LOTTERY OPERATIONS AND SERVICES RFP
No. 362-10-0001
REFERENCE CHECK QUESTIONNAIRE

The Texas Lottery Commission (TLC) has issued a Request for Proposals for Lottery Operations and Services and is currently evaluating proposals and checking vendor references. Your name was provided, as a reference for or a customer of **GTECH**. Please complete and return this questionnaire to Angela Zgabay-Zgarba at angela.zgarba@lottery.state.tx.us or by fax to (512) 344-5444 **by 4:00 p.m. CST on Tuesday, August 31, 2010.**

Please provide the following:

Lottery Name: _Nebraska Lottery_

Contact Name: _Aaron J. Hendry_

Phone number: _402 471-6145_

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Warehousing and Distribution Reference Questions

Who are the following services provided by:

1. Warehouse Management (check one)
   ☐ Lottery
   ☑ Vendor (name) _GTECH_

2. Distribution (Instant tickets, online roll stock, etc.) (check one)
   ☐ Lottery
   ☑ Vendor (name) _GTECH_

3. Tel-Sell (Instant ticket ordering) (check one)
   ☐ Lottery
   ☑ Vendor (name) _GTECH_

1. Have you experienced any problems with this vendor's warehouse operations related to the processing of returned instant tickets (i.e. timely processing, handling of special returns, etc.)? (check one)

    ☐ Yes
    ☑ No
    If yes, please explain:

2. Have you experienced any problems with the vendor's handling of online ticket roll stock (i.e. distribution, return and secure storage, etc.)? (check one)

    ☐ Yes
    ☑ No
    If yes, please explain:

3. Have there been situations where the vendor experienced equipment or system outages impacting ticket distribution? (check one)

    ☐ Yes
    ☑ No
    If yes, please explain:

For questions 4 through 9, please use the scale below when making your assessment.

1 = Did not meet requirements	4 = Satisfactory	7 = Exceeded Requirements
1 2 3	4 5	6 7

4. Please rate the vendor's ability to handle the volume associated with initial (game launch) and daily orders.

    Choose One: 1   2   3 (4) 5   6   7

    PLEASE COMMENT

5. Please rate the vendor's handling of situations where they were required to distribute an unusually large volume of instant ticket orders.

   Choose One: 1 2 3 ④ 5 6 7

   PLEASE COMMENT

6. Please rate the quality of the vendor's process for limiting the shipment of unassigned packs and management of lost/misdelivered shipments via subcontracted delivery carriers?

   Choose One: 1 2 3 ④ 5 6 7

   PLEASE COMMENT

7. Please rate the physical security of this vendor's warehouse facility.

   Choose One: 1 2 3 ④ 5 6 7

   PLEASE COMMENT

   a)Does the vendor provide a predictive ordering system in support of instant product distribution to retail?

   ☑ Yes
   ☐ No

   b)If so, please rate the effectiveness of the automated ticket ordering system related to ensuring proper inventory levels and instant product mix at retail?

   Choose One: 1 2 3 ④ 5 6 7

   PLEASE COMMENT

8. Please rate the overall performance of the vendor for warehousing and distribution services.

    Choose One: 1   2   3 ④ 5   6   7

    PLEASE COMMENT

9. Does the vendor provide a predictive/automatic ordering system feature in support of instant distribution to retail?

    ☑ Yes

    ☐ No

    a. If so, please rate the effectiveness of the automated ticket ordering system related to ensuring proper inventory levels and instant product mix at retail.

        Choose One: 1   2   3 ④ 5   6   7

    b. If so, is it comprehensive and self-sufficient or does it coordinate with other ordering methods such as tel-sell, walk-in, trunk stock, etc.?

        Mostly self-sufficient; minimal tel-sell, walk-in, or trunk stock.

10. May we contact you with follow-up questions?

    ☐ Yes

    ☑ No

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Please provide the following:

Company Name: _Nebraska Lottery_

Contact Name: _Aaron J. Hendry_

Phone number: _402 471-6145_

PURCHASING & CONTRACTS   2010 SEP 30 AM 9: 29   RECEIVED

Sales and Marketing Reference Questions

Who are the following services provided by:

1. **Sales Force Operations and Management (check one)**
   - ☐ Lottery
   - ☑ Vendor (name) _GTECH_

2. **Business Development (retailer recruitment, account management) (check one)**
   - ☑ Lottery
   - ☑ Vendor (name) _GTECH - Intralot_

3. **Marketing Support (retailer contests, player promotions) (check one)**
   - ☑ Lottery
   - ☑ Vendor (name) _GTECH - Intralot_

Please use the scale below when making your assessment. Please enter N/A for any services not provided by your Lottery Operator Vendor.

