

The RFP references are intended as a guide for Proposers in preparing responses to this RFP, but do not limit the Texas Lottery's review of any Proposal in evaluating responsiveness to the RFP requirements and

Information Redacted  
\$552.101/466.022/552.139

Round 2: Technical Scoring		RFP Reference	Evaluator Notes SGI
2.1	<b>Past Performance.</b> The quality of the Proposer's past performance in contracting with the agency, with other state entities, or with private sector entities.		
2.1.1	Contract performance issues, which include, but are not limited to: --contract terminations --sanctions / liquidated damages / goods or services in lieu of sanctions/LDs --significant or material audit findings or compliance issues --disciplinary action for substandard work or unethical practices --pending/past litigation --gaming license status	4.2.5(a), (b), (c), (d), (e), (f), (g)	(a) - No contract terminated for default or cause during the last 5 years; (b) Listing of sanctions and liquidated damages provided; (c) Goods or services have not been provided in consideration of sanctions or LDs that would have been assessed; (d) No material or significant audit findings; (e) Not subject to any disciplinary action; (f) Litigation outlined in Section 3.43; (g) No denied or revoked gaming licenses. Two licenses are pending approval. <a href="#">Positive instant ticket contractual history with the TLC.</a>
2.1.2	Reference checks and site visits (to include site visits to other lotteries if applicable)	4.4 and 2.22	Reference Checks reviewed. One comment from OK regarding issues with . Notes that for the "most part" the issue has been corrected. Oral Presentation and Site Visit: Informative presentations. Impressive presentation by Larry Potts regarding Compliance Program. General Session at the end of the Site Visit was helpful. Exposure to most of the account team, but it would have been helpful to have greater Sales and Marketing presence.
2.2	<b>Personnel.</b> The qualifications of the Proposer's personnel.		
2.2.1	Executive Management – General Manager/Site Director, Assistant General Manager, and any other officers or key personnel who will provide direction or oversight to the Texas Lottery account.	4.3.2(a)	John Oseneko, <a href="#">TLC Account Director</a> . John has 19 years of lottery experience. Includes more than 12 years creating and operating lottery ventures in Asia, Europe, South America and Africa. SGI Gen. Mgr. for Florida. Worked for GTECH for 11 years. <a href="#">Other Executive Staff:</a> John Byers, Director of Security; Curtis Charlesworth, HR Manager; TBD, Service/Compliance Manager; Other TLC Account team outlined below: Scott Ross, David Douglas, Tony Molica. <a href="#">Executive Oversight:</a> Mike Chambrello, Steve Beason, Jim Trask, Jim Kennedy, Jeff Lipkin, Bill McArthur, Pat McHugh, Larry Potts, Ira Raphaelson, John Schulz, Ajay Ghia, Todd Hopkins. <a href="#">TLC Executive Sponsor:</a> Steve Beason.
2.2.2	Data Center/Operations – Data Center Supervisor, Software Development Manager, Texas Lottery Liaison and any other staff who will have oversight or manage system operations for the Texas Lottery account.	4.3.2(b)	<a href="#">David Douglas, Deputy Director of Technology</a> . David has more than 23 years of lottery experience. Currently provides corporate oversight and direction for all online systems, retailer service operations, all online operations data centers, and the National Response Center in Alpharetta. Was part of the GTECH team that created the Data Centers of Americas in <a href="#">Mike Skibel, Operations Manager</a> . 12 years of lottery experience in all areas of computer operations management and testing activities. Current position: Operations Manager, Maine State Lottery from 1998 to present. He has been an active participant in the deployments in CT, MD and PA. <a href="#">Allen Ross, Communications Manager</a> with 9 years of lottery experience and over 17 years of network deployment and leadership experience including the design, deployment, operations, migration and systems engineering of high-availability/high-volume transaction processing multi-platform networks and supporting infrastructures. He will report to M. Skibel. <a href="#">Jonathan Ng, Software Development Manager</a> . 15 years of lottery experience, 25 years of industry experience. Current position: Senior Software Development Manager at SGI from 2003 to the present. Prior experience, IGT Online from 2001-2003, Automated Wagering Intl', EDS.
2.2.3	Call Center – Call Center Manager, Retailer Support Supervisor, Dispatch and Supply Inventory Supervisor or other key personnel who will provide direction or oversight to the Texas Lottery account.	4.3.2(c)	Team Reports to David Douglas. <a href="#">Donna Marshall, Call Center Manager</a> . Donna has 11 years of call center experience with TxDIR and Continental Airlines. While at Continental Airlines, directed the daily operations of a call center staffed with over 2,400 agents. <a href="#">Dan Gholsen, Technical Service Manager</a> . 17 years of lottery experience with GTECH in various roles such as Technical Services Manager, Depot Supervisor and Customer Services Manager. <a href="#">Kyle Tokacevic, Field Services Manager</a> . 22 years of lottery experience. Presently Field Services Mgr. with SGI. Previously served as Field Services Mgr. in Indiana from 2000-2004, TBD, <a href="#">Depot Manager</a> . Information for William Nugent presented under Warehouse and Distribution.

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2.2.4	Sales and Marketing – Sales Manager, Marketing Manager, Promotions Manager/Coordinator, District/field Sales Managers, Corporate/Chain Account Manager, New Business Development/Recruitment Manager, Research Associate, and any other staff who will provide sales or marketing input, direction or recommendations for the Texas Lottery account.	4.3.2(d)	<u>Deputy Director of Sales and Marketing, Anthony (Tony) Molica</u> . Tony has more than 25 years of experience at both the CA and WA lotteries and operating his consulting business. He rose through the ranks of the CA Lottery Sales division and later served as Chief Executive Officer. <u>Sales Director, Kelly Douglas</u> . 11 years of lottery related experience. Currently (2005 to present) Owner/Chief Marketing Officer of 3D Interactive Marketing. Previously District Sales manager with FL Lottery (1994-97) and with Missouri Lottery from 1989-1994. <u>Christian Ross, Marketing Director</u> . 17 years of lottery experience. Currently Senior Marketing Mgr. with SGI, Maryland Lottery. Maryland Lottery since 1996. Marketing expertise in the areas of game development, enhancements and promotions. Previously Senior Marketing Consulting Analyst with GTECH from 1993-95. <u>Burbank Herndon, New Business Development Director</u> . 5 years of lottery experience focused on product development and point-of-sale hardware. Earlier in his career at SGI, served as GM, Retail Solutions where he presided over the product management of the WAVE and managed PlayCentral and Convenience Central products. <u>Ron Miguel, Promotions Manager</u> . 23 years of lottery experience. Currently Regional Director for a number of domestic and international accounts at SGI. Previous sales/marketing positions with New Mexico Lottery and Florida Lottery. <u>Brooke Greene, Retail Execution Manager</u> . 2 years of lottery experience. Manages the SalesMaker program in various lotteries including OH, WA and FL. <u>Resumes of 10 District Sales Managers provided - noted strength of the District Sales Manager as a group as well as Christian Ross and Ron Miguel. Lack of exposure to the majority of the Sales team during Oral presentation or Site Visit.</u>
2.2.5	Warehouse and Distribution – Warehouse Manager.	4.3.2(e)	<u>Scott Ross, Deputy Director of Instant Ticket Services</u> . Scott has 28 years of lottery experience and managed the warehouse and distribution center in AZ and provided recent start-up support in Arkansas. Participated in China Sports Lottery start up. <u>Jeremy Swanson, Warehouse Manager</u> . 6 years of lottery experience and is currently a Warehouse Manager for SGI's Georgia account. Currently responsible for the weekly distribution of more than \$50 million in instant lottery tickets to more than 8,500 retailers. <u>William "BJ" Nugent, Inside Sales Manager</u> . BJ has 5 years lottery experience with inside sales management. Currently leads the inside sales team in PA. He played an integral role in the development and ongoing training activities of S
2.2.6	Transition Team – Project Manager and key personnel assigned to the transition and implementation of the Texas Lottery account.	4.3.2(f)	<u>Dan Grace, Project Director</u> , will lead this team. He will receive support from Cory Bonogofsky, Senior Project Manager. Dan has over 10 years experience implementing and managing broad based lottery and IT programs including CT, PA, MD and IN. Dan is a PMI certified Project Management Professional. Dan will oversee system conversion and the installation of terminals, peripherals, and the new telecommunications network. <u>Cory Bonogofsky, Sr. Project Manager</u> . At SGI since 2004, PMI certified. Involved in lottery projects in PA, CT and Iceland. <u>Project Team Leadership includes:</u> Adam Cormany, Brad Bever, Stan Doling, Eric Deaton, Jessie Pack, Moe Corrette, Carol Merrell, Kris-Ann Hosonitz, Cherie Peyton, Leslie Badger. <u>Strong Transition team and thorough presentation by Grace, Bonogofsky and Peyton at Site visit.</u>
2.2.7	Organizational structure for Texas Lottery account, which includes position titles and number of positions and staffing schedule for unfilled positions and dates when key management will be available.	4.3.1; 4.3.5 and 4.3.6 CONFIDENTIALITY CLAIMED NOT RELEASED \$552.110	positions in Texas. Recruitment Plan at Site Visit described as 60% of staff from current vendor, 10% from SGI and 30% hired in Texas. Pg. 4.3-40. Committing up to \$1.25M. Pg. 4.3-59 reflects method of hiring vacant positions. Proposal reflects numerous named positions. District Sales Managers will be available 4 months prior to conversion. Strong emphasis placed on Lottery Sales Representatives on Organization Chart with an additional team of Lottery Marketing Representatives. Strong staffing commitment proposed.
2.3	<b>Quality.</b> The probable quality of the offered goods or services.		
2.3.1	ACCOUNT MANAGEMENT AND ADMINISTRATION		

