (60) Days after Contract execution and update annually. (MMR)

THE FOLLOWING ITEM(S) WILL BE SCORED.
Provide responses to each of the following items.

7.4.1 Provide an example Disaster Recovery Plan currently in use with another NASPL lottery. (Disaster Recovery Plan will be excluded from the page limit.)

7.5   Additional Required Operational Items

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
7.5.a The Contractor shall list in this section all other significant services, procedures, materials, supplies, goods, programs, policies, equipment, facilities, etc., necessary for the successful daily operational aspects of the proposed products and services, even if there are no specific Requirements for those items listed in the RFP. The Contractor is not released from the responsibility of providing all needed items to make the proposed products and services successful by failing to indicate necessary items within their Proposal. (KBR)

7.5.b The Contractor shall evaluate staffing and equipment needs monthly to ensure optimal service. As order volume increases, the Contractor shall add equipment and staff as needed to meet contractual Requirements at the Contractor's expense. (KBR)

THE FOLLOWING ITEM(S) WILL BE SCORED.
Provide responses to each of the following items.

7.5.1 Describe the Proposer's methodology in obtaining locations throughout the State that will securely house Lottery tickets and packages during shipment. If using a Subcontractor, provide name and qualifications of the Subcontractor.

Lottery Gaming System

8 TECHNICAL REQUIREMENTS – WAREHOUSE FACILITY AND SERVICES

This Section includes Technical Requirements for which the Proposer shall provide a narrative response (scored question) which will be evaluated, Minimum Mandatory Requirements (MMR(s)) that shall be met by the Proposer and reviewed on a pass/fail basis, and Key Business Requirements (KBR(s)) that must be met as described in Section 3.1 (Preliminary Evaluation).

Any material within the response including images, pictures, depictions, or diagrams that are not explicitly identified as outside the base product will be considered part of the base System.

The State requires the Contractor to have the proven ability to deliver the types of services sought in this RFP. The purpose of this section is to provide the State with a basis for determining a Proposer's capability to undertake a Contract of this size and scope.

Unless requested to do so, Proposer must not direct the reader to a website or any other source outside of the applicable RFP section as part of its response to the requirement or question unless it is a map, diagram, or schematic included in another section within the RFP.

Responses to scored questions that merely restate the requirement or only indicate an acknowledgement of understanding and a willingness to comply will be considered unresponsive.

The Lottery recognizes that the warehousing Requirements can be fulfilled by the Contractor in a variety of ways. Contractors shall describe how their recommended method is the most efficient and cost effective and meets the functional and security concerns of the Lottery.

The Lottery will provide access to the requisite modules of the System for Contractor's use in conducting Instant ticket management in the warehousing operation.   All other necessary and required systems for the operation of the warehouse(s) are the responsibility of the Contractor.

8.1 Warehouse Facility

8.1.0.1 The Contractor shall provide a secure warehouse facility for receiving, storing, packing, and shipping of Lottery tickets, POS, and other materials within ten (10) miles of the Lottery Headquarters. The warehouse will also securely store the two (2) Lottery's special events trailers and van when they are not in use, other Lottery materials such as special events equipment and supplies, and an archive of props used in Lottery advertisements. The Lottery events van May be stored off-site but within ten (10) miles of the Lottery Headquarters, but that storage will still be supplied by the Contractor. (MMR)

8.1.0.2 The Contractor's facility shall include space dedicated to the Lottery as described in the Requirements below. For consistency, "warehouse" refers to the entire Contractor's facility, and "Lottery storage space" refers to the space within the warehouse for exclusive storage of the Lottery's tickets and other Lottery materials. There shall be no identifiable markings to indicate this is a Lottery facility. (MMR)

> **MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS**
> **8.1.a** The Contractor shall be responsible for the receiving, storing, picking, packing, and inventorying of tickets, POS, and other materials from the time they are received until they are picked up by the distribution vendor. Facilities, organization, and procedures shall be designed to ensure the security and integrity of the tickets and Lottery operations. The Contractor shall provide next Business Day delivery service for all Lottery tickets and Point of Sale (POS) materials to all Retailers everywhere in Wisconsin. (MMR)

Lottery Gaming System

8.1.b The warehouse location shall be approved in writing by the Lottery. The location of the warehouse shall not interfere with the Contractor's ability to make next Business Day deliveries everywhere in Wisconsin. (MMR)

8.1.c The warehouse shall not be used to store any materials other than those approved in writing by the Lottery. (MMR)

8.1.d The Contractor shall ensure a designated, separate, and secure storage space for Lottery tickets and materials within its warehouse. (MMR)

8.1.e Tickets for seventy-five (75) or more active Instant games May be required to be stored and segregated at any one time in the warehouse. The Lottery storage space must accommodate these Games (MMR).

8.1.f All Lottery storage spaces must be air-conditioned and heated to maintain temperatures and humidity to avoid any damage to tickets, POS, and other Lottery assets in locations both on and off premises. (MMR)

8.1.g The Lottery storage space shall include a minimum of three thousand (3,000) square feet of dedicated floor space for storage of Lottery POS and other materials in addition to space dedicated to the two (2) special event trailers and van. (MMR)

8.1.h The Contractor shall be responsible for towing services to deliver the two (2) special events trailers to and from locations specified by the Lottery. (KBR)

8.1.i The facility shall not be identified externally as supporting the Lottery (e.g., no external signage or public notices that reference the Wisconsin Lottery). (KBR)

8.1.j The Contractor shall ensure a designated and secure storage space for an archive of props used in Lottery advertisements. This will be a minimum two hundred (200) square feet of dedicated floor space, with a minimum height of twelve (12) feet. A cage comprised of chain link fencing is acceptable for security of this area. This area will be accessible to Lottery marketing staff. (MMR)

8.1.k The Contractor shall ensure a designated and secure storage space for Lottery special events equipment, non-cash prizes/giveaway items, and supplies. This will be a minimum of three hundred seventy-five (375) square feet of dedicated floor space, with a minimum height of fifteen (15) feet. A cage comprised of chain link fencing is acceptable for security of this area. This area will be accessible to Lottery events staff. (MMR)

8.1.l The Contractor shall ensure a designated, secure, and covered storage space to store the Lottery's special events trailer(s) and van when they are not in use. Currently, the Lottery has two (2) event trailers and one (1) event/mobile redemption van, but the Lottery may procure an additional vehicle in the future, and the Contractor shall be responsible for storing the additional vehicle when not in use. The space for each vehicle will be a minimum fifteen (15) feet wide by twenty-five (25) feet deep of dedicated floor space with a minimum height of fifteen (15) feet. These areas will be accessible to Lottery events staff. Being a powered vehicle, the Lottery events van(s) May be stored off-site in a designated, secure, covered storage space but within ten (10) miles of the Lottery Headquarters, also accessible to Lottery events staff. (MMR)