1 = Did not meet requirements	4 = Satisfactory	7 = Exceeded Requirements

1   2   3   4   5   6   7

1. Please rate the Vendor's performance in the following areas:
   a. Sales Force Operations and Management

   Choose one: 1 2 3 (4) 5 6 7 or N/A

   PLEASE COMMENT

   b. Business Development (retailer recruitment, existing retailer sales growth and corporate account management)

   Choose one: 1 2 3 (4) 5 6 7 or N/A

   PLEASE COMMENT

   c. Marketing Support (retailer contests and player promotion design and implementation)

   Choose one: 1 2 3 (4) 5 6 7 or N/A

   PLEASE COMMENT

d. Promotional Events (coordination and execution of promotional events, such as fairs, festivals, sporting events)

        Choose one: 1   2   3 ④ 5   6   7 or N/A

        PLEASE COMMENT

e. Web-based Player Registration Program (VIP programs and/or player messaging and communication efforts)

        Choose one: 1   2   3 ④ 5   6   7 or N/A

        PLEASE COMMENT

f. Research and Lottery Product Development (new game development, portfolio analysis)

        Choose one: 1   2   3 ④ 5   6   7 or N/A

        PLEASE COMMENT

2. Please rate the vendor's performance in the following categories related to the services detailed above:

a. Customer service

Choose one: 1   2   3   (4) 5   6   7

PLEASE COMMENT

b. Ability to resolve problems

Choose one: 1   2   3   (4) 5   6   7

PLEASE COMMENT

c. Adherence to timelines

Choose One: 1   2   3   (4) 5   6   7

PLEASE COMMENT

d. Overall performance

Choose One: 1   2   3   (4) 5   6   7

PLEASE COMMENT

3. May we contact you with follow-up questions?
   ☐ Yes

☑ No

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Please provide the following:

Lottery Name: _____NY_____

Contact Name: _____Gardner Gurney_____

Phone number: 518-388-3352_____

Warehousing and Distribution Reference Questions

Who are the following services provided by:

1. Warehouse Management (check one)
   Lottery

   X Vendor (name) GTECH_____

2. Distribution (instant tickets, online roll stock, etc.) (check one)
   ☐ Lottery
   X Vendor (name)__GTECH_____

3. Tel-Sell (instant ticket ordering) (check one)
   ☐ Lottery

X   Vendor (name)_GTECH_____

1. Have you experienced any problems with this vendor's warehouse operations related to the processing of returned instant tickets (i.e. timely processing, handling of special returns, etc.)? (check one)

    X   Yes

    ☐   No

    If yes, please explain:

    Until the start of this contract conversion August 1, 2010 the returned ticket process was managed and operated by the Lottery. Also on August 1, 2010 we started our effort toward ticket by ticket accounting of partial tradeups. (we've always just known the count of tickets within a book that were traded up not the specific ticket numbers). We are within our normal processing time for providing credit to retailers and for processing full books but our conversion to ticket by ticket exact accounting of partial tradeups is a couple of weeks away. A key aspect of this effort is conducting the tradeup at retail using the terminal. We still need to train our sales staff before this is complete, we should be fully functional and using the complete process by the third week of October at the latest. Jointly, the Lottery and GTECH stumbled a bit with this part of the move to the new systems and this stumble was due mostly to the Lottery's lack of staffing as a result of outside agency budgetary oversight.

2. Have you experienced any problems with the vendor's handling of online ticket roll stock (i.e. distribution, return and secure storage, etc.)? (check one)

    ☐   Yes

    X   No --- in fact we've been very impressed with changes put in place relating to MUSL requirements.

    If yes, please explain:

3. Have there been situations where the vendor experienced equipment or system outages impacting ticket distribution? (check one)

    ☐   Yes

    X   No

    If yes, please explain:

For questions 4 through 9, please use the scale below when making your assessment.

1 = Did not meet requirements	4 = Satisfactory	7 = Exceeded Requirements
1 2 3 4 5 6 7		

4. Please rate the vendor's ability to handle the volume associated with initial (game launch) and daily orders.

   ☐ Choose One: 1 2 3 4 5 **6** 7

   PLEASE COMMENT

   We are very satisfied with the new system, the only reason not to score this as a 7 is that we've only been through a few launches since August 1. We did a multigame launch the week of system conversion, this is an example of how confident we are with GTECH's abilities.

5. Please rate the vendor's handling of situations where they were required to distribute an unusually large volume of instant ticket orders.

   Choose One: 1 2 3 4 5 6 **7**

   PLEASE COMMENT

   Since this is a question about efforts and planning and not just related to the "new" system GTECH rates an exceeds expectations/requirements.

6. Please rate the quality of the vendor's process for limiting the shipment of unassigned packs and management of lost/misdelivered shipments via subcontracted delivery carriers?

   Choose One: 1 2 3 4 5 6 **7**

   PLEASE COMMENT

   The process provides quick identification and followup and GTECH quickly re-directs effort when necessary.

7. Please rate the physical security of this vendor's warehouse facility.

Choose One: 1 2 3 4 5 **6** 7

PLEASE COMMENT

If the location was more secure it would possibly have a negative impact on operations.

8. Does the vendor provide a predictive ordering system in support of instant product distribution to retail?

        X   Yes

        ☐   No

    a) If so, please rate the effectiveness of the automated ticket ordering system related to ensuring proper inventory levels and instant product mix at retail?

Choose One: 1 2 3 4 **5** 6 7

PLEASE COMMENT

It is highly likely that this score would be much higher with more experience with the system. GTECH was highly responsive in our joint development of the predictive ordering for New York and we've done situation testing to prove that it operates as designed. Until we get a few months of experience we will not know whether we jointly selected and utilized the right factors. From a responsiveness to our needs perspective, GTECH would rate more than a 5, but whether the jointly designed system is tremendously sales effective is yet to be proven.

    b)   If so, is it comprehensive and self-sufficient or does it coordinate with other ordering methods such as tel-sell, walk-in, trunk stock, etc.?