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2.3.1.1	Account management; Service level monitoring; Service management, which includes incident and problem management, capacity management and performance management; Compliance review.	6.2 through 6.5	<p>&amp; DRs responded to: Yes. 6.2 Account Management. Pg. 6.2-3. Core is effective service level management. Defined as optimizing the satisfaction of TLC, retailers and players in several defined areas: Clear TLC Experience Strategy, Selection of staff, Developing and Motivating staff, Establishing Effective Service Delivery Processes, Continuous Improvement. Transitional Incentive Plan - one time incentive payment of 5% of the employee's annual salary upon completion of a successful Texas lottery launch and employment service of 6 months with SGI. Committing up to \$1.25M. Texas Performance Incentive Plan - \$2M tiered incentive compensation program is based on operations and excellence with the Texas Lottery. Pg. 6.2-7.</p> <p>6.3. Service Level Monitoring and Reporting. Pg. 6.3-2 Base services on the ITIL methodology. Service Management group - core functions include the establishment of performance standards, overseeing processes and best practices, and ensuring operating efficiencies for online data centers and retail operations. Pg. 6.3-4. SGI will utilize the positions of Service/Compliance Manager, Problem Manager, and Change Manager to establish an overall Service Level Team approach dedicated to supporting the TX contract. Reporting to the TX Account Director, these 3 key positions will monitor and report on service level compliance related to all aspects of the TX contract. Pg. 6.3-6.</p> <p>Pg. 6.3-16. Pg. 6.3-29.</p> <p>Pg. 6.3-40. Real time access and report generation are key features of SGI's dynamic portal, E</p> <p>Pg. 6.3-41. contains the ability to automatically schedule reports to be generated at precise times. Service Management. Pg. 6.4-4. Incident management is defined in 3 separate categories: 1) Trouble calls managed by the TRCC, 2) Supply calls managed by the TRCC, 3) System incidents managed by the TX Triage Team according to SGI system incident process. Problem management diagram provided on Pg. 6.4-11. Capacity Management. Overview provided on Pg. 6.4-15. Performance Management. Pg. 6.4-20. Monitoring and measurement of metrics to access the performance of the gaming system, network and IT operations. System and Network Monitoring tools:</p> <p>Pg. 6.5-2. Comprehensive Compliance Program. Compliance Committee, comprised of 3 independent Directors. Pg. 6.5-3. Compliance Program headed by Larry Potts, Chief Compliance Officer. Thorough response provided and noted impressive compliance functions throughout the organization.</p>
2.3.1.2	Facilities support services, which includes all facilities and equipment to support the Texas Lottery account.	6.6	<p>RR &amp; DRs responded to: Yes. Pg. 6.6-10. District sales offices in: The district sales offices in will also include Pg. 6.6-11.</p> <p>Four-phase approach to construction outlined. Pg. 6.6-14. Primary Facility at</p> <p>Pg. 6.6-15. Instant Ticket Warehousing and Distribution Center - 65,000 sq. ft.</p> <p>Pg. 6.16. Assigned TLC staff can monitor the destruction process live in or receive a DVD of the destruction. Central Distribution Warehouse Hours of Operation - M-F, 8 - 5 or as needed. Pg. 6.6-32.</p> <p>Pg. 6.6-34. SGI can locate the Other Services. Pg. 6.6-56.</p> <p>District Sales offices will have Same district office alignment as presently in use.</p>

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2.3.1.3	Business continuity and disaster recovery capabilities which includes primary site system recovery.	6.7	RR & DRs responded to: Yes. <u>Business Continuity and Disaster Recovery</u> . Pg. 6.7-4. The final plan will address the recovery procedures to restore the Lottery gaming system, sales, marketing, warehouse, distribution, and all associated components used in the contract, including security related to instant ticket deliveries. Pg. 6.7-5. Sample Business Continuity and Disaster Recovery Plans provided in Part 6. Pg. 6.7-6. SGI performs scheduled business recovery tests and failover tests for disaster recovery are conducted Pg. 6.7-9. All the TLC's systems will be geographically separate and ensure a full back-up of all activity with virtually no lapse in service in case of emergency failover. Global Business Continuity outline on Pg. 6.7.12. <u>Data Backup and Restore Process</u> . Pg. 6.7-15. The restore process can be performed or by restoring from Data centers are configured to run <u>Ticket Delivery</u> . Pg. 6.7-16. SGI keeps working agreements in place with additional national courier services. <u>Conflict noted with use of the SGI National Response Center in Alpharetta as a backup call center to Texas and the Clarification letter noting that the Texas National Service Center will be relocating to Texas.</u>
2.3.1.4	Training activities which includes training on Lottery Gaming System, various retailer training requirements and LSR training.  CONFIDENTIALITY CLAIMED NOT RELEASED §552.110	6.8	RR & DRs responded to: Yes. Pg. 6.8-6. Educational Services Team: Kris Ann Hosonitz, Barbara "Jamie" Collier, Rachael Stephens. Pg. 6.8-8. In 2009, Educational Services team trained over 17,000 attendees as part of the PA system conversion. Retailer Training: 1) Instructor Led training class - simultaneously across 10 districts, 240 opportunities over 14 weeks. 2) In-Store training. 3) Corporate Account training. Pg. 6.8-10.  Pg. 6.8-12. All SGI field service staff and LSR teams are certified as Retailer Care Specialists by SGIs Educational Services Team. In-State TX Regional Call Center and National Response Center will be trained as Retailer Care Specialists that can answer retailers questions about software, terminal and peripherals. Pg. 6.8-12. SGI Training Philosophy: ADDIE (Analyze, Design, Development, Implementation and Evaluation). Lottery staff training noted on Pg. 6.8-19. Training Program content (Show Me, Tell Me, Let Me) provided on Pg. 6.8-20. Pg. 6.8-22. <u>SGI recommends a one-to-one terminal to user ratio in instructor led conversion training. Noted on pg. 6.8-25 that the schedule is based on 70 attendees per class with up to 35 terminals used in class (Pg. 6.8-22).</u> Quick Reference Card provided at training followed by Retailer Manual at terminal installation. Pg. 6.8-23. Training sites are within a 55 mile radius from retailers. Pg. 6.8-27 Training Schedule notification and reporting on Pg. 6.8-27. Pg.6.8-27. Senior Project Manager will be responsible for corporate account training. <u>Thorough response and demonstrated strength.</u>
2.3.2	LOTTERY GAMING SYSTEM		
	On-Line Games		

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2.3.2.1	<p><i>On-Line game development which includes demonstrated experience and success in On-Line game development, research and implementation.</i></p> <p>CONFIDENTIALITY CLAIMED NOT RELEASED \$552.110</p>	7.2.1	<p>RR &amp; DRs responded to: Yes. Pg. 7.2-8. Process if founded on four key phases or activities: evaluation, creation, research and recommendation. Pg. 7.2-9. In coordination with SGI's Corporate Research department, the in-state Online Product Specialist and Research Associate will work close with TLC to help guide decisions about the type of research to implement during the game development process. Pg. 7.2-10. member software development team dedicated to create new and modified game specifications. <u>Experience and Success.</u> Pg. 7.2-6.</p> <p>Pg. 7.2-10. Development and Implementation of new games and/or design enhancements: Raffle games, new Monitor game offerings, Keno to Go distribution alternatives, extension games, \$5 Lotto game, Instant Win online games. Pg. 7.2-16. As of May 2010, SGI customers have deployed 117 new games, games changes, game enhancements, and short-term promotional game launches. Pg. 7.2-17. In-state Marketing and Corporate Marketing support staff. Pg. 7.2-19. Implementation Strategy. Pg. 7.2-34.</p> <p>Pg. 7.2-45. Second chance promotional games. <u>Strong response.</u></p>
2.3.2.2	<p><i>On-Line game controls which includes development and monitoring of On-Line game control features.</i></p>	7.2.2	<p>RR &amp; DRs responded to: Yes. Pg. 7.2-52. provides a wide range of parameterized online game controls, including support for advanced wagers, fixed game liability administration, and subscription wagering. Pg. 7.2-53. Examples of advanced draw features: skipped draws, day only/night only/both day and night. <u>Meets requirements.</u></p>
2.3.2.3	<p><i>Drawings which includes the Lottery Gaming System's capability to meet the Texas Lottery's drawing requirements.</i></p>	7.2.3	<p>RR &amp; DRs responded to: Yes. Detailed overview of draw process beginning on 7.2-58 including numerous screen shots from Overview of Automatic Game Close, Game Closing Data, Dual Entry of Winning Numbers, Game Closing/Drawings/Cashing Timing, Game Close Verification, Game Closing Data. Pg. 7.2-66. Noted ability to complete the drawing process in less than 15 minutes. <u>Meets requirements.</u></p>
<b>Instant Ticket Game Management</b>			
2.3.2.4	<p><i>Lottery Gaming System's capability to support the volume, scope, development and management of the Texas Lottery's Instant Ticket operations, which includes the ability to inquire, track and monitor pack activity both globally and at the Retailer level, and monitor game inventory levels and order statuses.</i></p> <p>CONFIDENTIALITY CLAIMED NOT RELEASED \$552.110</p>	7.3	<p>RR &amp; DR's responded to: <b>Yes, with the exception of the following DR: DR 11 response notes the restore closed games to a system i</b> . Pg. 7.3-5. CSP contracts with lotteries in Arkansas, Delaware, DC, Florida, Georgia, Maine, Oklahoma, Pennsylvania, Puerto Rico, South Carolina, Tennessee and Virginia. Pg. 7.3-9. Operations in China, Italy, Florida and Pennsylvania - examples of high volume instant ticket nventory and transaction management. <b>Ability to restore an archived instant game file set (inventory, validation, game parameters) to a system (usually a test system) to support queries and reporting. The DR notes that the transactions need to flow up into the overall systems.</b> Pg. 7.3-11.</p> <p>Pg. 7.3-6. Pack Returns. If the pack return is done after the pack has been settled, the warehouse scan will automatically post an adjustment to the account. Pg. 7.3-14. Security Controls at global and retailer specific noted. Pg. 7.3-16. Retailer Report Mirroring. GMS has the ability to display instant ticket reports exactly as they will display/print at the retailer terminal. This mirroring ensures that when a retailer calls support personnel with a question about a recent report both parties will be able to look at the same image and see the same data. Pg. 7.3-20. Instant Ticket Game Creation - <b>Invited</b></p> <p><b>Option included at a Separate Price: Single Instant Ticket Accounting.</b> <u>With noted</u></p>
<b>Claims and Validations</b>			