8.1.m The special events van's systems require power while residing within the storage facility. (MMR)

8.1.n Warehouse emergency exit doors shall be equipped with alarms. (MMR)

Lottery Gaming System

8.1.o Access to the Lottery storage space shall be granted only to Authorized Users. Controls shall be in place to prevent unauthorized persons from accessing both the warehouse and the Lottery storage space. Access logs shall be kept for the Life of the Contract plus one (1) year. (MMR)

8.1.p Locking devices shall be installed on all doors and entry points. All access doors shall be self-closing and self-locking (including doors which provide access to receiving and loading platforms). All access doors shall be equipped with alarms that self-activate if the access door remains open for longer than a specified duration. Alarms shall sound and report open door notification if left open longer than one (1) minute. (MMR)

8.1.q Electronic access controls and intrusion detection devices shall be installed at all entrances to the Lottery storage space. The Lottery Administrator shall approve the access list. Access logs shall be accessible to Enforcement & Compliance staff for audit purposes upon request. Access logs shall be kept for the Life of the Contract plus one (1) year. (MMR)

8.1.r All visitors shall be logged in and out of the Lottery storage space and escorted by personnel with authorized access to that area while inside. Visitor logs shall be available for review by Enforcement & Compliance staff upon request. Visitor logs shall be kept for the Life of the Contract plus one (1) year. (MMR)

8.1.s The Contractor shall install and administer a digital video surveillance system with cameras to monitor and record activities at entrances, exits, computer rooms, and all high security or sensitive areas within and around the warehouse and/or storage facility. At its sole discretion, the Lottery reserves the right to designate where cameras shall be located for sufficient protection and how the video surveillance system and its data shall be administered. Monitors shall be in designated security office spaces. The digital video surveillance system shall include equipment that records twenty-four (24) hours per Calendar Day, seven (7) Days per week. All activity shall be viewable in real time at the Lottery and shall be recorded in a reviewable format. All recorded security video shall be retained for at least ninety (90) Days and shall be available upon request by the Lottery. The Contractor shall retain the video relating to any Incident until the Lottery permits destruction or reuse of the media. (MMR)

8.1.t The warehouse must be ready to accept tickets no later than sixty (60) Days prior to Go-Live. (MMR)

> **THE FOLLOWING ITEM(S) WILL BE SCORED.**
> **Provide responses to each of the following items.**
>
> **8.1.1** Describe the Proposer's methodology in obtaining a warehouse to securely house Lottery tickets and packages which meets the mandatory requirements.
>
> **8.12** Describe what physical access and security controls and procedures will be in place and how those controls and procedures will be monitored.
>
> **8.1.3** Describe the schedule or criteria for changing locks and electronic access codes.
>
> **8.1.4** Describe if and how entrances to the Lottery storage space and the warehouse would employ Multi-Factor Authentication (MFA).
>
> **8.1.5** Describe the format of the access logs referenced in 8.1.q and 8.1.r above and how they will be available and securely transmitted to the Lottery.
>
> **8.1.6** Describe how visitors will be admitted to, identified, and tracked within the warehouse.

8.1.7 Describe the environmental controls that will be implemented at the warehouse. Address compliance with local codes, provision of fire and safety protection, provision of HVAC system, including Redundant measures, maintenance, and inspection and monitoring of the controls during the Life of the Contract.

8.1.8 Describe how and where the special events trailers and van will be stored, including security measures and the degree of accessibility to Authorized Users.

8.2 Inventory Control and Management

The Contractor shall work closely with the Lottery to ensure that supplies of tickets are always available. The Contractor shall monitor inventory quantities and movement in order that potential out of stock or oversupply conditions can be quickly identified. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
8.2.a The Contractor shall manage out of stock and oversupply situations. (MMR)

8.2.b The Contractor shall warehouse, package, and prepare for distribution of Instant Games and other materials purchased by the Lottery from any vendor. (MMR)

8.2.c The Contractor staff shall perform various warehouse services for Instant Games and other materials. Services include but are not limited to warehouse functions such as:

1) Shipping/Receiving.

2) Stacking/Storing.

3) Loading and unloading trucks.

4) Inventory Control, including annual physical inventory.

5) Picking.

6) Packing.

7) Retrieval and put-a-way.

8) General housekeeping.

9) Operating and maintaining warehouse equipment.

10) Instant Ticket Returns (KBR)

THE FOLLOWING ITEM(S) WILL BE SCORED.
Provide responses to each of the following items.

8.2.1 Describe how the control and management of the inventory shall be performed.

8.2.2 Describe how status Reports routinely provided to the Lottery will indicate ticket inventory and Game availability.

8.3 Order Processing and Packaging

The Contractor shall process and package all orders placed on the System each Day, including Initial Distribution. (MMR)

Lottery Gaming System

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS

8.3.a Not including Initial Distribution orders, for Instant Game orders and POS orders placed during a Business Day, the Contractor shall complete picking and packing to ensure next Business Day delivery. (MMR)

8.3.b The Contractor shall use the Lottery's System to monitor ticket orders as they are processed. (KBR)

8.3.c The Contractor shall include additional materials supplied (e.g., brochures, Game end information, merchandise, etc.) in packages containing tickets to be delivered to Retailers at no additional cost to the Lottery or to Retailers. (KBR)

8.3.d The Contractor shall immediately, and in near real-time notify the Lottery electronically, inform Enforcement & Compliance staff of any stolen or missing tickets and comply with all protocols, documentation, and requirements of Enforcement & Compliance investigations. The Contractor shall include a detailed plan designed to ensure the security of Lottery tickets and the integrity of warehouse operations sixty (60) Days prior to Go-Live.   (MMR)

8.3.e The Contractor shall work with the distribution vendor (where applicable) to assist with investigations of stolen or missing tickets. (KBR)

8.3.f Procedures and controls shall be in place to ensure the confidentiality and integrity of Game information. Printing systems and data shall not be accessible to those involved in the warehousing activities and vice versa. (KBR)

8.3.g The Contractor shall provide all packing materials needed for packaging Lottery shipments for delivery by Lottery's distribution vendor. (MMR)

8.3.h The Contractor shall perform all services in accordance with the Occupational Safety and Health Administration (OSHA) guidelines. (MMR)

8.3.i The Contractor shall receive, store, and package for distribution any other materials as directed by the Lottery. (KBR)

> **THE FOLLOWING ITEM(S) WILL BE SCORED.**
> **Provide responses to each of the following items.**
>
> **8.3.1** Describe the hours and Days of the week for ticket ordering and processing.
>
> **8.3.2** Describe how the order processing and packing operation will ensure the security, integrity, efficiency, and accuracy of the warehousing and distribution of Lottery products.
>
> **8.3.3** Provide a detailed plan for the packaging of tickets and other materials for delivery to Retailers. Describe picking and packing procedures and controls and packing materials.
>
> **8.3.4** Describe the processing and packing plan during those weeks when there is a State holiday (e.g., Thanksgiving).
>
> **8.3.5** Describe how emergency orders will be handled. Include in your response how quickly Retailers or Lottery will receive an emergency order after the order is placed.