        It is coordinated with Tell sell, we do not carry trunk stock, it can do walk in orders but we do not encourage that with our retailers. We have not yet integrated the automated instant ordering system yet into our ordering systems for marketing displays etc . The interaction method of those systems or the value of doing so has not yet been decided by the Lottery.

9. Please rate the overall performance of the vendor for warehousing and distribution services.

Choose One: 1 2 3 4 5 **6** 7

PLEASE COMMENT

Already a 6 at this point for the new system, and closer to a 7 for the performance under the previous contract.

10. May we contact you with follow-up questions?
    X   Yes

    ☐   No

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Please provide the following:

Lottery Name: _NY_____

Contact Name: __Gardner Gurney_____

Phone number: __518-388-3352_____

Lottery Gaming System Reference Questions

1. What on-line terminal(s) is the vendor supplying?
    Altura GT1200 and a visually impaired version of this terminal as well as self service terminals and Lottery Inside a "virtual" fully functional terminal within a retailer's existing point of sale.   Also, later this quarter, we will rollout a handheld sales device for retailer/Lottery associate use.

    a. Have the retailers experienced any problems with the terminals? (check one)
        X   Yes

        ☐   No
        If yes, please describe:

    This was NY's first move away from full travel keyboards (we did include some alternative key pads even with this contract) – so while most retailers already use touch screen point of sale in the rest of their business activities there was a period where retailers had to get used to the new screens and

layouts and unique ways of interacting with the terminal. For example, even after receiving mandated training retailers would not follow the steps for proper cleaning of the screen and end up printing a ticket. Overall, the retailers seem quite satisfied with the terminal.

2. What player self-service sales terminal(s) is the vendor supplying (e.g. ITVMs, online self service terminals, combined instant/online)?

> NY had existing interconnected ITVMs which were converted and will be maintained under the contract. Also newly provided were combination online/instant self service devices, online self service devices. (Lotto to Go and Lottery to Go)

   a. Have the retailers/players experienced any problems with the terminals? (check one)
      X   Yes

      ☐   No
      If yes, please describe:

   Our self service device footprint is now larger, so new players were exposed to the devices. The Lottery itself could have done a better job introducing the devices to the public. Some retailers attempt to convince all players to go to a self service device rather than wait on players but that is just an issue with the retailer. NY has not had the combination online/instant machines before and they will take awhile to catch on with players – a large Mega Millions jackpot with some sales lines at the traditional retailer activated sales device would help make people aware of the self service devices.

   b. Does the vendor provide player self-service ticket checking devices? (check one)
      X   Yes

      ☐   No
      If yes, have the players experienced any problems with these units?

   We did have a short period of time where ticket messaging was not correct but that was corrected quickly when identified. We will be spending some additional time ensuring all of our messaging is consistent between the ticket checking device and the player facing transaction display at the terminal.

3. Has the vendor employed a protectively redundant communications method for the retailer terminal? (check one)
      X Yes

☐ No

If yes, has it been effective in reducing retailer terminal downtime?

Yes, the communications system has been very effective compared to prior systems.

4. Does the vendor provide lottery gaming system software updates? (check one)

    X Yes

    ☐ No

If yes, with what frequency (i.e. as needed, monthly, quarterly, annually)?

At startup, the overall response from GTECH software was superb and many updates and changes were quickly completed the first week. We are still planning out our first full batch of software which will be done quarterly going forward in accordance with the contract. Obviously, important retailer or player facing matters are dealt with as needed at the Lottery's request.

5. Does the vendor routinely/periodically operate the lottery gaming system from the backup site? (check one)

    X Yes

    ☐ No

If yes, with what frequency (i.e. as needed, monthly, quarterly, annually)?

Yes, our first short run at the backup site will be done within the next two weeks and we will move operations to the back up site for an entire week during the last two weeks of this month. Based on how smoothly these two processes go we will likely go to a quarterly move to the back upsite if the switch overs are not smooth we would go to monthly until the process is perfected.

6. May we contact you with follow-up questions?

    X Yes

    ☐ No

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Please provide the following:

Lottery Name: _____NEW YORK_____

Contact Name: Gardner Gurney_____

Phone number: _518-388-3406_____

Conversion Reference Questions

1. Was the conversion to another vendor or new system with the existing vendor?
    ☐   Another vendor

        Please provide previous vendor and current vendor's names

            Previous vendor name _____

            Current vendor name_____

    X   New system with existing vendor

            Please provide vendor name ___GTECH_____

2. How long was the conversion period, from contract execution to start up day (i.e. 6 months, 9 months, 12 months, 18 months)?

> The contract was signed by the Office of the State Comptroller on Sept 1, 2009 and the conversion was completed for an August 1, 2010 start up.

a. Was the conversion on time?

X   Yes

☐   No

If no, please explain:

We did adjust the conversion date due to the inclusion of Powerball as a new game to the system. The addition of this game was a significant change to the Lottery's ICS and based on where we were with the GTECH system conversion and related programming it caused numerous process changes due to MUSL requirements. Our original contract utilized June 6 as the conversion date and through contractual amendment it was moved soon after the Powerball decision to August 1. So it was an on-time conversion.

b. Were there incidents with acceptance testing, such as suspension?