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2.3.2.6		7.4	RR and DR's responded to: Yes. Pg. 7.4-6. Lottery Gaming System offers a full featured claims and check writing subsystem. By installing SGI can handle all of the ticket validation, prize award, and check administration features. Pg. 7.4-7. SGI will provide check writing laser printers and Pg. 7.4-19. F includes parameters that control the displayed text and handling of prizes based on their monetary values. Print copies can be configured. Prizes not awarded by the retailer, will display a "Claim" response. The system can be configured to automatically generate a player claim form to the retailer terminal printer that can be submitted with the ticket for payment at a Claim Office. Each online ticket validation event written to the transaction file includes a with the original sales transaction. There are no limits regarding prize tiers or payout levels. Supports different instant ticket prize types. <u>Thorough response.</u>
2.3.2.7	Lottery Gaming System's functionality for a secured method (and equivalent backup method) of applying required signature(s) to the check stock during the check printing process.	7.4	RR and DR responded to: Yes. Pg. 7.4-20. The Digital Imaging Specialist at delivered to the issuing office or recipient's home. <u>Geographic limitation for third option.</u>
<b>Retailer Management</b>			
2.3.2.8	Integrated Lottery Gaming System to support the Texas Lottery's retailer management functions, which includes retailer maintenance and license application processing, inventory management, accounting and access control.	7.5	RR and DR's responded to: Yes. <u>Battelle Benchmark: 10. Retailer Network Capacity: Passed. Integrated System to Support Retailer Functions. Noted responses to each DR, but no concrete examples provided. Online submission of applications.</u> Pg. 7.5-12. Will expand current offering, Retailer Corner, to include retailer licensing support. System will include new or renewal applicants using a TX approved credit card processing service to handle the financial transaction. <u>Lack of detail, but Meets requirements.</u>
2.3.2.9	Lottery Gaming System's ability to provide online access to retailer management transactional data.	7.5	RR and DR responded to: Yes. Pg. 7.5-10. Near real time point-and-click access to system transactions. Data can be exported to various data formats or printed. Sample provided on Pg. 7.5-11. <u>Meets requirements.</u>
<b>Lottery Gaming System General Requirements</b>			

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2.3.2.10	<p>Lottery Gaming System's ability to meet the Texas Lottery's configuration, capacity and performance requirements; detect and report fraudulent transactions and activities; and meet data exchange requirements.</p> <p>CONFIDENTIALITY CLAIMED NOT RELEASED §552.110</p>	7.6.1 and 7.6.2	<p>RR and DRs responded to: Yes. Battelle Benchmark: 1-3. Full Size Terminal Other Transactions Time, One-Board Response Time, Multi-Board Response Time: Passed; 4-6. Mid-Size Terminal Other Transactions Time, One-Board Response Time, Multi-Board Response Time: Same as Full-Size Terminal as a Mid-Size Terminal is not available; 7. Management Server Failure: Passed; 8. Primary Transaction Engine Failure: Passed; 9. Near-24 Games Operations Hours: Passed; Games Capacity: Passed; 10. Retailer Network Capacity: Passed; 11. Games Capacity: Passed. Pg. 7.6-2.</p> <p>Pg. 7.6-8. Near 24-hour processing. It reduces the traditional "nightly processing" cycle to minutes, allowing a quick restart of the transaction server. Pg. 7.6-11. Lottery InSite tools will provide all records of</p> <p>The modular design of the Central System allows SGI to accommodate a larger retailer network simply by adding more</p> <p>Pg. 7.6-28. The at the remote location can take over operations</p> <p>Pg. 7.6-32. SGI employs a retailer network <u>Detecting and Reporting Fraudulent Transactions</u>. Pg. 7.6-41. AEGIS-EF uses activity reports to handle the identification of system events and trends that could indicate attempts to defraud the Lottery. In addition to the reports outlined in DR17, SGI also reports on the following: Attempt to redeem a stolen ticket, consecutive or chronic attempts to redeem invalid tickets, excessive pack return activity from retailer, chronic bad transactions from retailer device, discovery of invalid checksum on server transaction file. SGI has implemented a security governance framework that includes risk assessment and standards compliance. SGI has a strategic goal of attaining ISO 27001. <u>Data Exchange</u>. Pg. 7.6-48. Noted various application program interfaces. <u>Meets requirements</u>.</p>
2.3.2.11	<p>Lottery Gaming System's capability for configuring and executing player and retailer promotions.</p> <p>CONFIDENTIALITY CLAIMED NOT RELEASED §552.110</p>	7.6.3	<p>RR and DR responded to: Yes. Pg. 7.6-51.</p> <p>Pg. 7.6-52. Pg. 7.6-59.</p> <p>Thorough response.</p>

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2.3.2.12	<p>Web-based systems to support "Second-Chance Drawings", player registration programs for informational, promotional and data gathering purposes, and <u>mail order</u> subscription services <del>which includes transaction handling, prize payout and age verification features.</del> <u>including the processing of all subscription orders, age verification of players, and payment of prizes.</u></p> <p>CONFIDENTIALITY CLAIMED NOT RELEASED \$552.110</p>	7.6.3	<p>RR and DR responded to: Yes. <u>Player Registration</u>. Pg. 7.6-62.</p> <p>Pg. 7.6-66. Notes how age and geo-location verification is performed in Minnesota and Arkansas. Pg. 7.6-67. Pg. 7.6-64.</p> <p><u>Second Chance Drawings</u> - SCGZ module on Pg. 7.6-65.</p> <p>Pg. 7.6.-67. Unlimited access to the entire portfolio of MDI licensed properties for online and instant games. Player's Club would be developed and managed on a day to day basis. Pg. 7.6-69. Pg. 7.6-70. Pg. 7.6-72.</p> <p>response. Solid</p>
<b>System Management, System Security and ICS System and Vendor Requirements</b>			
2.3.2.13	<p>Change and release management process, and test environment and access for conducting user acceptance testing.</p>	7.7	<p>RR and DRs responded to: Yes. <u>Software Development Life Cycle</u>. Pg. 7.7-4. Follow NASPL Best Practices for system development and maintenance. Overview of: 1) Requests for Change, 2) Release Notes, 3) Back-Out Plans, 4) Software Development Methodology, 5) Software Development Process, 6) Requirements Definition Process, 7) Requirements Definition Tasks, 8) Process Repository 9) Software Support with Quarterly Releases, 10) Shared Records for Change Management. <u>Test Environment</u>. Pg. 7.7-15. The test system</p> <p>Requirements, but would like an additional QA resource. Meets</p>