Lottery Gaming System

8.4 Instant Ticket Returns

The Contractor shall be responsible for receiving and processing Instant ticket returns. Throughout the year for various reasons, tickets are returned to the warehouse. Some are full Pack returns and some are partial Pack returns. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS

8.4.a Contractor shall promptly mark all Packs of tickets, partial or full, that have been returned to the warehouse to accurately reflect the location of Packs at all times. (MMR)

8.4.b Unsold tickets from inactive Games shall be stored separately from active Games until Game reconciliations are completed, at which time they shall be destroyed by the Contractor. (MMR)

8.4.c Returned full Packs shall be re-stocked for distribution if the Game is still being offered to Retailers, while partial Packs shall not be restocked for distribution. (MMR)

8.4.d Partial pack returns shall be identifiable to the ticket level. (MMR)

8.4.e The System shall have the ability to process returns, including partial packs, for more than one Game in a single return transaction. (KBR)

THE FOLLOWING ITEM(S) WILL BE SCORED.
Provide responses to each of the following items.

8.4.1 Describe the process, including timeline, to return and reissue full Packs of tickets returned from Retailers.

8.4.2 Describe the process for the return and storage of partial Packs and damaged Packs of tickets from Retailers.

8.4.3 Describe how theft of returned tickets being held in storage will be prevented.

8.5 Ticket Destruction and Other Materials

Contractor shall securely dispose of tickets and expired POS at the Lottery's direction. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS

8.5.a At the request of the Lottery, the Contractor shall shred and dispose of unsold, damaged, and returned tickets in a secure manner. (MMR)

8.5.b The Contractor shall shred or otherwise dispose of other materials at the request of the Lottery. (KBR)

THE FOLLOWING ITEM(S) WILL BE SCORED.
Provide responses to each of the following items.

8.5.1 Describe the method and location proposed for destruction and disposal, in a secure manner, of unsold, damaged, and returned tickets and other materials. The Lottery reserves the right to supervise the destruction of tickets or to require a Certificate of Destruction be provided.

8.5.2 Describe how the disposal of tickets and other materials will be done in an environmentally responsible manner.

8.6 Contractor Support Personnel

The Contractor agrees, the Lottery reserves the right to reject any personnel assigned to work on the Lottery account at any time. (MMR)

> **MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS**
>
> **8.6.a** The Contractor must notify the Lottery before dismissing or reassigning any personnel assigned to the Lottery account and shall provide the Lottery with specific information regarding the reasons for pending dismissal or reassignment. (MMR)
>
> **8.6.b** The Contractor shall provide a corporate account manager. The account manager shall act as a consistent point of contact for warehousing issues and shall meet regularly with Lottery staff. The account manager will not be an employee of the Lottery and all compensation for and expenses of this position must be provided by the Contractor. The Lottery reserves the right to reject the individual proposed. (MMR)
>
> **8.6.c** The Contractor shall provide staffing to ensure Game launch timelines are met. (MMR)
>
> **8.6.d** The Warehouse manager shall manage, such as, but not limited to, receiving, inventorying, packing, shipping, Lottery equipment and any equipment related to Promotions, preferably through an electronic system. (KBR)
>
> > **THE FOLLOWING ITEM(S) WILL BE SCORED.**
> > **Provide responses to each of the following items.**
> >
> > **8.6.1** Describe the warehouse staffing, organization, and training plan and provide the job description of the prospective warehouse manager.
> >
> > **8.6.2** Describe and provide examples of Proposer's experience working successfully with Enforcement & Compliance staff and other vendors in investigative efforts. Identify the protocols and plans Proposer intends to use in these efforts with the Lottery.
> >
> > **8.6.3** Describe escalation procedures for resolving any issues that arise during the Contract, including conditions that will trigger the escalation and reactions to recover from the issue.

8.7 Implementation Plan

> **MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS**
>
> **8.7.a** The Contractor shall produce and initiate the Implementation Plan no later than thirty (30) Days after the date of Contract execution. The Implementation Plan shall include transition from the Lottery's existing warehouse to the proposed warehouse and must take into consideration the Lottery's objective to maintain sales and minimize Retailer and player impact with no down time. The final Implementation Plan is subject to Lottery approval. (MMR)
>
> **8.7.b** The Implementation Plan shall list expected roles and responsibilities of the Contractor, Lottery staff, and third-party providers including estimated staffing time and obligations. (KBR)
>
> **8.7.c** The new Contractor shall, as part of its Implementation Plan, establish the date of transition from the current Contractor's warehouse to its warehouse. The Contractor shall also be responsible for securely moving tickets to its warehouse. (KBR)

8.7.d If the transition involves any interim facilities, the plan shall include how the interim facility shall satisfy the Requirements of Section 8.1 (Warehouse Facility). (KBR)

> **THE FOLLOWING ITEM(S) WILL BE SCORED.**
> **Provide responses to each of the following items.**
>
> **8.7.1** Provide a draft Implementation Plan in the RFP response. Describe the plan for transitioning warehouse functions performed by the current contractor. (Draft Implementation Plan will be excluded from page limit.)
>
> **8.7.2** Describe the proposed implementation approach and methodology and provide a recommendation for converting an existing warehouse. Describe experience with similar implementation with another NASPL lottery.

8.8   Disaster Recovery Plan

In the event of a disaster that disables the warehouse, the Contractor shall provide hardware, software, facilities, other components, and services necessary to resume Lottery operations. (MMR)

> **MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS**
> **8.8.a** Facilities, materials, and other components shall be furnished, installed, and operational within thirty (30) Days after the disaster. Any substitute facilities shall meet Lottery-approved environmental and security Requirements. (MMR)
>
> **8.8.b** The costs of implementation of any portion of the Disaster Recovery Plan shall be borne by the Contractor. (MMR)
>
> **8.8.c** The Contractor shall submit a detailed Disaster Recovery Plan to the Lottery for approval no later than sixty (60) Days after Contract execution and update annually. The Contractor's plan shall align with the Lottery's COOP. The Contractor's plan shall include, but is not limited to, the following sections, including timelines for recovery:
>
> a)   Recovery strategy.
>
> b)   Emergency response.
>
> c)   Problem escalation.
>
> d)   Plan activation.
>
> e)   Recovery of operations, including detailed System recovery procedures and documentation.
>
> f)   Continuity of the processing of Lottery orders.
>
> g)   Plan review, testing, and regular updating.
>
> h)   Contact information. (KBR)

8.8.d The Contractor shall provide a copy of their Disaster Recovery Plan for any additional facilities and capabilities necessary to support the warehousing functions described in this section to the Lottery for approval no later than sixty (60) Days after Contract execution and update annually. (KBR)

> **THE FOLLOWING ITEM(S) WILL BE SCORED.**
> **Provide responses to each of the following items.**

Lottery Gaming System

8.8.1 Provide an example Disaster Recovery Plan currently in use with another NASPL lottery. (Disaster Recovery Plan will be excluded from the page limit.)