X   Yes

☐   No

If yes, please explain:

Not a suspension but we did have a period where the necessary coordination of everyone's availability, Battelle Memorial Institute's Lottery's and GTECH's caused us to step back for a week or two – attend to other matters and then come back to testing. We still hit our targeted conversion day.

c. Was any special intervention by the lottery needed?

☐   Yes

X   No

If yes, please explain:

3. How many retailer terminals were installed (please include any player activated or self service terminals)? Exclusive of several hundred interconnected ITVMs from the existing contract, on start up day the new terminals installed and active included 17,120 Altura GT1200, 2,260 Game Points (Lottery to Go), 386 Lottery Inside locations (these typically run the software on two cash registers each), 42 SST (Lotto to Go) and 4 Altura VIGT1200 (a unique version of the GT1200 that has a unique features and programming to be used by visually impaired clerks. Many more of the VIGT1200 were completed on Monday the day after startup since the stores were not open on Sunday and in closed government buildings.

   a. Were the installed terminals connected to the central system via dial up or a dedicated telecommunications connection?

   GTECH transitioned the communications network to a combination of its VSAT, dual cell technology and frame communications from the existing state provided system which was mainly frame with about 15-20% VSAT. Our new system on the day of startup utilized 397 circuits provided by a retail chain using a VPN within a cable network, 435 frame circuits, 5,971 terminals were connected using dual cellular technology (AT & T and Sprint) and 13,009 were using GTECH's VSAT network.

   b. How many traditional games were converted, were any non-traditional games converted?

   All of our games were converted including our Sweet Million game, Instant Win, Lucky Sum – these are sort of non-traditional since not many states include these features or game types. It also included Quick Draw (our Keno game) which some lotteries consider non-traditional.

4. What aspects were included in your conversion strategy (i.e. phased, big bang, parallel processing)?
   We started rolling out new terminals in September 2009 and then also planned out the installation of Lottery Inside, Game Points and a few SSTs prior to go live. All these were on the emulation programs/systems until switch over on August 1. Another part of our strategy was to rollout as much of the equipment for a retailer as practical with one visit. All peripherals were

delivered at terminal installation time. This included player transaction displays, ticket checkers, starlights, player facing sales screens, jackpot signage, keno monitors etc.

5. Did the vendor incorporate historical data in the conversion process?

    X   Yes

    ☐   No

If yes, how many years of data were available at implementation?

At the Lottery's request 3 years of data was converted.

6. Were there any sanctions or liquidated damages assessed, associated with the conversion?

    ☐   Yes

    X   No

If yes, please explain:

At this point, not yet. We are still assessing any direct impact to our sales and taking a holistic approach to evaluating the conversion, for example there was a network operating center issue in North Las Vegas that affected many GTECH customers a few months ago and was not directly a conversion issue. When reviewing the dates within the conversion plan it is obvious there will not be any liquidated damages for late software, missing the start up date, late installation etc. all agreed upon dates were met.

7. May we contact you with follow-up questions?

    X   Yes

    ☐   No

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Please provide the following:

Lottery Name: _Georgia Lottery Corp._

Contact Name: _Margaret DeFrancisco_ (with add'l input from executive team)

Phone number: _404-215-5020_

Lottery Gaming System Reference Questions

1. What on-line terminal(s) is the vendor supplying?

   Altura

   a. Have the retailers experienced any problems with the terminals? (check one)
      ☐ Yes
      ☒ No
      If yes, please describe:

2. What player self-service sales terminal(s) is the vendor supplying (e.g. ITVMs, online self service terminals, combined instant/online)?

   ITVMs

a. Have the retailers/players experienced any problems with the terminals? (check one)

    ☐ Yes

    ☒ No

    If yes, please describe:

b. Does the vendor provide player self-service ticket checking devices? (check one)

    ☒ Yes

    ☐ No

    If yes, have the players experienced any problems with these units?

    No.

3. Has the vendor employed a protectively redundant communications method for the retailer terminal? (check one)

    ☒ Yes

    ☐ No

    If yes, has it been effective in reducing retailer terminal downtime?

The retail network has been divided so that transactions for each half of the network goes to two separate satellites. Also, they have ability to switch locations in bad weather

4. Does the vendor provide lottery gaming system software updates? (check one)

    ☒ Yes

    ☐ No

    If yes, with what frequency (i.e. as needed, monthly, (quarterly,) annually)?

5. Does the vendor routinely/periodically operate the lottery gaming system from the backup site? (check one)

    ☒ Yes

    ☐ No

    If yes, with what frequency (i.e. as needed, monthly, (quarterly,) annually)?
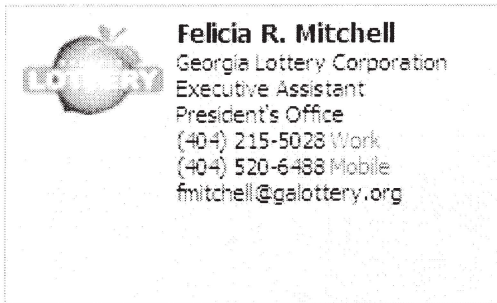
6. May we contact you with follow-up questions?