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2.3.2.14	Lottery Gaming System's security plan, which includes physical and logical security components and an overview of the policies and practices to prevent, detect, and resolve security breaches.	7.8	RR and DRs responded to: Yes. Pg. 7.8-7. The plan is comprised of safeguards to ensure that a user is valid and authorized to use system tools. These safeguards include features that control initial access, verify user identity, protect from unauthorized review and tampering with certain information such as, the contents of critical files.  Physical and Logical Security Components. Pg. 7.8-12. Security Procedure and Physical Safeguards outlined in detail. Further detail provided on Access Controls, Principles of Least Privilege, Separation of Duties, Protection against attack, Safeguarding Data, Dual Security System. Pg. 7.8-21. SciGuard dual security features outlined. Pg. 7.8-22. Draft Operations Security Plan provided. Pg. 7.8-1. Noted service to 60 jurisdictions around the world. Corporate Management - Security Management is provided through corporate oversight by SGI's Chief Security Officer, Larry Potts. Overview of 2 divisions reporting to Larry: 1) Security and 2) Information Security. <a href="#">Detailed Response</a> . <a href="#">Meets requirements</a> .
2.3.2.15	Processing transactions from the Lottery Gaming System to the internal control system, which includes handling out-of-balance incidents and accomplishing electronic funds transfers.	7.10	RR and DR responded to: <b>Yes, with the exception of RR 3 in which the EFT process is not addressed regarding how EFTs are accomplished.</b> Pg. 7.10-3.  At every checkpoint, sales, cancellations, and validations for each game are compared to ensure that the systems are in balance. Pg. 7.10-4. System balancing procedures: 1) Checkpoint throughout the day, 2) End of Day reports, 3) Winner balancing routines, 4) Weekly financial balancing. <a href="#">Thorough response with exception of EFT</a> .
<b>Reporting</b>			
2.3.2.16	Reporting functions which include the ability of the Lottery Gaming System to produce a variety of reports as well as the ability of Texas Lottery staff to create ad-hoc Systems reports using user-friendly graphical tools.  CONFIDENTIALITY CLAIMED NOT RELEASED §552.110	7.9	RR and DR responded to: Yes. Pg. 7.9-3. Overview of TLC Reports list and how reporting will be satisfied along with baseline reports provided in F. Pg. 7.9-4. A copy of older production data will be placed on a data warehouse server separate from the active gaming environment to mitigate any negative impact to the production systems. Pg. 7.9-7.  A real-time portal into the online and instant transaction engines, as well as the systems historical database. Overview of Dashboard with numerous examples provided. <a href="#">Site visit included a demo of Strong response</a> .
<b>System Supported Terminal Functions</b>			
2.3.2.17	System supported terminal functions, which include the Lottery Gaming System's capability to inquire and log ticket prize inquiries from all sales terminals, including player activated, and communication of winning, non-winning and actual prize amount data.  CONFIDENTIALITY CLAIMED NOT RELEASED §552.110	7.11	RR and DR responded to: Yes. <a href="#">Battelle Benchmark: 19. Terminal Download Bandwidth: Passed. Terminal Functions</a> . Pg. 7.11-7 will support sales and ticket validation through retailer sales terminal. Included are confirmation, activation, settlement, and return of all instant tickets. Online ticket cancels, reports, instant ticket orders, user sign-ons, and user sign-offs. Pg. 7.11-9. supports separate thresholds for each game, and there can be multiple warning levels leading up to the maximum payable. Pg. 7.11-12. Content Management System - Pg. 7.11.13. Example of deployment in CT and sales increase. Dedicated resources trained in developing and managing digital content. Pg. 7.11-15. Pg. 7.11-20. Overview of terminal reports and Retailer Corner. <a href="#">Interaction with Back-Office Systems</a> . Pg. 7.11-25. The interface will be similar to the connection between and the Lottery's Alternatively, interconnect sales terminals with stores' cash register system. <a href="#">Prize Inquiries and Validations</a> . Pg. 7.11-25. Terminal and player activated terminal transactions are logged in a secure file on the production system. <a href="#">Prize Inquiry Communications</a> . Pg. 7.11-25. Process can be performed. <a href="#">Positive response</a> .
<b>Sales Terminals and Related System Sales Equipment</b>			

Round 2: Technical Scoring		RFP Reference	Evaluator Notes SGI
2.3.2.18	<p><i>Sales Terminals and related System equipment that offer the broadest diversity of options for deployment in support of current and future Texas Lottery retail venues.</i></p> <p>CONFIDENTIALITY CLAIMED NOT RELEASED §552.110</p>	7.12	<p>RR and DRs responded to: <b>Yes, with the exception of the following DR: DR 7 requires a mid range terminal, the response notes the mid-range terminal will not be available until 3rd quarter 2011.</b> Battelle Benchmark: 12. Vending Machine Capability: Passed; 13. Vending Machine Shutoff: Passed; 14. Go-Live Retailer Support Level: Passed; 15. Thermal Paper Stability: Passed. (Note the ticket sample obtained in the test area darkened profoundly and may not have been an example of the proposed that has tested well before.) 16. Terminal Aural Tones: Passed; 17. Bar Code Reader First Read Rate: Passed. (Noted the ticket checker had apparent difficulty at times recognizing that a dark background instant ticket had been inserted into the slot. Small bar code, it was possible to mis-position the ticket so that the ticket checker would not read.); 18. Print Quality for Bar Code Read: Passed. Notes below on Terminals, Player Activated Sales Terminals, Player-Activated Self Check Terminal and Handheld Terminals. Pg. 7.12-65. 19" or 22" flat panel widescreen LCD monitor. Can also be positioned in portrait mode, height adjustable stand or a wall mount bracket. <u>Specified Option - In-Lane Solution</u>. Pg. 7.12-73. Lottery InPlay.</p> <p><u>Invited Option - Specialty Terminals and Equipment</u>. Pg. 7.12-80. ATM Solution Pg. 7.12-86. iPhone Lottery application.</p>

Round 2: Technical Scoring	RFP Reference	Evaluator Notes SGI
	<p>CONFIDENTIALITY CLAIMED NOT RELEASED §552.110</p>	<p>Standard and Mid-Range Retailer Sales Terminals. 17,000 WAVE Terminals and 500 WAVE Terminals. An additional 500 Terminals are provided to support retailer optimization and expansion. Pg. 7.12-10.</p> <p>33,000 WAVE terminals are installed in 10 jurisdictions. Noted CT, PA, Indiana and Delaware. 2-D wireless bar code handheld reader reader, 12" operator display, Touchscreen: SAW or 5-wire resistive touch. Pg. 7.12-20. 17.4" H x 11.23" W x 14.85 D. Pg. 7.12-22. Printer integration plate which connects the printer to the terminal - option for retailers to select modular or integrated. Pg. 7.12-26. GUI terminal software allow for flexibility of screen colors, layout, graphics, text, game expansion. Multi-language capability. Pg. 7.12-40. Ticket branding is supported on the front of the ticket for cancellations and validations. Pg. 7.12-41. Training videos. Pg. 7.12-43. SGI's _____ in conjunction with _____ is used to deliver retailer messaging, graphic rich media files, retailer/player training content, play lists and application updates. Terminal can support 8 additional devices. Pg. 7.12-46. Flair: 18" H x 7" W x 14" D.</p>
		<p><u>Player-Activated Sales Terminals</u>. 3,500 PlayCentral player activated sales terminals that sells both online and instant tickets. 1,000 in Pennsylvania. Intuitive, single touch screen interface. Each instant scratch off dispenser is a separate unit and will continue to dispense ticket when other dispensers are disabled. Pg. 7.12-49. <b>Response to DR 4 notes up to 24 dispensers for scratch games - SGI will provide for an average of 20 bins (5 drawers) per machine.</b> Playslip/online ticket validation reader, 2-D bar code reader for instant ticket and online ticket prize inquiry, age verification and pack inventory management. Real time connection to _____ All activities and events are _____</p> <p>Pg. 7.12-51. Tickets may be validated by players up to prize value restrictions set by the Lottery. Credit can be added to the PlayCentral balance. Pg. 7.12-52. <b>PlayCentral operates with a 2 level interface for making instant ticket purchase decisions.</b> Pg. 7.12-55. Table noting comparison of Touchscreen vs. Traditional Ticket Windows.</p>
		<p><u>Player-Activated Self-Check Terminals</u>. 17,000 self-service Ticket Checker. 2-D bar code reader. _____ for the ticket checkers. Offering an additional 500 ticket checkers for use in high traffic and high volume locations.</p>
	<p>CONFIDENTIALITY CLAIMED NOT RELEASED §552.110</p>	<p><u>Handheld Terminals</u>. 40 handheld terminals and printers. The touchscreen terminals can communicate via _____ tc SGI has supplied over 90,000 similar handheld terminals to China.</p>