8.8.2 Describe the approach and methodology that will be used to develop the Disaster Recovery Plan.

8.9   Additional Requirements

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS

8.9.a The Contractor shall provide all other services, procedures, materials, supplies, goods, programs, policies, equipment, facilities, etc., necessary for the successful daily operational aspects of the products and services proposed in this section, even if there are no specific Requirements for those items listed in this section. The Contractor is not released from the responsibility of providing all needed items to make the proposed products and services successful by failing to indicate necessary items within their Proposal. (MMR)

8.9.b The Contractor shall continually evaluate staffing and equipment needs to ensure optimal service. The Contractor shall add equipment and staff as needed to meet contractual Requirements at Contractor's expense. (KBR)

8.10   Courier Services

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS

8.10.a The Contractor shall provide courier services for packages and other materials as needed between Lottery locations and Contractor facilities. Deliveries will take place at times selected by the Lottery, and May occur daily, or as often as requested by the Lottery. Use of a Subcontractor to make deliveries must be approved by the Lottery. All courier services must be provided at the expense of the Contractor. (MMR)

8.10.b The Contractor shall provide courier services, which may be daily, between any Lottery Redemption Center and Lottery Headquarters for claim and payment materials. (KBR)

Lottery Gaming System

9 TECHNICAL REQUIREMENTS – TELEMARKETING (TEL-SELL) SERVICES

This Section includes Technical Requirements for which the Proposer shall provide a narrative response (scored question) which will be evaluated, Minimum Mandatory Requirements (MMR(s)) that shall be met by the Proposer and reviewed on a pass/fail basis, and Key Business Requirements (KBR(s)) that must be met as described in Section 3.1 (Preliminary Evaluation).

Any material within the response including images, pictures, depictions, or diagrams that are not explicitly identified as outside the base product will be considered part of the base System.

The State requires the Contractor to have the proven ability to deliver the types of services sought in this RFP. The purpose of this section is to provide the State with a basis for determining a Proposer's capability to undertake a Contract of this size and scope.

Unless requested to do so, Proposer must not direct the reader to a website or any other source outside of the applicable RFP section as part of its response to the requirement or question unless it is a map, diagram, or schematic included in another section within the RFP.

Responses to scored questions that merely restate the requirement or only indicate an acknowledgement of understanding and a willingness to comply will be considered unresponsive.

9.1 Telemarketing Management

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS

9.1.a The Contractor shall provide Instant Game ticket telemarketing operations for Lottery Retailers and customers. This operation shall have a process for placing, receiving, and logging calls, inquiries, and complaints. (MMR)

9.1.b The Contractor shall provide the System, as documented in Section 6.3.9 (Instant Ticket Order Fulfillment – Telemarketing), to place and monitor ticket orders. All necessary and required systems for the operation of the telemarketing operation are the responsibility of the Contractor. (MMR)

9.1.c The Contractor shall provide computers, telephones, fax machines, and all other equipment necessary for a telemarketing operation. (MMR)

9.1.d The telemarketing function shall be operational seven (7) Days a week and be able to recognize non-duty periods such as weekends and holidays. (MMR)

THE FOLLOWING ITEM(S) WILL BE SCORED.
Provide responses to each of the following items.

9.1.1 Provide the telemarketing operations and business plan to be used for contacting and receiving calls from Retailers to place orders, to answer questions, and to handle Retailer concerns.   The plan should focus on profitability while addressing the need for security, integrity, efficiency, and accuracy.

9.1.2 Describe how the System will integrate CRM with the Telemarketing system to manage all of the Retailer needs without having to redirect them during a call.

Lottery Gaming System

9.2 Ticket Ordering and Processing

The Lottery's current Contractor has a full-service telemarketing program which handles about seven hundred (700) orders (three thousand three hundred (3,300) Packs) daily, predominately from out-bound calls. Calls are placed through a contractor-supplied telephone system and dialed using their customer relationship management software. Using suggested order software, telemarketers enter orders into the System. This allows telemarketers to pinpoint the needs of the Retailers by informing them of Games on hand and the validation history of those Games, preventing ticket outages, thus maximizing sales and profitability. In addition to orders, in-bound calls often require special handling due to Retailer requests. Currently, the majority of Retailers are called weekly.

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS

9.2.a The Contractor shall meet and maintain established performance standards for telemarketing service throughout the Life of the Contract to provide customer service to satisfy the scope of work with the Lottery. The performance standards listed below shall be calculated monthly by the Contractor and reported to the Lottery:

1) All incoming calls shall be answered within thirty (30) seconds.

2) Maximum abandoned inbound call rate is ten percent (10%) per Day.

3) Callers shall not be placed on hold or in a queue longer than one hundred and twenty (120) seconds.

4) When a return call is required, it shall be returned by the end of that Business Day.

5) All phone system problems shall be corrected within four (4) hours of detection.

6) All planned outages shall be scheduled with the Lottery at least two (2) weeks in advance.

7) The Lottery reserves the right to request additional performance metrics to be measured and reported on throughout the Life of the Contract. (MMR)

9.2.b The Contractor shall be able to communicate with Retailers in English, Hindi, and possibly other languages. (KBR)

9.2.c The Contractor shall document Retailer activity in the Lottery Customer Relationship Management (CRM) system, as described in Section 6.10 Customer (Retailer) Relationship Management. (KBR)

9.2.d Based on information provided by the Lottery, the Contractor shall remain knowledgeable at all times of each Retailer's status and be able to suppress ordering, including Initial Distribution orders for delinquent Retailers. The Lottery reserves the right to deny or limit ordering of tickets for Retailers who are delinquent, are bad credit risks, or for other reasons. (KBR)

9.2.e The call center system shall be compatible with TTY service for the hearing impaired. (MMR)

9.2.f Call center shall use call scripts approved by the Lottery. (MMR)

9.2.g Call center shall be available for calls from 7:00 AM to 4:00 PM for next Business Day order delivery. Call distribution plan across Business Days shall be approved by the Lottery. (MMR)

9.2.h Retailer satisfaction surveys shall be conducted for the Lottery periodically. A satisfaction rating of ninety five percent (95%) or higher is required. The cost of carrying out these surveys, by a third party, shall be borne by the Contractor. (KBR)

Lottery Gaming System

9.2.i All telemarketing conversations shall be recorded. Recording of conversations shall adhere to all federal, State, and local laws. Recorded conversations shall be available for Lottery review for a minimum of sixty (60) Days. (MMR)

