

Mary Ann Williamson
Chairman

J. Winston Krause
Commissioner



TEXAS LOTTERY COMMISSION

Gary Grief, *Executive Director*

Philip D. Sanderson, *Charitable Bingo Operations Director*

October 22, 2010

Joe Lapinski
GTECH Texas
5301 Riata Park Court
Bldg. E, Suite 100
Austin, TX 78727

Via facsimile: 512.339.0405
E-mail: joseph.lapinski@gtech.com
TIME SENSITIVE

RE: Request for Proposals (RFP) for Lottery Operations and Services,
RFP #362-10-000

Dear Mr. Lapinski:

The Texas Lottery Commission (TLC) is reviewing the Proposal submitted by GTECH in response to the referenced RFP. As stated in Part 5 of the RFP, each Proposer must include in its Proposal a Historically Underutilized Business (HUB) Subcontracting Plan (HSP). Pursuant to RFP Section 5.2.3, the TLC requests clarification as set forth in items 1-3 below.

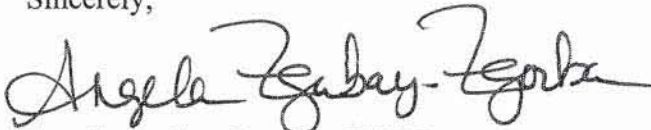
1. Tab 2.98, Neon Signs and Jackpot Signs – GTECH solicited three (3) HUB vendors for this subcontracting opportunity. However, it does not appear that all HUB vendors notified were listed in the Centralized Master Bidders List as providing both types of signs. Please identify which class and item number(s) GTECH used to identify the HUB vendors for this opportunity.
2. Tab 2.153, Frame Relay Switch – In reviewing the scope of work document that was provided for this subcontracting opportunity, we noted that "NetVanta 3200 Access Router w56k/64k NIM" was listed under the subject line "Frame Relay Switch". We also noted that the description "NetVanta 3200 Access Router w56k/64k NIM" was identified in the scope of work document under Tab 2.151 (a subcontracting opportunity for NetVanta 3200 Access Router). Please clarify whether Tab 2.151 and Tab 2.153 are two different subcontracting opportunities and/or explain the differences between these two commodities.
3. Tab 2.186, Symmetricom GPS Network Timeserver – It appears that GTECH used Class/Item 939/76 (Satellite Systems Maintenance and Repair) in selecting the vendors to be solicited for this subcontracting opportunity. This class/item represents a service; however the description of the opportunity appears to be a commodity. Please provide additional information to explain whether this

subcontracting opportunity is a commodity or a service (or both) and the process used by GTECH in selecting Class/Item 939/76.

Your complete response, including the additional information requested herein, must be provided to me no later than **4:00 p.m. CST on Thursday, October 28, 2010**. Your response may be submitted via facsimile to (512) 344-5444 or e-mail to angela.zgarba@lottery.state.tx.us.

If you have any questions, you may contact me at (512) 344-5215. Thank you for your immediate attention to this matter.

Sincerely,

A handwritten signature in black ink, reading "Angela Zgabay-Zgarba". The signature is fluid and cursive, with the first name "Angela" being more prominent and the last name "Zgarba" following in a similar style.

Angela Zgabay-Zgarba, CTPM
Contracts Administrator

*** TX REPORT ***

TRANSMISSION OK

TX/RX NO	4914	
CONNECTION TEL		93390405
CONNECTION ID	EXECTIVE	
ST. TIME	10/22 14:13	
USAGE T	00'55	
PGS. SENT	2	
RESULT	OK	

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TEXAS LOTTERY COMMISSION

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October 22, 2010

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Via facsimile: 512.339.0405
E-mail: joseph.lapinski@gtech.com
TIME SENSITIVE

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RFP #362-10-000

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Zgarba, Angela

From: Zgarba, Angela
Sent: Friday, October 22, 2010 2:10 PM
To: Lapinski, Joseph <GTech>
Subject: Lottery Operations & Services RFP 362-10-0001 - HSP Clarification
Attachments: GTECH HUB Clarification.pdf

Mr. Lapinski:

Please see the attached time sensitive clarification letter regarding GTECH's Proposal in response to the Lottery Operations & Services RFP. Thank you.

Angela Zgabay-Zgarba
Contracts Administrator
Texas Lottery Commission
Ph: 512.344.5215
Fax: 512.344.5058

Zgarba, Angela

From: Lapinski, Joseph [Joseph.Lapinski@GTECH.COM]
Sent: Wednesday, October 27, 2010 9:50 AM
To: Zgarba, Angela
Cc: Eland, Alan
Subject: Texas Lottery Commission's Request for Clarification of HSP
Attachments: Response to HUB clarification _10272010.pdf

Importance: High

Ms. Zgabay-Zgarba,

Attached is GTECH's response to the Texas Lottery Commission's Request for Clarifications of GTECH's proposed HUB Subcontracting Plan dated October 22, 2010. Hard copy of this document will be hand-delivered today.

Should you have any questions or require additional information please contact me at your convenience.