Round 2: Technical Scoring		RFP Reference	Evaluator Notes SGI
2.3.2.19	Functionality or capability of all online devices to interact with the back office systems of Retailers.	7.12	RR responded to: Yes. Pg. 7.12-68. SGI retailer terminals are able to print a UPC code that contains a product code and price on each online ticket. The UPC can then be scanned at the POS before giving the ticket to the player. The product codes must be loaded into the stores POS terminals or back office system. <u>Weak response.</u>
2.3.2.20	Sample Retailer training manual and other options for training Retailers such as including training manual within the Retailer Terminal.	7.12	RR and DR responded to: Yes. Pg. 7.12-69. Sample retailer training manual included. WAVE Retailer Terminal Training Mode - interactive retailer training mode. <u>Meets requirement.</u>
<b>Installation, Relocation and Removal and Maintenance and Repair</b>			
2.3.2.21	Plan and procedures for handling equipment installation, relocation and/or removal requirements.	7.12.1	RR and DRs responded to: Yes. Pg. 7.12-92. Dedicated Retailer Care Center staffed locally by Retailer Care Specialists who will work with local retailers and Lottery personnel, as well as interface between in-state teams and National Rollout Office, Texas Regional Call Center and National Response Center. The RCC is a dedicated retailer focused team that will be responsible for coordinating the communication, training, delivery, installation, activation, relocation and removal activities. Noted the use of _____ technology and other communication methods to investigate and help resolve retailer problems or concerns. Staffing: Technical Services Manager: Gholson and Field Services Manager: Tolkecevic. <u>Meets requirement.</u>
2.3.2.22	Plan and procedures for the maintenance and repair of all terminals and related Sales Equipment, which includes a preventative maintenance schedule and procedures for resolution of chronic problems.	7.12.2	RR and DRs responded to: Yes. Pg. 7.12-98. Integrated ITIL and IT Service Management (ITSM) best practices and automation tools into business. Service Support generally concentrates on the day-to-day operation and support of IT services, while Service Delivery looks after the long-term planning and improvement of IT service provisioning for customers. Service Management Group: Sr. Director - David Douglas, Field Operations - Jessie Pack, Texas Regional Call Center - Donna Marshall. Pg. 7.12-101.  Pg. 7.12-105. Serviceman - Field Service Training Program. Pg. 7.12-108. Corrective Maintenance for Routine Service Calls. Preventive Maintenance Schedule. PM on all terminals and peripherals on a rotating cycle based on the quantity of transactions. Proposing the schedule be at least every 120 days. Pg. 7.12-109. PM schedule grouping determined by sales levels, reviewed on a quarterly basis. Pg. 7.12-110. Terminal part supply _____ . Initial planned spare levels will be 4%. <u>Chronic Problems.</u> Customer Care Rep will contact the retailer on a weekly basis or as needed. Once a retailer is placed on the "chronic list" SGI will assign the case to a "Task Force" that will take ownership of the situation until resolution. SGI will provide TLC weekly status reports until an agreement is made to remove the retailer from the list. _____ allows for automatic alerts to the FS Managers, FT's and Sales Team. <u>Aggressive PM schedule. Smart Services impressive.</u>
2.3.2.23	Staffing levels to cover repair functions and the planned location of staff.	7.12.2	RR responded to: Yes. Pg. 7.12-112. 101 positions under David Douglas. FST schedule contains 12 zones. FSTs will be positioned throughout the state to respond to service calls. Tentative staffing location map provided in Figure 7.12-78. <u>Meets requirement.</u>
2.3.2.24	Lottery Gaming System capability to remotely monitor all deployed equipment for proper operational functionality and identification of equipment malfunctions or failure.	7.12.2	RR responded to: Yes. Pg. 7.12-144. SGI offers the Lottery the tools to continuously monitor all the deployed elements in the system and network and proactively alter the operators of service conditions and performance metrics, including transmission failures and outage events. Cory Bonogofsky showed the _____ network monitoring tool on the Site Visit. <u>Impressive. Meets requirement.</u>
<b>Call Center Support</b>			

Round 2: Technical Scoring		RFP Reference	Evaluator Notes SGI
2.3.2.25	<p><i>Call Center staffing and management to support the Texas Lottery's diverse Retailer base; ensure timely, professional, courteous and accurate response to all calls; achieve required performance levels; and plan for handling chronic problems.</i></p> <p>CONFIDENTIALITY CLAIMED NOT RELEASED §552.110</p>	7.13	<p>RR and DRs responded to: Yes. Pg. 7.13-5. SGI will provide separate, distinct call center organizations for: Incident Resolution and Field Dispatch Services and Ticket Inventory and Supply Management. SGI will staff, operate and maintain an in-state Texas Regional Call Center (TRCC) ir that will include 24/7 hotline functions for incident resolution and field dispatch services. TRCC support methodology provides 2 distinct call center operations: the Field Service Response Center (Hotline) and the Inside Sales Center. The IVR system was piloted in 2007 prior to company-wide roll out in 2008. Pg. 7.13-8. Utilizes system to process incoming calls and the system provides statistical summary reports. Pg. 7.13-9. SGI utilizes HDI's (Help Desk Institute) best practices module. Pg. 7.13-10.</p> <p>Ticket ordering process flow provided on Pg. 7.13-14. Ambassador Training Program for ISRs. Pg. 7.13-16.</p> <p>Overview of Inventory status reports. <u>Call Center Staffing and Management</u>. TRCC Manager, Donna Marshall. Staffing includes a team o including operators and Retailer Care Specialists. Smart Services Management System provides monitoring and exception management by the Texas Operations Staff. Training performed by a Corporate Training Specialist. Escalation Procedures noted on Pg. 7.13-24. Interview screen process using HDI standards. Pg. 7.13-27. TRCC employees undergo a 3 week training program. Inside Sales Manager, William "BJ" Nugent with Inside Sales Supervisors and Inside Sales Representatives. Pg. 7.13-31. Service Programs. LSR Chat Program, Customer Feedback Program (Ride-Along), Minimum Orders - no minimum restriction, Emergency order next day delivery, Local Pick-up Service, Call Frequency - 4 level tiered structure for contacting retailers, In Transit Order Reminders. <u>Call Center Staffing &amp; Management Support - Retailer-Licensee Base</u>. Language matched service technicians through <u>Call Center Performance Levels</u>. Call broadcasting service that is capable of proactively contacting the entire retailer base, or a subset, to alert them of any incident or process that may impact their ability to conduct lottery operations. <u>Chronic Problems</u>. Pg. 7.13-34. Should a retailer experience a chronic problem (defined as 4 or more service calls in a consecutive 90 day period) the TRCC Specialist will monitor the situation by contacting the retailer on a weekly basis or as needed. Once on the 'chronic list', SGI will assign the case to a Task Force that will take ownership until resolution. The will send automatic alerts on a predetermined scheduled to the Field Services Managers, Field Technicians, and Sales Team for any issues and as reminders. SGI will provide detailed weekly status reports to the TLC until an agreement is made to remove the retailer from the chronic problem list. monitoring system. LSR Chat impressive. Conflict noted with use of the SGI National Response Center ir as a backup call center to Texas and the Clarification letter noting that the Texas National Service Center will be relocating to Texas.</p>
<b><i>Ticket Inventory Supply and Management</i></b>			
2.3.2.26	<p><i>Innovative solutions to enhance inventory order and distribution beyond the noted requirements of the RFP.</i></p> <p>CONFIDENTIALITY CLAIMED NOT RELEASED §552.110</p>	7.13	<p>RR responded to: Yes. Pg. 7.13-35.</p> <p>Strong response.</p>

Round 2: Technical Scoring		RFP Reference	Evaluator Notes SGI
2.3.2.27	Staffing and management of the ticket inventory and supply management functions to support the Texas Lottery's diverse Retailer base. Procedures to process special, out of cycle, express, expedited or emergency orders.  CONFIDENTIALITY CLAIMED NOT RELEASED §552.110	7.13	RR and DRs responded to: Yes. <u>Inventory &amp; Supply Management Functions</u> . Pg. 7.13-38. Typically maintain a telemarketing staff that is 20% bilingual. _____ provides the retailers requesting service to select the language of the technician visiting their location. Through _____  <u>Special, Out of Cycle, Express, Expedited or Emergency Orders</u> . Pg. 7.13-39. Using the same procedures for processing daily orders, but the orders are assigned a _____ status. First step is to properly stock each retailer with typically a 10-14 day supply. _____ an systematically identify the retailers are selling at a rate faster than their inventory support. _____ custom calling lists. Delivery to all retailer locations can be accomplished in 24-36 hours. Will work with _____ to ensure the commitment is carried out.
2.3.2.28	Ability to allow Retailers to order at anytime through an automated system, rather than ordering in response to a telemarketing call, which includes the ability to manage and place proper controls on this ordering process.	7.13	RR and DRs responded to: Yes. Pg. 7.13-39. _____ telemarketing module includes an automated system to allow retailers to place orders at any time using an Interactive Voice Response (IVR) system. The retailers can place orders at the convenience via a telephone touch-tone keypad. The IVR is held for order verification by a ISR who will review and confirm the order before fulfillment. Controls via _____ system software to ensure orders are successfully and accurately completed and shipped. System controls in place regarding orders that are placed by multiple methods within a delivery period will not allow the order counts to exceed maximum values assigned to that retailer for that game (or paper, POS, etc.). <u>No mention of web orders. Control regarding orders placed by multiple methods impressive.</u>
<b>Communications Network</b>			
2.3.2.29	Communications network, which includes information and diagrams to support the performance capabilities of the Lottery Gaming System and the Texas Lottery.  CONFIDENTIALITY CLAIMED NOT RELEASED §552.110	7.14	RR and DRs responded to: Yes. Pg. 7.14-1. <u>Battelle Benchmark: 19, Terminal Download Bandwidth: Passed.</u> Proposing a _____ Pg. 7.14-10. _____ Pg. 7.14-17. _____ Pg. 7.14-20. _____ Pg. 7.14-25. _____ Pg. 7.14-26. 24/7/365 communications network support. Network Management monitoring system.
2.3.3	<b>SALES AND MARKETING</b>		
<b>Sales Management and Business Development and Marketing</b>			
2.3.3.1	Route sales component to support Retailer locations.	8.2	RR and DR responded to: Yes. Per Clarification letter SGI is firmly committed to work with their customers to seek and optimize new retailer relationships. Noted retail expansion is one of the critical revenue growth areas proposed in the \$2.5 million Texas Research and Development Investment Plan. SGI will review the challenges of this unique sales model and closely monitor the program to determine the feasibility of expansion in this area. <u>Very limited response.</u>