    ☑ Yes

    ☐ No

From:	Felicia Mitchell [FMitchell@galottery.org]
Sent:	Tuesday, September 14, 2010 10:04 AM
To:	Zgarba, Angela
Cc:	Margaret DeFrancisco
Subject:	Lottery Operations/Services RFP
Attachments:	Lottery Operations and Services RFP Questionnaire.pdf

Georgia's questionnaire.

Felicia R. Mitchell
Georgia Lottery Corporation
Executive Assistant
President's Office
(404) 215-5028 Work
(404) 520-6488 Mobile
fmitchell@galottery.org

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From:	Margaret DeFrancisco [MDeFrancisco@galottery.org]
Sent:	Friday, September 10, 2010 7:31 PM
To:	Zgarba, Angela
Subject:	RE: Reference Check - Lottery Operations & Services RFP 362-10-0001

Angela, we've missed your deadline, but would be happy to respond if it is still needed as part of your process. We can get you the completed forms early next week; however, in summary, GTECH has been an excellent provider of our online services. In fact, we actually extended their contract with the Georgia Lottery Corporation.

Scientific Games provides our instant ticket printing, warehousing and distribution. (Tel-Sell is a function performed internally by GLC employees.) SGI is also an excellent provider of their services to the lottery. (We extended their contract also by three years.)

Both firms have been full partners in working with us to grow this lottery's sales and profit.

Margaret DeFrancisco

From: Zgarba, Angela [mailto:Angela.Zgarba@lottery.state.tx.us]
Sent: Friday, August 20, 2010 1:57 PM
To: Margaret DeFrancisco
Subject: Reference Check - Lottery Operations & Services RFP 362-10-0001

The Texas Lottery Commission (TLC) has issued a Request for Proposals for Lottery Operations and Services and is currently evaluating proposals and checking vendor references. Your name was provided, as a reference for or a customer of **GTECH.**   Please complete and return the attached questionnaire(s) to Angela Zgabay-Zgarba at angela.zgarba@lottery.state.tx.us or by fax to (512) 344-5444 by **4:00 p.m. CST on Tuesday, August 31, 2010.**

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

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Please provide the following:

Lottery Name: ____California State Lottery_____

Contact Name: ____Ellen Ishimoto_____

Phone number: ____(916) 327-7818_____

Lottery Gaming System Reference Questions

1. What on-line terminal(s) is the vendor supplying?

Altura 602 – Retailer Clerk Terminals (RCTs)

Self Service Terminals – (SST's) – sells Draw Games

Low Volume Terminals (LVTs) – aka as Quick Terminals (QTs)

GamePoint Terminals (GPTs) aka Lottery-To-Go – sells Draw Games and Instants

    a. Have the retailers experienced any problems with the terminals? (check one)
        X Yes
        ☐No
        If yes, please describe:

There are various problems that the retailers may experience from time to time, such as reader errors, printer jams, communication related issues.

2. What player self-service sales terminal(s) is the vendor supplying (e.g. ITVMs, online self service terminals, combined instant/online)?

Self Service Terminals – sells Draw Games
Instant Ticket Vending Machines – sells Instants
GamePoints – sells Draw and Instant Games

a. Have the retailers/players experienced any problems with the terminals? (check one)

X Yes
☐ No
If yes, please describe:

Same as in response to #1

b. Does the vendor provide player self-service ticket checking devices? (check one)

X Yes
☐ No
If yes, have the players experienced any problems with these units?

In rare instances, GTECH dispatches to these locations for a "no" read barcode error related issues.

3. Has the vendor employed a protectively redundant communications method for the retailer terminal? (check one)

X Yes
☐ No
If yes, has it been effective in reducing retailer terminal downtime?

GTECH redundancy is in the communication network where the system is moved to a redundant Network Operations Center (NOC)

4. Does the vendor provide lottery gaming system software updates? (check one)
X Yes
☐ No
If yes, with what frequency (i.e. as needed, monthly, quarterly, annually)?

Quarterly or as needed.

5. Does the vendor routinely/periodically operate the lottery gaming system from the backup site? (check one)

        X Yes

        ☐ No

        If yes, with what frequency (i.e. as needed, monthly, quarterly, annually)?

GTECH is contractually required to perform these twice a year, but are performing these on a quarterly basis or when a significant change is made to the system.

6. May we contact you with follow-up questions?

        X Yes

        ☐ No

From: Joan Borucki [jborucki@calottery.com]
Sent: Monday, August 23, 2010 3:05 PM
To: Zgarba, Angela
Subject: RE: Reference Check - Lottery Operations & Services RFP 362-10-0001
Attachments: GTECH System Reference Questions (2).docx

Here you go.