Thank you,

Joe Lapinski

Deputy ADM
GTECH - Texas
Office: (512) 908-4226
Mobile: (512) 740-0199
e-mail: joseph.lapinski@gtech.com

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October 27, 2010

Ms. Angela Zgabay-Zgarba, CTPM
Contracts Administrator
Texas Lottery Commission
PO Box 16630
Austin, TX 78761

RE: Request for Proposals (RFP) for Lottery Operations and Services, RFP #362-10-000:

Dear Ms. Zgabay-Zgarba:

Below please find GTECH's response to the Lottery's request for clarification dated October 22, 2010, as it relates to GTECH's Historically Underutilized Business (HUB) Subcontracting Plan.

1. **Tab 2.98, Neon Signs and Jackpot Signs - GTECH solicited three (3) HUB vendors for this subcontracting opportunity. However, it does not appear that all HUB vendors notified were listed in the Centralized Master Bidders List as providing both types of signs. Please identify which class and item number(s) GTECH used to identify the HUB vendors for this opportunity.**

GTECH Response. The Class Code used to identify HUB vendors for the solicitation set forth under Tab 2.98, Neon Signs and Jackpot Signs is **801 (Signs, Sign Materials, Sign Making and Related Supplies** and the Item Code is **86 (Sign, Miscellaneous (not otherwise classified))**.

In the associated Scope of Work for this opportunity, GTECH solicited both Neon and LED/Starlite (Jackpot) signs, as both are required by RFP section 8.7, Table 97(4)(c). RFP Section 8.7 also states, "The Texas Lottery reserves the sole right to approve the equipment recommended by the Successful Proposer." Because the final specifications of the signs have not yet been approved by the Lottery, GTECH thought it prudent to solicit signage from vendors with the miscellaneous Item Code in order to ensure the opportunity was presented to vendors who can offer a variety of signage types and styles.

2. **Tab 2.153, Frame Relay Switch** - In reviewing the scope of work document that was provided for this subcontracting opportunity, we noted that "NetVanta 3200 Access Router w56k/64k N1M" was listed under the subject line "Frame Relay Switch". We also noted that the description "NetVanta 3200 Access Router w56k/64k N1M" was identified in the scope of work document under Tab 2.151 (a subcontracting opportunity for NetVanta 3200 Access Router). Please clarify whether Tab 2.151 and Tab 2.153 are two different subcontracting opportunities and/or explain the differences between these two commodities.

GTECH Response. Tab 2.151 and Tab 2.153 do not represent two different subcontracting opportunities. Please disregard the solicitation and associated documentation provided under Tab 2.151, as this documentation was submitted in error.

In addition, GTECH notes that a typographical error exists on Page 2 for Tab 2.153, in Section 8, as we inadvertently provided incorrect information for the subcontractor selected. Therefore, GTECH would like to amend Section 8 of this opportunity as follows:

Subcontractor Selection: Adtran
VID #: 63-0918200
Expected % of Contract: .0014%
Approximate Dollar Value: \$10,000
Texas Certified HUB: No

3. **Tab 2.186, Symmetricom GPS Network Timeserver** - It appears that GTECH used Class/Item 939/76 (Satellite Systems Maintenance and Repair) in selecting the vendors to be solicited for this subcontracting opportunity. This class/item represents a service; however the description of the opportunity appears to be a commodity. Please provide additional information to explain whether this subcontracting opportunity is a commodity or a service (or both) and the process used by GTECH in selecting Class/Item 939/76.

GTECH Response. The subcontracting opportunity identified in Tab 2.186, Symmetricom GPS Network Timeserver (the "Timeserver Package"), is a solicitation for both hardware and services.

The Timeserver Package is a time synchronization piece of hardware that, with atomic clock accuracy, ensures proper time is synchronized and accurate across all networked servers. The Timeserver Package includes cabling and a lightning suppressor. It has been GTECH's experience, in order to maximize efficiency, the supplier of the Timeserver Package should also be the same entity capable of servicing it. By bundling goods and services together for this particular opportunity, only one vendor is contacted in the event of a failure, as opposed to multiple vendors, to ensure faster troubleshooting and response time.

GTECH was unable to identify a Class and Item Code for a HUB vendor who could provide both the Timeserver Package and the associated services required to maintain and service it. However, GTECH's past experience indicates that service providers who service and maintain this type of hardware, typically will also sell the hardware or hardware components, whereas, a vendor who only sells hardware may not offer any associated services at all. Understanding that

Class/Item 939/76 represents a service, GTECH chose this code not only because it has been our experience that service providers for this type of equipment also sell the hardware and/or hardware components, but also because it would be disadvantageous to GTECH and the Lottery to employ multiple vendors for this particular opportunity.

Thank you for the opportunity to provide clarifications to your questions. Should you have any further questions or require additional information, please contact me at any time. I look forward to hearing from you, and once again, thank you for your time and consideration.

Sincerely,

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Joe Lapinski
Deputy Account Development Manager



October 27, 2010

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Contracts Administrator
Texas Lottery Commission
PO Box 16630
Austin, TX 78761

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