Round 2: Technical Scoring		RFP Reference	Evaluator Notes SGI
2.3.3.2	Sales management staff responsible for identifying new selling and business development opportunities.	8.2	RR and DR responded to: Yes. <u>Dedicated In-State Sales Management Staff</u> . Pg. 8.2-4. Deputy Director, Sales and Marketing, Anthony Molica. 25 years experience in executive management and sales positions. Past 3 years, Tony has served in a variety of sales and marketing roles for the Multijuegos Lottery in Mexico. Prior exp.: Director of Washington and California Lotteries. In-State New Business Development Organization, Burbank Herndon; Director of Sales, Kelly Douglas; 10 District Sales Managers: Saviano, Lopez, Rule, Szwetkowski, Feliciano, Reeves, Nordt, Group, Moulton, Jonasson. Add'l managers - Corporate/Chain Accounts Manager and Independent Accounts Manager. Research Associate will support the analytical needs. Dedicated Corporate Accounts Division. <u>Non-Dedicated</u> . Jeff Sinacori. Visited with Tony Molica by phone. Did not meet other members of the proposed dedicated Sales Management team. Resumes of District Sales Managers provided - noted strength of the District Sales Manager as a group. Manager dedicated to Independent Accounts is a plus.
2.3.3.3	Marketing staff responsible for identifying new product and marketing strategies.	8.3	RR responded to: Yes. <u>Dedicated In-State Marketing Organization</u> . Pg. 8.3-3. Director of Marketing, Christian Ross. 17 years working for 4 different online systems vendors. Instants Product Specialist, Jason Durbin. Currently Instant Account Manager for SGI Florida, 10 years of experience. Online Product Specialist, Liz Dimmick. Currently Regional Marketing Manager for SGI for the Tri-state lotteries of Maine, NH and Vermont. Previous work in NY, MN and DE Lotteries. Research Associate, Cameron Garrett. Retail Execution Manager, Brooke Greene. She will manage a team of Lottery Marketing Representatives. Promotions Manager, Ron Miguel. Ron will manage Promotion Coordinators. <u>Non-Dedicated</u> . Pam Lee, Leslie Badger, Charles Boykin, Jennifer Welshons, Jim Kennedy. Team of 20 LMRs will report to Brooke Green while the 140 LSRs are reporting to the Director of Sales, Kelly Douglas. With the exception of Christian Ross, did not meet other members of the proposed dedicated Marketing team. Strong staffing response.

Round 2: Technical Scoring		RFP Reference	Evaluator Notes SGI
2.3.3.4	<p><i>Sales and marketing organization structure to support and optimize Lottery sales.</i></p> <p>CONFIDENTIALITY CLAIMED NOT RELEASED §552.110</p>	8.2 and 8.3	<p>RR and DRs responded to: Yes. Sales Organization Structure. Director of Sales, Kelly Douglas. Previously worked for the Missouri and Florida Lotteries in district sales and sales support roles. Worked for GTECH as Marketing Director to support the Kansas Lottery. Kelly will have 10 District Sales Managers reporting to her and 140 LSRs. District Sales Managers: Angie Saviano, Angel Lopez, Cheri Rule, Dave Szwetkowski, Erixon Feliciano, Guy Reeves, Kirmon Nordt, Michael Group, Scott Moulton, Deb Jonasson. Did not meet any members of the proposed Sales Organization Structure. Pg. 8.2-14. SGI will provide a Corporate Accounts Division and hire 5 full-time employees dedicated to servicing corporate/chain/key account retailers. Pg. 8.2-16. Retailer Optimization Analysis. Begins with an evaluation of low-sales retailers for discontinuation or retention. Analysis of zip code to determine optimal number of lottery retailers in each area. Analysis of market household segmentation. Pg. 8.2-17. TX Research and Investment Plan. Support revenue enhancing initiatives in: retailer and player development, pilot programs, retail sale programs, research, game development, marketing point of sale and advertising. \$2.5 million annually in non-accruing amount of goods and services. An additional 500 terminals. Pg. 8.2-19.</p> <p>Pg. 8.3-7.</p> <p>Pg. 8.3-37.</p> <p>Pg. 8.3-38.</p> <p>Pg.8.3-41.</p> <p>Strong emphasis placed on Lottery Sales Representatives on Organization Chart with an additional team of 21 Lottery Marketing Representatives under Marketing. Strong staffing commitment proposed. Inquiry of the \$2.5 million on site visit did not reveal concrete plans regarding the use of the fund. Good Product Plan presentation. Overall strong response.</p>
<b>Lottery Sales Representatives</b>			
2.3.3.5	<p><i>LSR organization structure and how it will support Lottery Retailers across the entire geographic and population diversity of the State of Texas, which includes the proposed staff to Retailer ratio for the provision of Lottery Sales Representative activities.</i></p>	8.4	<p>RR and DRs responded to: Yes. Pg. 8.4-3. SGI recommends LSRs to service the Lottery's 16,700+ retailers. This results in a LSR to Retailer ratio of approximately Each retailer visited at least Each of the 140 LSRs will visit approximately Listing of standard tasks for each visit on Pg. 8.4-4. Pg. 8.4-5. Customized LSR training program. Noted training of over 17,000 LSRs in China. Strong emphasis placed on Lottery Sales Representatives on Organization Chart with an additional team of 21 Lottery Marketing Representatives under Marketing. Strong staffing commitment proposed. Limited response regarding reaching geographic areas in Texas. Clarification letter noted Field Sales Services provided in Delaware, Oklahoma and to the Loteria Electronica. Would have liked more information regarding their experience in management of those sales forces reflected in the proposal response.</p>

Round 2: Technical Scoring		RFP Reference	Evaluator Notes SGI
2.3.3.6	Incentive plan for LSRs.  CONFIDENTIALITY CLAIMED NOT RELEASED §552.110	8.4	RR and DR responded to: Yes. Pg. 8.4-6.
2.3.3.7	Sales services customized to strategically optimize sales performance.	8.4	RR and DRs responded to: Yes. Pg. 8.4-7. Implementation of the Lottery Marketing Representative program. The LMR would offer supplemental marketing support to the Lottery's top performing retailers in addition to the every 2 week visit by the LSR. Bi-lingual LMRs, Orderpad Sales Support, Geo-Demographic Software, Frequent calls on high volume retailers, LSR and Field Service trunk stock. <a href="#">Limited response.</a>
<b>Retailer Visit</b>			
2.3.3.8	Retailer visits and support.	8.4.1	RR and DRs responded to: Yes. Pg. 8.4-12. SGI will visit each Retailer at least once during each two week sales cycle regardless of sales level or geographic region. Each LSR will be equipped with a - checklist of the various duties to be performed. Once the visit is complete, the Service History is available for viewing. Overview of LSR duties. demo in GA reflected limited functionality of the device. Noted "sync" process. <a href="#">Meets requirements.</a>
2.3.3.9	Monitor and manage LSR performance to ensure that all LSR visit standards are being met.	8.4.1	RR and DRs responded to: Yes. Pg. 8.4-27. Notes will monitor and manage LSR performance to ensure that all Retailer visit standards are met and to provide the Lottery with corrective action plans to address any missed Retailer satisfaction targets. LSR duties and the completion of those tasks would be accessible by Sales management and Lottery personnel via the SGI staff at the Supervisor and Manager level will conduct regular ride-arounds with the LSRs to ensure that all duties and responsibilities are being performed at the highest level. Annually scheduled performance reviews. <a href="#">Meets requirements.</a>
2.3.3.10	Enhanced schedule for Retailer visits that exceeds the minimum required visits for general support and sales activity that emphasizes sales optimization. Overview of the methodology and strategy that will be used to enhance sales.  CONFIDENTIALITY CLAIMED NOT RELEASED §552.110	8.4.1	RR and DR responded to: Yes. Pg. 8.4-13.  Pg. 8.4-28. Having both the LMRs and LSRs in the Lottery's top performing Retailers also provides a system of checks and balances between the two branches while enabling one to assist the other with the common goal of increasing sales at retail.
<b>LSR Ticket Retrieval, Transfers and Returns</b>			