From: Zgarba, Angela [mailto:Angela.Zgarba@lottery.state.tx.us]
Sent: Friday, August 20, 2010 10:56 AM
To: Joan Borucki
Subject: Reference Check - Lottery Operations & Services RFP 362-10-0001

The Texas Lottery Commission (TLC) has issued a Request for Proposals for Lottery Operations and Services and is currently evaluating proposals and checking vendor references. Your name was provided, as a reference for or a customer of **GTECH.** Please complete and return the attached questionnaire(s) to Angela Zgabay-Zgarba at angela.zgarba@lottery.state.tx.us or by fax to (512) 344-5444 by **4:00 p.m. CST on Tuesday, August 31, 2010.**

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

LOTTERY OPERATIONS AND SERVICES RFP
No. 362-10-0001
REFERENCE CHECK QUESTIONNAIRE

The Texas Lottery Commission (TLC) has issued a Request for Proposals for Lottery Operations and Services and is currently evaluating proposals and checking vendor references. Your name was provided, as a reference for or a customer of **GTECH**. Please complete and return this questionnaire to Angela Zgabay-Zgarba at angela.zgarba@lottery.state.tx.us or by fax to (512) 344-5444 **by 4:00 p.m. CST on Tuesday, August 31, 2010.**

Please provide the following:

Lottery Name: ___Michigan_____

Contact Name: ___Anita Wooton_____

Phone number: ___(517)335-5675_____

Warehousing and Distribution Reference Questions

Who are the following services provided by:

1. Warehouse Management (check one)
   ☐ Lottery
   X Vendor (name) **G-TECH**_____

2. Distribution (instant tickets, online roll stock, etc.) (check one)
   ☐ Lottery
   X Vendor (name) **G-TECH**_____

3. Tel-Sell (instant ticket ordering) (check one)
   ☐ Lottery
   X Vendor (name) **G-TECH**_____

1. Have you experienced any problems with this vendor's warehouse operations related to the processing of returned instant tickets (i.e. timely processing, handling of special returns, etc.)? (check one)

☐ Yes

X No

If yes, please explain: **Contract requires dedicated staff to support this function and support of retailer out of business inventory returns.**

2. Have you experienced any problems with the vendor's handling of online ticket roll stock (i.e. distribution, return and secure storage, etc.)? (check one)

☐ Yes

X No

If yes, please explain:

3. Have there been situations where the vendor experienced equipment or system outages impacting ticket distribution? (check one)

☐ Yes

X No

If yes, please explain:

For questions 4 through 9, please use the scale below when making your assessment.

1 = Did not meet requirements	4 = Satisfactory	7 = Exceeded Requirements
1 2 3	**4 5**	**6 7**

4. Please rate the vendor's ability to handle the volume associated with initial (game launch) and daily orders.

Choose One: 1   2   3   4   5   **6**   7

PLEASE COMMENT

5. Please rate the vendor's handling of situations where they were required to distribute an unusually large volume of instant ticket orders.

    Choose One: 1   2   3   4   5̲   6   7

    PLEASE COMMENT

6. Please rate the quality of the vendor's process for limiting the shipment of unassigned packs and management of lost/misdelivered shipments via subcontracted delivery carriers?

    Choose One: 1   2   3   4   5̲   6   7

    PLEASE COMMENT

7. Please rate the physical security of this vendor's warehouse facility.

    Choose One: 1   2   3   4   5   6̲   7

    PLEASE COMMENT

    a)Does the vendor provide a predictive ordering system in support of instant product distribution to retail?

    ☐   Yes
    X   No

    b)If so, please rate the effectiveness of the automated ticket ordering system related to ensuring proper inventory levels and instant product mix at retail?

    Choose One: 1   2   3   4   5   6   7

    PLEASE COMMENT

8. Please rate the overall performance of the vendor for warehousing and distribution services.

   Choose One: 1   2   3   4   5   [6]   7

   PLEASE COMMENT

9. Does the vendor provide a predictive/automatic ordering system feature in support of instant distribution to retail?
   - ☐   Yes
   - **X**   No

   a. If so, please rate the effectiveness of the automated ticket ordering system related to ensuring proper inventory levels and instant product mix at retail.

      Choose One: 1   2   3   4   5   6   7

   b. If so, is it comprehensive and self-sufficient or does it coordinate with other ordering methods such as tel-sell, walk-in, trunk stock, etc?

10. May we contact you with follow-up questions?
    - **X**   Yes

    - ☐   No

From:	Kathy Clinton [ClintonK@michigan.gov]
Sent:	Wednesday, August 25, 2010 10:48 AM
To:	Zgarba, Angela
Cc:	Denise Cushion; Anita Wooton
Subject:	Re: Fwd: Reference Check - Lottery Operations & Services RFP 362-10-0001
Attachments:	GTECH Warehousing and Distribution Reference Questions.docx; GTECH System Reference Questions.docx

Attached are the completed Questionnaires from the Michigan Lottery.

Kathy Clinton
Financial Specialist
Michigan Lottery
517-335-5637

This email may contain confidential or official use only data. You must be authorized by the
Michigan Bureau of State Lottery to view this information. Any review, use, retention,
distribution or disclosure by others is strictly prohibited.

>>> "Zgarba, Angela" <Angela.Zgarba@lottery.state.tx.us> 8/20/2010 1:55
>>> PM >>>
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fax to (512) 344-5444 by 4:00 p.m. CST on Tuesday, August 31, 2010.