9.2.j All telemarketing calls shall be monitored for quality assurance, tracked, and reported. Data to produce such Reports shall be available to Authorized Users. Data shall reflect at least twelve (12) months of historical telemarketing information. (KBR)

9.2.k The Contractor shall be responsible for ongoing training, daily monitoring, quality performance, and continuous process improvement. (KBR)

9.2.l The Contractor shall not place an order with insufficient inventory to fill the order. (KBR)

> **THE FOLLOWING ITEM(S) WILL BE SCORED.**
> **Provide responses to each of the following items.**
>
> **9.2.1** Describe experience, including examples, of how the performance standards within Section 9.2.a will be met and detail the methods used to meet those standards.
>
> **9.2.2** Describe the order creation process and the real-time methods that will be available for the Lottery to monitor TMR as they process ticket orders.
>
> **9.2.3** Describe the data that will be captured for use by the Lottery. Describe all relevant issues such as data granularity, File export or import, File format, etc., and how that data will be transmitted to the Lottery.
>
> **9.2.4** Describe the hours of operation for ticket ordering including the Days of the week and holidays.
>
> **9.2.5** Describe the telemarketing plan during those weeks when there are State or Federal holidays (e.g., Thanksgiving).
>
> **9.2.6** Provide several examples of standard Reports that will provide details for monitoring performance as outlined in this section. Include how these Reports will be accessed by Authorized Users, the frequency with which they are updated, and how anomalous conditions will be highlighted. (Examples will be excluded from page limit.)
>
> **9.2.7** Describe the ability of the telemarketing staff to accommodate languages other than English. (e.g., Hindi, Spanish, Hmong, and other languages of the Indian sub-continent).
>
> **9.2.8** Describe how Retailer call activities will be recorded and retained.
>
> **9.2.9** Describe how telemarketing staff will integrate suggested ordering data into outbound calls.
>
> **9.2.10** Describe how telemarketing staff will handle common Retailer issues including, but not limited to:
>
> 1) Pack activation.
> 2) Emergency orders.
> 3) Ticket returns.

4) Accounting issues.

5) Delivery issues.

6) Troubleshooting Retailer problems.

7) Retailer complaints.

8) Requests for service, PM service, consumables, or Retailer equipment.

9.2.11 Describe how the Proposer will integrate orders from NPOs, which are not called regularly, into standard call distribution.

9.2.12 Describe how planograms are linked to CRM and telemarketing to assist in ordering.

9.2.13 Describe how suggested orders could be used without performing the outbound call.

9.3 Telemarketing Additional Duties

The Contractor's telemarketing staff shall perform special functions as requested by the Lottery, included but not limited to:

1) Pack activation.

2) Emergency orders.

3) Ticket returns.

4) Accounting issues.

5) Delivery issues.

6) Troubleshooting Retailer problems.

7) Retailer complaints.

8) Requests for service, PM service, consumables, or Retailer equipment. (MMR)

THE FOLLOWING ITEM(S) WILL BE SCORED.
Provide responses to each of the following items.

9.3.1 Describe how telemarketing staff will perform the following Retailer activities, including but not limited to:

1) Update Lottery's CRM.

2) Retailer File maintenance/data entry.

3) Retailer training.

4) Inform Retailers about Short-Term Incentives and encourage their participation.

5) Inform Retailers of limited time offers on Lotto games and encourage their participation.

6) Provide Retailer feedback to Lottery.

7) Monitor and report progress on Retailer Performance Program.

8) Gathering survey or questionnaire data.

9) Winner Awareness.

10) Create and submit Terminal messages for Lottery approval.

11) Work with Field Marketing Representatives on sales strategies and customer needs.

12) Information requests and Retailer mailings.

9.3.2 Describe how telemarketing staff will perform the following Game management activities, including but not limited to:

1) Update Retailer website.

2) Update Terminal game calendar and Game end Reports.

3) Notify Retailers of top prize status and remove from order screens.

4) Inform Retailers of Initial Distribution of new Games.

5) Inform Retailers of Game ends.

6) Assist warehouse in managing inventory of Games.

9.3.3 Describe how telemarketing staff will promptly alert Lottery to any of the following conditions:

1) Game sell-out.

2) Network issues.

3) Printing issues related to Instant tickets.

9.3.4 Describe the process the telemarketers will use to record and transmit orders from Retailers for POS materials and Retailer documentation.

9.4 Contractor Support Personnel

The Contractor agrees, the Lottery reserves the right to reject any personnel assigned to work on the Lottery account at any time. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
9.4.a Contractor staff shall be exclusively dedicated to the Wisconsin Lottery to fulfill the Requirements for a telemarketing operation. The Contractor shall specify the anticipated organization of the telemarketing operation, including supervisory and nonsupervisory positions and reporting responsibilities. The Contractor shall provide a proposed organizational chart sixty (60) Day before Go-Live. (MMR)

9.4.b The Contractor shall notify the Lottery before any personnel changes to the Retailer account and Lottery will be notified of resource reassignment. (KBR)

9.4.c The account manager shall act as a consistent point of contact for telemarketing issues and shall meet regularly with Lottery staff. The account manager will not be an employee of the Lottery and all compensation for, and expenses of this position shall be provided by the Contractor. The Lottery reserves the right to reject the individual proposed. The account manager shall have telephone experience in a call center environment in addition to the qualifications listed for telemarketing staff. (KBR)

9.4.d Telemarketers shall work on multiple tasks simultaneously such as web-based system applications, out-bound calls, in-bound calls, CRM data entry, and additional assigned projects. Telemarketers shall represent the Lottery in a professional manner while providing exceptional customer service. (KBR)

9.4.e Personnel hired for these positions shall first be screened by the Contractor for diction, grammar, voice quality and articulation, computer proficiency, customer service skills, and experience. (KBR)

9.4.f The Contractor shall have the ability to add/divert trained staff to accommodate any increased or decreased call volume. (KBR)

9.4.g The Contractor shall attend monthly status meetings with the Lottery. Meeting may be in-person or via video conference call. More frequent meetings May be needed as requested by the Lottery. (MMR)

> **THE FOLLOWING ITEM(S) WILL BE SCORED.**
> **Provide responses to each of the following items.**
>
> **9.4.1** Describe telemarketing staffing and organization. Include in your response any Subcontractors that will be utilized in the telemarketing operation. All Subcontractors are subject to the requirements outlines in Section 5.1.60 (Subcontracting).
>
> **9.4.2** Provide a telemarketing staffing and training plan and provide the resume or job description of the prospective telemarketing manager and representatives. In addition, describe the minimum qualifications, including years of telemarketing experience, that will be required for supervisory and nonsupervisory positions within the operation.
>
> **9.4.3** Describe how the Proposer will work with the Lottery to ensure optimum service to Retailers and Lottery staff. As part of these services, telemarketing staff will work closely with Lottery FMRs and the other Lottery staff including Key Accounts, Retailer Contracting and Financial Services, Player Relations, and Product Development. Describe how telemarketing staff will interact, update, and communicate with Lottery FMRs. Currently, twenty (20) FMRs call on Retailers throughout the State. Identify potential issues and describe how those issues will be handled.
>
> **9.4.4** Describe escalation procedures for resolving any issues that arise during the Contract, including conditions that will trigger the escalation and reactions to recover from the issue.
>
> **9.4.5** Describe intended staffing and provide job descriptions for other miscellaneous staffing positions, in addition to those positions specifically described or mentioned in this section or elsewhere in this RFP.