Round 2: Technical Scoring		RFP Reference	Evaluator Notes SGI
2.3.3.11	Perform ticket retrieval, transfers and returns to optimize the inventory mix at retail locations in coordination with Retailers.	8.4.2	RR and DRs responded to: Yes. Pg. 8.4-31. Using the WAVE terminal, the LSR can reassign packs or partial packs to their ID number, changing the pack status in the system. Partial packs would then be  Meets requirements, but requires the use of the WAVE terminal.
2.3.3.12	Retailer-to-Retailer pack transfers utilized to optimize inventory availability, which includes the methods for carrying out these transfers and the security and control measures that will be put in place and how system records will be maintained.	8.4.2	RR and DR responded to: Yes. Pg. 8.4-32. Using the WAVE terminal, the LSR can the Retailer's inventory. The WAVE terminal will issue a receipt. Online ticket stock returned by Retailers shall become part of the LSR's trunk stock or delivered directly to the warehouse. The LSR or FST receiving the ticket stock shall request the Retailer sign a form containing the beginning ticket stock serial numbers for each roll of ticket stock begin returned. Meets requirements, but requires the use of the WAVE terminal.
<b>Instant Ticket Game Close</b>			
2.3.3.12	Process for handling Instant Ticket game close.	8.4.3	RR and DRs responded to: Yes. Pg. 8.4-34. Overview of Game Close Notification and Instant Ticket Return Processing provided. Limited information provided regarding required steps in the field to collect end of game returns.
<b>Retailer Contests and Retailer-based Player Promotions</b>			
2.3.3.13	Retailer contests and promotions to increase Instant and On-Line Ticket Sales.	8.5	RR and DRs responded to: Yes. Pg. 8.5-3. SGIs promotions portfolio includes retailer incentive programs, retailer and player contests and promotions, and Web-enabled games and promotions. Using Sciplay, web-based Player Registration and Second Chance drawing modules are available. Pg. 8.5-4. Promotions Management module overview. Ability to implement different types of promotions concurrently. Pg. 8.5-5. on Pg. 8.5-7. Strong response.
2.3.3.14	Incentive programs for Retailers, which includes when such programs should be initiated and the benefits of such programs in maximizing revenue to the State from the sale of Texas Lottery Products.	8.5	RR and DRs responded to: Yes. Pg. 8.5-10. Variety of sales based incentive programs is necessary.  Noted a variety of programs but limited discussion regarding when the programs should be initiated.
<b>Promotional Events and Retailer Promotions</b>			
2.3.3.15	Promotional equipment and capabilities to support the Promotions Plan, which also includes approach to promotions and how the plan is developed.	8.6	RR and DRs responded to: Yes. Pg. 8.6-7. Promotional Equipment and Capabilities. When developing a promotional plan for customers, SGI does not start with a calendar, they start with a product. Dedicated promotions staff, including a Promotions Manager. Alternative Approaches. Pg. 8.6-12.  Strong response regarding Promotional Equipment and Capabilities however the Alternative Approaches placed greater focus on advertising initiatives rather than promotions.
2.3.3.16	Promotions program team to run the statewide Promotions Plan, which includes how the team will be coordinated and trained to maximize the benefits of the program.	8.6	RR and DRs responded to: Yes. Pg. 8.6-9.  Strong response and staffing commitment.
<b>Marketing Materials and Related Equipment</b>			

Round 2: Technical Scoring		RFP Reference	Evaluator Notes SGI
2.3.3.17	Marketing materials and related equipment used to support sales and marketing activities for all Lottery Products.	8.7	RR and DRs responded to: Yes. Pg. 8.7-3. Dual Bingo ticket dispensers. <b>If TLC prefers an alternative dispenser, the acquisition cost of the Dual Bingo ticket dispensers will be applied to the dispenser desired by TLC.</b> Neon lottery sign with attached LED/Starlite signs. Playstation, 19" flat panel LCD monitor. Top 20% retailers will receive additional marketing material: 4'x6' floor mats and customized point of sale for window display. Top 100 retailers will receive counter wraps. 19" monitor in Portrait mode impressive. Limited detail and options. Would have liked a sample of the neon lottery sign.
2.3.3.18	Remote wired and wireless signage that is connected to the Retailer Terminals.	8.7	RR and DR responded to: Yes. Pg. 8.7-5. The sales terminal sends a message Strong response.
<b>Research and Lottery Product Development</b>			
2.3.3.19	Research and development process for new games and new game introductions, which includes the research methods utilized to develop, gather, analyze and report data.	8.8	RR and DRs responded to: <b>Yes, with the exception of the following DR: DR 14 reflects a partial response.</b> Pg. 8.8-5. Product Development Process: 1) Evaluation, 2) Creation, 3) Research, 4) Recommendation. Pg. 8.8-6.  CONFIDENTIALITY CLAIMED NOT RELEASED §552.110  Strong response regarding process for Instant, but limited response on Online. Most of the online data related to Response for DR 14 does not reflect cannibalization from new games. Research and Development Fund.
2.3.3.20	Methods utilized to obtain and use geographic and psychographic information for making business recommendation to the Texas Lottery.	8.8	RR and DRs responded to: Yes. Pg. 8.8-50. SGI will use the _____ to obtain and provide geographic and psychographic information. <b>Comprehensive response.</b>
2.3.3.21	Research and development staff to conduct research on new selling opportunities and new marketing strategies.	8.8	RR responded to: Yes. Pg. 8.8-55. <u>In-State Research and Development Dedicated.</u> Research Associate, Cameron Garrett. Two additional specialists to assist with the development of new games. Product Specialist, Jason Durbin. Currently Instant Account Manager for SGI Florida, 10 years of experience. Online Product Specialist, Liz Dimmick. Currently Regional Marketing Manager for SGI for the Tri-state lotteries of Maine, NH and Vermont. Previous work in NY, MN and DE Lotteries. <u>Non-Dedicated.</u> Jennifer Welshons, Amika Jack, Leslie Badger, Pam Lee, Rhonda Gillen, Jeff Martineck, Bev Opie, Kyle Rogers. <b>Dedicated Instant and Online, but limited experience in Research Associate.</b>
2.3.3.22	Research and/or data analyst staff to respond to special reporting requests, develop / respond to requests for specialized sales analysis, etc.	8.8	RR and DR responded to: Yes. Pg. 8.8-59. <u>Dedicated.</u> Cameron Garrett, Research Associate. He is well versed in prize structure analysis, retailer optimization analysis, geo-demographic analyses, financial reporting and advanced retail metrics. <u>Non-Dedicated.</u> Christopher Allen, Jennifer Hunter, Amanda Saferin, Eric Mitchell. <b>Concern regarding adequate resources assigned to dedicated team.</b>
2.3.4	<b>WAREHOUSE AND DISTRIBUTION SERVICES</b>		
	<b>New Instant Ticket Delivery and Storage</b>		

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2.3.4.6	Procedures and materials used to package Instant Tickets for delivery to Retailers, which includes the process used to prevent Instant Ticket Manufacturer omitted packs or other defective packs from being shipped to Retailers.	9.3	RR and DRs responded to: Yes. <u>Procedures or Materials</u> . Pg. 9.3-6.  automatically assigns the appropriate shipping bag or box. <u>Omitted or Other Defective Packs</u> . Pg. 9.3-7. will not allow omitted packs to be invoiced in an inventory transaction. A software pack security grid controls which pack status changes are allowed under the jurisdiction's policies. As orders are being filled, a physical inspection also prevents open, mis-wrapped, damaged packages from being shipped. <u>Thorough response</u> .
2.3.4.7	Methods, procedures, hardware and software used to monitor inventory and ensure optimum inventory levels are maintained at each Retailer location.	9.3	RR and DRs responded to: Yes. Pg. 9.3-8. ISRs are the primary link to the retailer network. Centralized inside sales, warehousing and distribution program. Figure 9.3-4 includes the features and benefits of SGI's proposed inside sales program: predictive ordering, phone monitoring system, remote monitoring, phone tracking system, auto-dial, pack status, sales information (formula based on live redemptions), order history, call reports, courier tracking. Pg. 9.3-12. ISRs will proactively contact the LSRs to advise them of low inventory situations. <u>Thorough response</u> .
<b>Warehouse Instant Ticket Return Verification</b>			
2.3.4.8	Process and procedure (including security features) used to document and store partial packs of Instant Tickets returned from Retailers, which includes the tracking system that will be used to follow the packs returned to the warehouse.	9.3.1	RR and DRs responded to: Yes. Pg. 9.3-21. All partial and full packs scheduled for return will be scanned on the retailer sales terminal by the LSR to change the pack status within the tracks the status and ownership of each instant ticket pack throughout its lifecycle. <u>Thorough response</u> .
2.3.4.9	Procedures for locating Instant Tickets that are in a "Hold," "Lost Warehouse," "Lost Retailer," or "In Transit" status longer than the permitted time limit.	9.3.1	RR and DRs responded to: Yes. Pg. 9.3-23 provides a number of instant ticket inventory reports. LSRs will routinely remind retailers that they have packs in transit that need to have delivery confirmed. <u>Thorough response</u> .
<b>Stolen and Damaged Instant Ticket Reporting</b>			
2.3.4.10	Damaged or stolen tickets processing.	9.3.2	RR and DRs responded to: Yes. Pg. 9.3-27. Damaged or stolen tickets reported at retail will be handled by the LSR.  Communication to TLC. <u>DR 6 focused on the call center providing intake of reports and documenting stolen and/or damaged tickets. Response focuses on LSR handling damaged or stolen tickets including updating of status at the retailer terminal.</u>
<b>Ticket and On-Line Ticket Stock Destruction</b>			
2.3.4.11	Security process and/or procedures for the destruction of tickets, On-Line Ticket stock and other materials.	9.4	RR and DRs responded to: Yes. Pg. 9.4-3. Step by step procedure of secured destruction. Note, SGI will securely store ticket stock designated for destruction <u>The Roles and Responsibilities note joint travel to destruction vendor site to witness destruction of items. Response focuses on destruction in Alpharetta.</u>
<b>Promotional Item and Point of Sale (POS) Verification and Receiving</b>			
2.3.4.13	Receipt of promotional items and POS, which includes how and where the items will be received, stored and distributed to meet Texas Lottery requirements.	9.5	RR and DRs responded to: Yes. Pg. 9.5-2. The materials will be secured  Storage <u>Lack of a detailed response.</u>
2.3.4.14	Process for the verification, receiving and ongoing inventory of promotional items and POS materials.	9.5	RR and DR responded to: Yes. Pg. 9.5-3. Warehouse Management will be responsible for verifying receipt of all promotional items. Entry into SGI inventory management system. <u>Lack of a detailed response.</u>
<b>Promotional Merchandise Inventory</b>			