Angela Zgabay-Zgarba

Contracts Administrator

Texas Lottery Commission

Ph: 512.344.5215

Fax: 512.344.5058

LOTTERY OPERATIONS AND SERVICES RFP
No. 362-10-0001
REFERENCE CHECK QUESTIONNAIRE

The Texas Lottery Commission (TLC) has issued a Request for Proposals for Lottery Operations and Services and is currently evaluating proposals and checking vendor references. Your name was provided, as a reference for or a customer of **GTECH**. Please complete and return this questionnaire to Angela Zgabay-Zgarba at angela.zgarba@lottery.state.tx.us or by fax to (512) 344-5444 by **4:00 p.m. CST on Tuesday, August 31, 2010.**

Please provide the following:

Lottery Name: Michigan

Contact Name: Anita Wooton

Phone number: (517)335-5675

Lottery Gaming System Reference Questions

1. What on-line terminal(s) is the vendor supplying?
Altura

    a. Have the retailers experienced any problems with the terminals? (check one)
        ☐　Yes
        X　No

        If yes, please describe:

2. What player self-service sales terminal(s) is the vendor supplying (e.g. ITVMs, online self service terminals, combined instant/online)? **All listed as examples plus instant showcases**

    a. Have the retailers/players experienced any problems with the terminals? (check one)
        ☐　Yes
        X　No

        If yes, please describe:

    b. Does the vendor provide player self-service ticket checking devices? (check one)
        X　Yes

☐ No

If yes, have the players experienced any problems with these units?

No

3. Has the vendor employed a protectively redundant communications method for the retailer terminal? (check one)

    X   Yes

    ☐ No

If yes, has it been effective in reducing retailer terminal downtime? **Yes**

4. Does the vendor provide lottery gaming system software updates? (check one)

    X   Yes

    ☐ No

If yes, with what frequency (i.e. as needed, monthly, quarterly, annually)?

Four times a year

5. Does the vendor routinely/periodically operate the lottery gaming system from the backup site? (check one)

    X   Yes

    ☐ No

If yes, with what frequency (i.e. as needed, monthly, quarterly, annually)?

Quarterly

6. May we contact you with follow-up questions?

    X   Yes

    ☐ No

From:	Reggiannini, Cheryl [creggia@masslottery.com]
Sent:	Wednesday, August 25, 2010 3:38 PM
To:	Zgarba, Angela
Cc:	Mandeville, Paul
Attachments:	Texas - GTECH System Reference Questions.doc

Dear Angela,

Attached please find the "Lottery Gaming System Reference Questions" questionnaire that Paul Mandeville, MIS Director, Massachusetts State Lottery has filled out. He has left you his contact information if you have any further questions.

Sincerely,
Cheryl Reggiannini

LOTTERY OPERATIONS AND SERVICES RFP
No. 362-10-0001
REFERENCE CHECK QUESTIONNAIRE

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Please provide the following:

Lottery Name: MASSACHUSETTS STATE LOTTERY COMMISSION

Contact Name: PAUL J. MANDEVILLE

Phone number: (781) 849-5653

Lottery Gaming System Reference Questions

1. What on-line terminal(s) is the vendor supplying?
    (WE PURCHASED) GTECH ISYS GT-503

    a. Have the retailers experienced any problems with the terminals? (check one)
        ☐ Yes
        X No
        If yes, please describe:

2. What player self-service sales terminal(s) is the vendor supplying (e.g. ITVMs, online self service terminals, combined instant/online)?

   NONE. GTECH OFFERED THEIR HYBRID ITVMs BUT WE HAVE NOT OPTED TO OBTAIN ANY (BUDGET CONSTRAINTS)

   a. Have the retailers/players experienced any problems with the terminals? (check one)
      ☐ Yes
      X No
      If yes, please describe:

   b. Does the vendor provide player self-service ticket checking devices? (check one)
      X Yes
      ☐ No
      If yes, have the players experienced any problems with these units?

      WE USE GTECH EXPRESSPOINTS (KEP-1) AND HAVE HAD NO PROBLEMS

3. Has the vendor employed a protectively redundant communications method for the retailer terminal? (check one)
   ☐ Yes
   X No
   If yes, has it been effective in reducing retailer terminal downtime?

4. Does the vendor provide lottery gaming system software updates? (check one)
   ☐ Yes
   X No
   If yes, with what frequency (i.e. as needed, monthly, quarterly, annually)?

   WE PURCHASED A PERPETUAL LICENSE TO USE PROSYS. AS SUCH, WE OWN, OPERATE, AND MAINTAIN OUR OWN SYSTEM.

5. Does the vendor routinely/periodically operate the lottery gaming system from the backup site? (check one)
   ☐ Yes

X   No
If yes, with what frequency (i.e. as needed, monthly, quarterly, annually)?

WE OWN AND OPERATE OUR OWN BACKUP SITE.