9.5 Staff Training

The Contractor shall provide staff training which consists of product knowledge and System training for all staff prior to answering calls. Additional areas of training May focus on projecting positive and helpful attitude, communicating confidently, customer service focus, and handling PII. (MMR)

> **MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS**
> **9.5.a** The Contractor shall provide a proposed initial and ongoing training program and schedule. (KBR)

9.5.b The Contractor shall provide copies of all training materials (to be used) to the Lottery for approval prior to training. (KBR)

9.5.c Telemarketers shall be trained in professional telephone etiquette and sales techniques. (MMR)

9.5.d The Contractor shall provide continuous training for telemarketing staff regarding Lottery products, limited time offers, Short Term Incentives, and any other changes to Lottery operations. (KBR)

> **THE FOLLOWING ITEM(S) WILL BE SCORED.**
> **Provide responses to each of the following items.**
>
> **9.5.1** Describe the amount of training that would be provided to Proposer staff regarding these operations on an on-going basis.
>
> **9.5.2** Provide a sample training plan. Include milestones and metrics that can be used to evaluate the training plan's effectiveness.
>
> **9.5.3** Describe how the Proposer will ensure that telemarketers have received sufficient training.

9.6 Telemarketing Facility

Contractor shall provide a secure telemarketing facility within ten (10) miles of the Lottery Headquarters for order processing. (MMR)

> **MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS**
> **9.6.a** The Contractor's entire telemarketing facility shall be protected from unauthorized access, damage, and disaster. Facilities, organization, and procedures shall be designed to ensure the security and integrity of Lottery operations. (MMR)
>
> **9.6.b** Telemarketing facility and personnel shall be operational no later than thirty (30) Days prior to Go-Live. (KBR)
>
> **9.6.c** The Contractor's computers that can access the System shall be protected from unauthorized access within the telemarketing facility. (MMR)
>
> **THE FOLLOWING ITEM(S) WILL BE SCORED.**
> **Provide responses to each of the following items.**
>
> **9.6.1** Describe the Proposer's methodology in obtaining the telemarketing facility which meets the mandatory requirements.
>
> **9.6.2** Describe the security controls, including the access control system(s) and procedures, security equipment and procedures, system software (i.e., passwords, data transfer integrity, etc.), and intrusion detection and monitoring. Equipment and procedures must be approved by the Lottery.
>
> **9.6.3** Describe a plan for continuation of the telemarketing functions in the event the main telemarketing facility is unavailable for operations, such as a loss of network connectivity. Indicate how Lottery will be notified.
>
> **9.6.4** Describe your approach and policy on telecommuting from the proposed facility.

Lottery Gaming System

9.7   Implementation Plan

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS

9.7.a The Contractor shall produce and initiate the Implementation Plan no later than thirty (30) Days after the date of Contract execution. The Implementation Plan must include transition from the existing telemarketing system and staff to the Contractor's proposed telemarketing system and staff taking into consideration the Lottery's objective to maintain sales and minimize Retailer and player impact with no down time. The final Implementation Plan is subject to Lottery approval. (MMR)

9.7.b The Implementation Plan shall list expected roles and responsibilities of the Contractor, Lottery staff, and third-party providers including estimated staffing time and Requirements. (MMR)

9.7.c The Contractor shall, as part of its Implementation Plan, establish the date of transition from the existing telemarketing staff to the Contractor's telemarketing staff. (MMR)

THE FOLLOWING ITEM(S) WILL BE SCORED.
Provide responses to each of the following items.

9.7.1 Provide a draft Implementation Plan in the RFP response. Describe the plan for transitioning telemarketing functions. (Draft Implementation Plan will be excluded from page limit.)

9.7.2 Describe the proposed implementation approach and methodology and provide a recommendation for implementation of a telemarketing operation. Describe experience with similar implementation with another NASPL lottery.

9.7.3 Describe any differences between staffing at the time of implementation and throughout the Life of the Contract.

9.8   Disaster Recovery Plan

In the event of a disaster that disables the telemarketing facility, the Contractor shall provide hardware, software, facilities, other components, and services necessary to resume Lottery operations. (MMR)

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS

9.8.a Facilities, hardware, and other components shall be furnished, installed, and operational within thirty (30) Days after the disaster. Any substitute facilities shall meet Lottery-approved environmental and security Requirements. (MMR)

9.8.b The costs of implementation of any portion of the Disaster Recovery Plan shall be borne by the Contractor. (MMR)

9.8.c The Contractor shall submit a detailed Disaster Recovery Plan to the Lottery for approval no later than sixty (60) Days after Contract execution and update annually. The Contractor's plan shall align with the Lottery's COOP. The Contractor's plan shall include, but is not limited to, the following sections, including timelines for recovery:

   a)   Recovery strategy.

   b)   Emergency response.

   c)   Problem escalation.

   d)   Plan activation.

e) Recovery of operations.

f) Continuity of the ordering of Lottery games.

g) Plan review, testing, and regular updating.

h) Contact information. (MMR)

9.8.d The Contractor shall provide a copy of their Disaster Recovery Plan for any additional facilities and capabilities necessary to support the telemarketing services described in this section. (KBR)

> **THE FOLLOWING ITEM(S) WILL BE SCORED.**
> **Provide responses to each of the following items.**
>
> **9.8.1** Provide an example Disaster Recovery Plan currently in use with another NASPL lottery. (Disaster Recovery Plan will be excluded from the page limit.)
>
> **9.8.2** Describe the approach and methodology that will be used to develop the Disaster Recovery Plan.

9.9 Additional Required Operational Items

MINIMUM MANDATORY AND KEY BUSINESS REQUIREMENTS
9.9.a The Contractor shall provide all other services, procedures, materials, supplies, goods, programs, policies, equipment, facilities, etc., necessary for the successful daily operational aspects of the products and services proposed in this section, even if there are no specific Requirements for those items listed in this section. The Contractor is not released from the responsibility of providing all needed items to make the proposed products and services successful by failing to indicate necessary items within their Proposal. (MMR)

9.9.b The Contractor shall continually evaluate staffing and phone equipment needs to ensure optimal customer service. The Contractor will add equipment and staff as needed to meet contractual Requirements at the Contractor's expense. (KBR)

Lottery Gaming System

10 COST PROPOSAL

The Cost Proposal must be submitted separately from the RFP response. NOTE: The successful Proposer will receive no compensation prior to successful Conversion. The Conversion Period is expected to last approximately eighteen (18) months.

