

Texas Lottery Commission
 Lottery Operations and Services RFP
 Evaluation Scoring Matrix Documentation

Vendor Name: GTECH
Evaluator Name: Michael Anger

Pre-Qualification		Date / Time
A.	Mandatory Pre-Proposal Conference and Non-Disclosure Statement	
A.1	The Proposer attended one of the mandatory pre-proposal conferences and submitted a signed non-disclosure statement.	
B.	Cost Proposal and Proposer's Commitment Submission	
B.1	The Proposer submitted the Cost Proposal and Proposer's Commitment in the manner as prescribed and by the deadline provided in Section 2 of the RFP.	
C.	Technical Proposal, Bid Bond/Proposal Surety and Protest/Litigation Bond Submission	
C.1	The Proposer submitted the Technical Proposal, Bid Bond/Proposal Surety and Protest/Litigation Bond in the manner as prescribed and by the deadline provided in Section 2 of the RFP.	

Round 1: Minimum Qualification Requirements		
A.	Financial Status of the Proposer	
A.1	The Proposer is financially viable and Office of the Controller has validated the financial status of the Proposer.	Pass/Fail
B.	Historically Underutilized Businesses (HUB)	
B.1	Whether the Proposer performed the good faith effort required by the HUB subcontracting plan. *HUB Subcontracting Plan HSP Workshop *Mandatory	Pass/Fail

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 selecting a Proposer whose solution provides the best value to the agency.

Round 2: Technical Scoring		RFP Reference	Maximum Available Points	Awarded Points	Evaluator Notes
2.1	Past Performance. <i>The quality of the Proposer's past performance in contracting with the agency, with other state entities, or with private sector entities.</i>		550		
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)	440		4.2.5 The Proposer shall state in its Response whether or not any of the following have occurred during the last five (5) years: (a) The Proposer has had a contract terminated and, if so, shall provide full details, including the other party's name, address and telephone number. (b) The Proposer has been assessed any sanctions or liquidated damages under any existing or past contracts with any state, provincial or other lottery, and if so, note the jurisdiction, the reason for and the amount of the sanction or liquidated damages for each incident. (See Section 3.44 for continuing disclosure requirement.) (c) The Proposer has provided goods or services in consideration of contractual sanctions or liquidated damages that would have been assessed, and if so, note the jurisdiction, the reason for the penalty or liquidated damages and the goods or services provided in lieu of the assessment. (d)The Proposer has had any material or significant audit findings.
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				<p>(e) The Proposer was the subject of (i) any disciplinary action for substandard work and unethical practices or (ii) any order, judgment or decree of any federal or state authority barring, suspending or otherwise limiting the right of the Proposer to engage in any business, practice or activity.</p> <p>(f) The Proposer has been involved in any material civil or criminal litigation or indictment either threatened or pending as fully described in Section 3.4.3.</p> <p>(g) The Proposer has applied for, has sought renewal of, has received, has been denied, has pending, or has had revoked a gaming license of any kind, or had fines, penalties sanctions or liquidated damages assessed against its gaming license, contract or operation, and the disposition of such in each such state or jurisdiction. If any lottery or gaming license or contract has been revoked or terminated or has not been renewed or any lottery or gaming license or application has been either denied or is pending and has remained pending for more than six (6) months, all of the facts and circumstances underlying the revocation, termination, non-renewal or the failure to receive such a license shall be disclosed.</p> <p>4.6.1 Disclosures of Conflicts of Interest</p> <ul style="list-style-type: none"> • GTECH notes as the primary lottery vendor that GTECH has relationships with all of the Texas Lottery’s vendors but only related to this contract. • There are two exceptions where GTECH has business relationships outside of TLC: SGI— Instant Ticket Manufacturing and Random Animated Digital Drawing System and Pollard Banknote Instant Ticket Manufacturing <p>General— Proposer provided all required information in this section. No patterns of concern in the required information were noted. Proposer has extensive history of contracting experience in the lottery industry providing the goods and services requested by TLC. Proposer has direct experiencing providing operator services to the Texas Lottery since 1992.</p> <p>4.4 - Proposers must provide verifiable references which include contact person, name of company, phone, fax number and e-mail address if available for each engagement identified in Section 4.2.1. The Texas Lottery reserves the right to verify all information in the Proposal submitted by the Proposer</p>	
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2.1.2	Reference checks and site visits (to include site visits to other lotteries if applicable)	4.4 and 2.22			

and seek other information it deems necessary to conduct a thorough review.

- Can be found in response to section 4.2.1 years of exp. In the Experience Insert.
- Committee obtained survey responses from several jurisdictions. The results were generally positive regarding the proposer's performance in providing similar services and there were no significant areas of concern identified. The committee reviewed the responses and determined that no additional follow-up would be needed.

2.22 -The Texas Lottery, in its sole discretion, reserves the right to conduct site visits and/or to require Proposers to make oral presentations prior to the Contract Award. Site visits may include visits to a state lottery(ies) with whom a Proposer currently contracts. Proposers will be notified in writing and will be provided with equal advance notification of site visits and/or oral presentation assignments and guidelines.

Oral Presentations—coordinated presentation highlighting Texas and Corp staff and how they would work collectively to deliver on proposer's commitments in the RFP response. Proposer talked about emphasizing innovation where it mattered by understanding what the lottery needs and fashioning people and resources around this.