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2.3.4.15	Process for handling an ongoing inventory of Texas Lottery promotional merchandise.	9.6	RR and DR responded to: Yes. Pg. 9.6-2. Inspection of promotional merchandise and logged into the Lottery's inventory financial management system. physical inventory of all promotional items. <b>Lack of detailed response.</b>
<b>Warehouse and Distribution General Requirements</b>			
2.3.4.16	Process utilized to accomplish ticket order processing and packing at the Central Distribution Warehouse.	9.7	RR and DR responded to: Yes. Pg. 9.7.3. automatic sorting system. System reduces the frequency that packs must be handled and scanned to fulfill an order, decreasing the time required to pick and pack orders. Increased security and integrity. Pg. 9.7-7. Real-time tracking capability and electronic transfer of data between <b>Strong response.</b>
2.3.4.17	Process utilized to prevent the theft of returned Instant Tickets and rolls of On-Line Ticket stock being returned to and stored at the Central Distribution Warehouse.	9.7	RR responded to: Yes. Pg. 9.7-10. The instant tickets and/or online ticket stock is prepared for <b>Strong response.</b>
<b>2.3.5 CONVERSION</b>			
<b>Integration and Testing</b>			
2.3.5.4	Integration and testing process, which includes the test plan and acceptance criteria.	10.2	RR and DRs responded to: Yes. Pg. 10.2-5. Overview and proposed Integration and testing process provided. Pg. 10.2-7. Acceptance Testing process provided. <b>Thorough response.</b>
2.3.5.7	Lottery Gaming System backup, recovery, failover process and test Plan.	10.2	RR and DRs responded to: Yes. Pg. 10.2-23. Detailed response. SGI employs a <b>Thorough response.</b>
<b>Implementation and Migration</b>			
2.3.5.8	Implementation and migration strategy and processes.	10.3	RR and DRs responded to: Yes. Pg. 10.3-3. SGI will cooperate with the current Lottery operator to seamlessly transition all services to the SGI central systems, and WAVE terminals using the Two Phase Migration approach. Conversion process will be managed using industry leading communications, configuration control, and change management processes and procedures. <b>Use of CPA. Meets requirement</b>
<b>Conversion Plan and General Requirements</b>			

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2.3.5.9	<p>High level conversion plan, which includes the project management process, the structure and content of process documentation, an information sharing and communication plan, expected participation from Texas Lottery and the level and duration of involvement from the current vendor.</p> <p>CONFIDENTIALITY CLAIMED NOT RELEASED §552.110</p>	10.1 and 10.4	<p>RR and DRs responded to: Yes. Pg. 10.1-4. <u>Conversion Plan.</u></p> <p>Does not require two terminals be installed at a retailer location, and</p> <p>Pg. 10.1-12. Noted SGI examples of placing a third party terminal on another vendor's gaming system in British Columbia and Ontario which were both GTECH systems.</p> <p><u>Conversion Staff.</u> Dan Grace, Project Director; Cory Bonogofsky, Senior Project Manager; Cherie Peyton, Senior Project Implementation Manager. All project leaders report to Todd Hopkins, VP of SGI Worldwide Projects. Functional Team Managers: A. Cormany, B. Bever, S. O'Connell, S. Doling, E. Deaton, J. Pack, M. Corrette, C. Merrell, K. Hosonitz, L. Badger. Executive Steering Committee led by Steve Beason.</p> <p>Strong Transition team and thorough presentation by Grace, Bonogofsky and Peyton at Site visit. Limited parallel processing phase. Meets requirements.</p>
2.3.5.11	<p>Project Management methodology for the transition, which includes at a minimum:</p> <ul style="list-style-type: none"> <li>a) Project Management;</li> <li>b) Business Change Management;</li> <li>c) Issue Management;</li> <li>d) Risk Management and Mitigation; and</li> <li>e) Transition Reporting (Type and Frequency).</li> </ul>	10.4	RR and DR responded to: Yes. Detailed overview provided Pg. 10.4-18. <u>Meets requirements.</u>
2.3.5.12	<p>Initial distribution plan for Instant Tickets, On-Line Ticket stock, Retailer Terminals and associated system sales equipment, Point-of-Sale materials, On-Line play slips, promotional merchandise, playstations, signage and other materials, as required. Quality control procedures included in the plan.</p>	10.4	<p>RR and DR responded to: Yes. Pg. 10.4-42.</p> <p><u>Detailed response with specifics provided on inventory.</u></p>
2.3.5.13	<p>Validation of winning tickets sold prior to the conversion.</p> <p>CONFIDENTIALITY CLAIMED NOT RELEASED §552.110</p>	10.4	<p>DR responded to: Yes. Pg. 10.4-11.</p> <p><u>Meets requirement.</u></p>
<b>Conversion Milestones</b>			
2.3.5.14	<p>Conversion plan and time chart identifying the major milestones to be accomplished for the construction, equipment delivery, software programming, installation, testing, user training, data conversion, and documentation of the proposed System.</p>	10.5	DRs responded to: Yes. Pg. 10.5-2. Provided Conversion Plan and Gantt chart. <u>Meets requirement.</u>
<b>Conversion Plan</b>			

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2.3.5.15	Processes and factors related to End of Contract Conversion, which includes knowledge transfer to the Texas Lottery or Replacement Provider, risk management and mitigation, exit reporting, handover procedures, license transfers, etc.	10.6	DRs responded to: Yes. Pg. 10.6-5. <a href="#">Meets requirement.</a>
2.4	<b>Experience.</b> The experience of the Proposer in providing the requested goods or services.		
2.4.1	Past 10 years of experience providing the services as specified in the RFP for engagements of comparable complexity and scale.	4.2.1 and 4.2.4	Founded in 1973, SGI is a publicly traded company headquartered in New York City. SGI has manufacturing and operational facilities in North America, South America, Europe, Asia, and Australia, with additional facilities throughout the US. 4,200 employees who serve lottery and gaming customers in more than 50 countries on 6 continents. Currently serves all 44 government-authorized lottery jurisdictions in the U.S. Contracts with 13 of the 45 U.S. jurisdictions that operate online lotteries. 2nd largest online lottery provider in Europe. Printed Products division supplies instant tickets to 43 of the 44 U.S. jurisdictions that currently sell scratch tickets. China Sports Lottery - nationwide deployment of infrastructure, network communications, facilities and data management across 31 provinces and 400 city lotteries; roll-out of 55,000 retail terminals, customized training to 17,000 LSRs. Pennsylvania - migration from AWI legacy system to SGI, deployment of 8,700 WAVE retail terminals, training to over 17,000 retailers. Florida Lottery 2008 Instant Ticket & Services contract. Clarification letter noted Field Sales Services provided in Delaware, Oklahoma and to the Loteria Electronica.
2.4.2	Previous lottery experience or other relevant experience providing similar services as specified in the RFP to governmental or private entities.	4.2.2 and 4.2.4	Multi-faceted transition projects: China, Italy, Florida and Pennsylvania. Maryland. July 2006, 8 month migration from Masterlink system to 4,200 terminals at 3,800 retailers. Two Phase Migration Plan. Connecticut. May 2008, 8 month migration to 3,000 WAVE terminals & 3,000 Self-Service ticket checkers. Indiana. August 2010. 11 month migration to 4,000 WAVE terminals. Clarification letter noted Field Sales Services provided in Delaware, Oklahoma and to the Loteria Electronica.
2.4.3	Previous experience in transition activities between vendors when providing similar services, in scope and size, as specified in the RFP.	4.2.3 and 4.2.4	Notes in the last few years, SGI has opted not to pursue several domestic systems bid opportunities. Four recent conversions (Pennsylvania, Maryland, Connecticut and Indiana) do not meet the criteria of transition activities between vendors. Three of the systems were conversions from legacy IGT-OES MasterLink systems that were later acquired by SGI. Table on Pg. 4.2-31 notes 11 conversions from GTECH: Puerto Rico, Iceland, Spain, Colorado, Philippines, Main, NH, VT, Iowa, Indiana and Atlantic Lottery Corporation. Pg. 4.2-32 reflects
	CONFIDENTIALITY CLAIMED NOT RELEASED §552.110		