10.1 General Instructions on Preparing Cost Proposal

Do NOT include any cost information in any written response to any section of the RFP except on Attachment A (Cost Proposal Worksheet).

10.1.1 Gaming System and Services

10.1.1.1 Base Cost

The Proposer's base cost shall include:

A. All Minimum Mandatory Requirements (MMR) as stated in this RFP.

B. All Key Business Requirements (KBR) to which the Proposer has agreed to in Key Business Requirements (KBR) Matrix (Attachment D).

C. All functionality, features, technology, security functions, services, equipment, supplies, etc. that the Proposer included in their response to the RFP as well as anything the Proposer identified as exceeding the Minimum Mandatory Requirements.

D. All functionality, features, technology, security functions, services, equipment, supplies, etc. described in the Proposer's response to the RFP in Section 6 (Technical Requirements - Gaming System and Services), Section 7 (Technical Requirements - Distribution Services), Section 8 (Technical Requirements - Warehouse Facility and Services), and Section 9 (Technical Requirements - Telemarketing (Tel-Sell) Services). (Excludes items listed in Section 6.11 (Options)).

E. All functionality, features, technology, security functions, services, equipment, supplies, etc. required for the Life of the Contract.

F. Proposal costs must take into consideration all inherent costs of providing the services described in the RFP.

Base Cost shall be a percentage (%) of weekly net sales. The percentage quoted shall be the Contractor's compensation for all costs for the System for the Life of the Contract.

Net sales equals gross Instant ticket sales (including pull-tabs) less any returns based on Lottery financial accounting; plus gross Lotto sales less any discounts. The Wisconsin Lottery currently does not offer free tickets.

10.1.1.2 Fixed Hourly Rate

In Section 6.3.16 (Software Development and Modifications), the Lottery states that the Contractor shall provide cost information for additional software development that is outside of the Requirements in the RFP.

This cost shall be stated as a fixed hourly rate that covers the software development activities for all work and services required for the software development from initial design to final installation into production.

10.1.1.3 Optional Items Pricing

Proposers must use Attachment A (Cost Proposal Worksheet) to provide cost for items detailed in Section 10.2 (Lottery Invited and Proposer Provided Options) where such items are offered.

If the cost is a percent (%) of sales, the entry shall be a plus (+) to the Base Cost above.

Options provided at no charge should be priced as zero dollars ($0.00) on the Cost Proposal.

Proposers May add rows to the form below as necessary. Proposers shall clearly describe any options added to the form.

The Proposer shall list any services, functionality, security, hardware, software, etc. that are not included in the Base Cost. The Proposer shall provide the cost for those items in any cost format chosen by the Proposer in Attachment A (Cost Proposal Worksheet) as instructed. Items that are already listed in the Lottery Specified shall not be listed again.

Any functionality, feature, technology, security functions, services, equipment, supplies, etc. that are included in Section 6 (Technical Requirements - Gaming System and Services), Section 7 (Technical Requirements - Distribution Services), Section 8 (Technical Requirements - Warehouse Facility and Services), and Section 9 (Technical Requirements - Telemarketing (Tel-Sell) Services), May be listed separately, but shall be included the Base Cost, except for Section 6.11.1 (Lottery Specified Options) and Section 6.4.12 (Player Mobile App (Specified Option)).   Options provided at no charge above the Base Cost, or included in the Base Cost, should be priced as zero dollars ($0) on the Cost Proposal. If a Proposer lists one of these items as an Optional cost item, the Proposer shall have their Base Cost increased by the amount listed.

The Lottery May choose to add any of the Optional Items at any time during the Life of the Contract.

10.2 Lottery Invited and Proposer Provided Options

Proposers May describe any options available that are not covered elsewhere in this RFP or other State contracts. Cost and availability information for each item shall be listed separately in Section 10 (Cost Proposal).

10.2.1 Lottery Invited Options

An Invited Option is identified as being of specific interest to the Lottery, although the Lottery makes no commitment to any quantity or timing for the acquisition. The Contractor is not obligated to include an Invited Option in the Proposal. Invited options are not scorable and used as additional features that can be included and negotiated after contract award.

TBD pricing is not allowed for the Invited Options the Contractor chooses to provide. Pricing is valid for eight years from System Go-Live. If the Lottery decides to implement any Invited Option after this initial eight-year period, pricing will be negotiated and based on a mutual agreed statement of work.

10.2.1.1 In-Lane Lottery Solution (Invited Option)

This feature allows certain high-volume Retailers, such as grocery or super-stores, the ability to offer several cashier points for the sale and validation of Lottery tickets, rather than requiring players to visit a central customer service counter. Proposer is invited to offer solutions for use in multi-lane stores, with a simplified set of features compared to the conventional Terminal. Where present, functions should be consistent with

primary Terminal functions. Proposer are invited to provide a detailed list of functions and Game support, hardware, and security information.

10.2.1.2 Specialty Devices (Invited Option)

Proposer is invited to offer other types of specialty devices employing special features or functions that may be of use to the Lottery. Each type of specialty device shall be proposed separately from any other device. A description should be provided that covers information consistent with similar devices.

10.2.1.3   Non-Gaming Functionality (Invited Option)

Proposer is invited to describe any capability of the System to provide non-gaming functionality (e.g., fishing licenses,).

10.2.1.4   Regional Redemption Centers (Invited Option)

Proposer is invited to offer Regional Redemption Centers. Currently, the Lottery has one Regional Redemption Center, located in Milwaukee, Wisconsin, plus the special event mobile Redemption Center but would like to offer more convenient options in other regions of the State. Proposals shall describe how all electronic communications and physical equipment are secured consistent with the expectations of other aspects of the System. Proposals May include a range of business models, including offices operated by the Contractor, offices operated by a Subcontractor, or offices operated as hybrids of Contractor, Subcontractor, and Lottery Retailer. Proposals May include business models that co-locate a Regional Redemption Center in a retail or service setting (e.g., Lottery Retailer, branch bank, newsstand, eyewear retail, cellphone retail, county, or municipal services office.) Proposals shall address staffing hours. Proposals may address the co-location, re-location, or replacement of the Lottery's current Regional Redemption Center. Given that Regional Redemption Centers might not be installed at Conversion, Proposals should include dates when services would optimally be available and how the rollout would occur. Proposals shall address performance reviews of these offices.

10.2.1.5   Regional Redemption Center Staff Augmentation (Invited Option)

With the implementation of additional Redemption Centers, Lottery may require additional staffing to support the Regional Redemption Centers. Staffing may be temporary and/or part-time as required for the region and period the center is open.