6.   May we contact you with follow-up questions?
    X   Yes
    ☐   No

PAUL J. MANDEVILLE
ASSISTANT EXECUTIVE DIRECTOR
MANAGEMENT INFORMATION SYSTEMS
(781) 849-5653
(781) 849-5612 FAX
pmandeville@masslottery.com

The Texas Lottery Commission (TLC) has issued a Request for Proposals for Lottery Operations and Services and is currently evaluating proposals and checking vendor references. Your name was provided, as a reference for or a customer of **GTECH**. Please complete and return this questionnaire to Angela Zgabay-Zgarba at angela.zgarba@lottery.state.tx.us or by fax to (512) 344-5444 **by 4:00 p.m. CST on Tuesday, August 31, 2010.**

Please provide the following:

Lottery Name: _____ New Jersey Lottery _____

Contact Name: _____ **Carole Hedinger** _____

Phone number: _____ 609-599-5900 _____

Warehousing and Distribution Reference Questions

Who are the following services provided by:

1. Warehouse Management (check one)

    ☐ Lottery
    X Vendor (name) GTECH_____

2. Distribution (instant tickets, online roll stock, etc.) (check one)

    ☐ Lottery
    X Vendor (name)_GTECH_____

3. Tel-Sell (instant ticket ordering) (check one)

    ☐ Lottery
    X Vendor (name)_GTECH_____

1. Have you experienced any problems with this vendor's warehouse operations related to the processing of returned instant tickets (i.e. timely processing, handling of special returns, etc.)? (check one)

    ☐ Yes
    X No
    If yes, please explain:

2. Have you experienced any problems with the vendor's handling of online ticket roll stock (i.e. distribution, return and secure storage, etc.)? (check one)

    ☐ Yes
    X No
    If yes, please explain:

3. Have there been situations where the vendor experienced equipment or system outages impacting ticket distribution? (check one)

    ☐ Yes
    X No
    If yes, please explain:

For questions 4 through 9, please use the scale below when making your assessment.

1 = Did not meet requirements		4 = Satisfactory		7 = Exceeded Requirements		
1	**2**	**3**	**4**	**5**	**6**	**7**

4. Please rate the vendor's ability to handle the volume associated with initial (game launch) and daily orders.

    Choose One: 1   2   3   4   5   <u>6</u>   7

    PLEASE COMMENT game launch and daily distribution of tickets along with POS and other materials are performed in an efficient and timely manner.

5. Please rate the vendor's handling of situations where they were required to distribute an unusually large volume of instant ticket orders.

Choose One: 1 2 3 4 5 <u>6</u> 7

PLEASE COMMENT
Vendor has been able to handle all distribution needs.

6. Please rate the quality of the vendor's process for limiting the shipment of unassigned packs and management of lost/misdelivered shipments via subcontracted delivery carriers?

Choose One: 1 2 3 4 5 <u>6</u> 7

PLEASE COMMENT

Vendor uses UPS delivery service – no complaints on the way this has been handled.

7. Please rate the physical security of this vendor's warehouse facility.

Choose One: 1 2 3 4 5 <u>6</u> 7

PLEASE COMMENT Meets all security requirements set by Lottery and MUSL.

a)Does the vendor provide a predictive ordering system in support of instant product distribution to retail?

X   Yes
☐   No

b)If so, please rate the effectiveness of the automated ticket ordering system related to ensuring proper inventory levels and instant product mix at retail?

Choose One: 1 2 3 4 5 <u>6</u> 7

PLEASE COMMENT   System works very well.

8. Please rate the overall performance of the vendor for warehousing and distribution services.

Choose One: 1   2   3   4   5   <u>6</u>   7

PLEASE COMMENT   Vendor performance has met all expectations.

9. Does the vendor provide a predictive/automatic ordering system feature in support of instant distribution to retail?
       X   Yes
       ☐   No

   a. If so, please rate the effectiveness of the automated ticket ordering system related to ensuring proper inventory levels and instant product mix at retail.

   Choose One: 1   2   3   4   5   <u>6</u>   7

   b. If so, is it comprehensive and self-sufficient or does it coordinate with other ordering methods such as tel-sell, walk-in, trunk stock, etc.?

   The vendor's system coordinates with tel-sell. We do not have trunk stock or walk-in.

10. May we contact you with follow-up questions?
       X   Yes
       ☐   No

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Please provide the following:

Lottery Name: New Jersey Lottery

Contact Name: Carole Hedinger

Phone number: 609-599-5900

Lottery Gaming System Reference Questions

1. What on-line terminal(s) is the vendor supplying?   **Altura**

    a. Have the retailers experienced any problems with the terminals? (check one)
        ☐ Yes
        X No
        If yes, please describe:

2. What player self-service sales terminal(s) is the vendor supplying (e.g. ITVMs, online self service terminals, combined instant/online)? **ITVMs**

a. Have the retailers/players experienced any problems with the terminals? (check one)

    ☐ Yes

    X No

    If yes, please describe:

b. Does the vendor provide player self-service ticket checking devices? (check one)

    X Yes

    ☐ No

    If yes, have the players experienced any problems with these units?

When checking more than 30 non-winning tickets consecutively, the retailer's terminal is shut down necessitating a call to Lottery Headquarters to have the machine restored. This is due to our internal requirement that 30 non-winning validation transactions is the limit for security purposes.

3. Has the vendor employed a protectively redundant communications method for the retailer terminal? (check one)

    X Yes

    ☐ No

    If yes, has it been effective in reducing retailer terminal downtime? **Yes**

4. Does the vendor provide lottery gaming system software updates? (check one)

    X Yes

    ☐ No

    If yes, with what frequency (i.e. as needed, monthly, quarterly, annually)? **As needed**

5. Does the vendor routinely/periodically operate the lottery gaming system from the backup site? (check one)

    X Yes

    ☐ No

If yes, with what frequency (i.e. as needed, monthly, quarterly, annually)?
Quarterly

6. May we contact you with follow-up questions?
    X   Yes
    ☐   No