10.2.1.6   Main Lottery Website (Invited Option)

Proposer is invited to offer optional internet-based services that deliver financial data to Retailers in a secure manner consistent with the rest of the Proposal, and product and event information to its players, potentially including player rewards programs via both a website and a mobile application. The player website could be linked to the current public-facing website or possibly replace the current website entirely. Proposals should include a content management system (CMS) product which can be used with Minimal modifications; an estimate of the cost associated with implementing and maintaining the website and any associated mobile solutions beyond what is required in this RFP and information on how each solution incorporates the North American Association of State and Provincial Lotteries (NASPL) best practices and standards. The Contractor May also include the ability for claimants to complete a digital claim form on the website. Claimants shall be able to fill out the digital claim form, then a Lottery staff member can pull up a claim record in the System and process it with no need for a physical claim form.

10.2.1.7 Customer Service Call Center - Player Facing (Invited Option)

The Lottery currently does not have a dedicated customer service call center, and staff who assist with answering player inquiries. With the growth of the Lottery, Lottery may require additional staffing to support player inquiries and other duties. Staffing may be temporary, part-time, or full-time, and at a specific location based on the needs of the Lottery.

10.2.1.8 Mobile App Digital Claim Form (Invited Option)

Proposer May provide the ability for claimants to complete a digital claim form on the mobile app. Claimants shall be able to fill out the digital claim form, then a Lottery staff member can pull up a claim record in the System and process it with no need for a physical claim form.

10.2.1.9 Special Events Van and Trailer (Invited Option)

Proposer May provide an option to supply the Lottery with a Van and/or Trailer for special events and mobile validation.

10.2.1.10 Additional Regional Warehouse Space (Invited Option)

Proposer May provide an option to supply the Lottery with additional regional warehouse space, location as determined by Lottery. Environmental and security requirements shall be consistent with building requirements defined within the RFP. Warehouse space pricing is preferred as a price per square foot.

10.2.1.11 Mobile App (Web-based) Loyalty Based Incentives (Invited Option)

Proposer May provide an option for the player mobile app and/or website to provide loyalty-based incentives. This will allow certain activities and data points (such as a birth date) to be eligible to receive "points" or benefits as designated by the Lottery.

10.2.1.12 Alternative Play Devices (Invited Option)

Some Retailers may offer alternative play devices such as self-service play, gas pump play, cash register play, portable terminals, or other opportunities for sales of tickets. The Lottery may consider solutions that support in-lane play, gas pump play, portable terminals, or other opportunities for sales of tickets, possibly with a simplified set of features compared to the conventional retailer terminal. Include in your response general features, limitations, and security features of each device offered.

10.2.1.13 Player Rewards Program (Invited Option)

The Lottery is seeking a solution that may bridge the product offerings, provide points for various cross-channel campaigns or Promotions, and the ability to create Game awareness, player engagement and ultimately new player acquisition. The Lottery is seeking to understand the available rewards programs offered by Contractor for play on mobile web, desktop, and via mobile app. The Lottery is seeking a cost-effective and innovative solution that fosters player engagement and Lottery values and may include player communications, points for products, campaigns, Promotions, or other activities such as badges, leveling up, and other achievements based not only on tickets scanned, but actions and events. The rewards program would be mobile-first approach with the ability to offer second chance (full program), robust survey capabilities, and has play via app that also uses the rewards functionality (earning and redemption of points). The goal is frequent and responsible player engagement and new player acquisition.

10.2.1.14 Pull Tabs (Invited Option)

The Proposer May provide an option to supply the Lottery with traditional (i.e., paper, break-open) pull tab ticket dispensers, vending machines, and other Peripherals.

10.2.2 Proposer Offered Options

An Offered Option may be identified by the Proposer and included in the Proposal. This is an opportunity for the Proposer to offer options that the Lottery may not have been aware of at the time the RFP was written. The Lottery makes no commitment to quantity or timing for acquisition of Offered Options.

Clearly identify the items offered and the terms under which they are offered. Proposer is not required to submit any Offered Options. TBD pricing is not permitted. Pricing is valid for eight years from system Go-Live. If the Lottery decides to implement any Offered Option after this initial eight-year period, pricing will be negotiated and based on a mutual agreed statement of work.

10.2.2.1 Other Options (Offered Option)

Proposers are invited to describe any options available outside of the Requirements of this RFP. Indicate how the System proposed will be able to readily adapt to each option. Enter the item and the cost for the item on the form in Cost Sheets.

10.3 Cost Worksheets

Completion of Attachment A (Cost Proposal Worksheet) is **Mandatory**. Proposers are responsible for entering cost data in the format prescribed in this RFP. Cost submitted must be in U.S. dollars, and all percentages must be limited to two decimal places (e.g., xx.yy%). It is the sole responsibility of the Proposer to ensure that all mathematical calculations are correct and that the total Cost Proposal provided accurately reflects costs. Estimated Cost Proposals are not acceptable.

The Cost Proposal shall be submitted on Attachment A (Cost Proposal Worksheet) according to the instructions. Failure to provide any requested information in the prescribed format May result in rejection of the Proposal.

10.4 Fixed Cost Period

Cost shall remain firm for the initial Contract term, see Section 1.11 (Contract Term and Funding) and will be mutually agreed for any extension period ninety (90) Days prior to the beginning of the next Contract period.

10.5 Cost Clarification

The State reserves the right to clarify any cost discrepancies related to assumptions on the part of the Proposers.

10.6 Extension

If the Wisconsin Lottery exercises the right to extend the term of the Contract, the Lottery reserves the right to request a technology refresh, or any other goods and services offered for the extension period. For the extension period, the Contractor shall specifically identify and define what may be included in a technology refresh. If the technology refresh requires a cost increase, this must be clearly outlined as part of the refresh.

11 LIST OF REQUIRED FORMS AND SUPPORTING DOCUMENTS

All forms, attachments, and appendices are found in the Wisconsin eSupplier Portal in the "Supporting Documents" section.

DOA-3832: Bidder Required Form
DOA-3054: State of Wisconsin Standard Terms and Conditions
DOA-3681: State of Wisconsin Supplemental Standard Terms and Conditions for Procurements for Services
DOA-10816: Vendor Cloud Solution Information Form
Attachment A: Cost Proposal
Attachment B: Response to Terms and Conditions
Attachment C: Minimum Mandatory Requirements (MMR) Matrix
Attachment D: Key Business Requirements (KBR) Matrix
Attachment E: Bid Factors (Hard Copy Response Only)
Appendix 1: Ticket Sales
Appendix 2: Retailers by County
Appendix 3: Wisconsin Lottery Non-Disclosure Agreement
Appendix 4: Self-service Vending Terminal Map
Appendix 5: RPP Short Term Incentive
Appendix 6: Report List
Appendix 7: Existing Back Office Software Applications
Appendix 8: Field Marketing Territory Map
Appendix 9: Shipping Manifest