Site Visits—
Corporate Visit—

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- application. Demo of real time pack status changes and inventory changes, ability to capture signatures.
- Super Chain Relationship demo in Retailer Management
- Single Ticket Accounting—demo of the ability to do single ticket accounting, pack level accounting or hybrid accounting at the store level
- Conversion—GT noted that they have converted all system data from Texas to their proposed system and demo of system included Texas data.
- Altura terminal has been in operation for 10 years with several upgrades over time. GT confirmed that they do not have a replacement terminal on the drawing board to replace this unit.
- GT SFT has integrated peripherals.
- Check-A-Ticket—demo
- NY Site Visit—
 - Warehouse Site Visit—manual pick and pack overview and discussion. functionality demo.

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\$552.110	<ul style="list-style-type: none"> • detailed tool presentation <p>Overall Site Visit—Proposer allowed for significant level of interaction with the Texas Account Staff and the Corporate level staff that would be servicing the Texas account. Staff presented systems that they would be responsible for under the proposal.</p>
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Total Points

2.2	Personnel. The qualifications of the Proposer's personnel.	800	
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.	160	<p>4.3.2(a)</p> <p>GTECH notes that they have also provided many more resumes to demonstrate the size, experience, and complexity of GTECH Texas including all positions dictated in sections 4.3.2</p> <p>4.3.2 (a)</p> <p>Executive Management Team—Four highlighted managers have a combined 31 years of experience in Texas and 41 in the industry.</p> <ol style="list-style-type: none"> 1. Joe Lapinski, General Manager—10 years GTECH Texas and industry exp., lead on-time conversion to existing contract in 2002, Project Manager for conversions in Georgia and Texas, also served as Account GM in Louisiana 2. Ramon Rivera, Strategic Consultant—18 years GTECH Texas and industry exp., full time GTECH employee advising the GM and management team, exp. On previous lottery system conversion and startup 3. Saysha Robinson, Assistant Account General Manager—6 years GTECH Texas and industry experience, current primary contact on maintenance issues for GTECHs operational activities, audits, and compliance, coordinates process and procedural changes. 4. Tom Stanek, Director of Sales, Marketing and Business Development—3 years GTECH Texas Experience and 7 years of industry experience, prior experience in GTECHs corporate marketing department and in multiple jurisdictions optimizing product portfolios and distribution <p>Senior Management Support—GTECH understands importance of direct TLC communication with GTECH Senior Management. GM Joe Lapinski reports directly to Alan Eland, Senior VP of GTECH</p>

Americas. Key Senior Management members detailed.

1. Jaymin Patel, President and Chief Executive Officer-Industry exp. 16 years. Strategic direction of company. PWC Manager from 92 to 94. GTECH Finance Director in various positions, including CFO, then COO and CEO 94 to present
2. Alan Eland, Senior VP, GTECH Americas—4 years GTECH Texas, 25 years industry. Directs overall GTECH strategic resources toward TLCs overall strategic goals. Oversees all operations in the Americas. Alan served as GTECH Texas Project Manager during the 1992 start-up, GTECH Texas Deputy GM and Texas GM.
3. Connie Lavery O'Connor, Senior VP and CMO—36 years industry exp. Leads corporate marketing team in supplying tactical marketing advice on game development, industry best practices, retail network development and promotion design and execution. Resume—NY Lottery 74 to 05 Director of Marketing, Sales Advertising and Product Development, Georgia Lottery Corp, COO 05 to 06. GTECH Sr VP and CMO 06 to present
4. Scott Gunn, Senior VP, Global Government Relations and US Business Development—16 years industry exp. Responsible for worldwide government relations leadership and strategy. Leads US Business Development Organization to ensure GTECH alignment and positioning to support objectives of companies customers.
5. Matthew Whalen, Senior VP, Global Technology Solutions—16 years industry exp. Accountable for all tech deliveries at exec level.will deliver all aspects of the project including requirements gathering, software development, implementation and customer acceptance. Is Mr. Whalen on the transition team? Yes, see org chart for transition team.

- **Security and Facilities Solutions**—Facilities selection and ensuring adequate security.

1. Steven Pare, Senior Director, Global Security Affairs—3 years industry, 30 years total. Oversees physical security and employee safety all GTECH sites worldwide, also conducts internal investigations. RI State Police Officer for 27 years
2. Robert Picasio, Senior Security Director—7 years GTECH Texas/Industry, 19 years total experience. Conducts risk assessments of all facilities and will design all security systems. Develops and implements worldwide policies for the Security Division. Ensures compliance with contracts, MUSL and other governing bodies. Resume—

Seguin PD 12 years as police officer and patrol lieutenant

- **Human Resources**—HR assists with required lottery audits.

1. Daisy Bolivar, Manager—2 years GTECH Texas/Industry and 12 years total exp. HR function for 500 employees in Texas. Resume—HR Generalist or Associate for Unilever/Best Foods, Exxon Mobil, Wyeth, and Dell between 98 and 08

Site Operations (non-executive team members)—Reporting to Asst GM, Saysha Robinson, focused on daily operations, including audit requirements, business continuity, system conversion, ensuring compliance and efficiency

1. Jeremy Bingham, Audit and Security Supervisor—3 years GTECH Texas and industry experience and 10 years of experience in field. Responsible for all TLC and third-party audit compliance activities. 10 years in business process and design analysis noted in resume. Dell learning consultant, Talent Management
2. Cindy Hutchins, Finance and HUB Analyst—18 years GTECH Texas/industry exp. Responsible for all accounting operations at the local level. Handles all HUB vendor relations and HUB spending reports, also oversees fleet operations.
3. Patrick Moore, Communications Manager—16 years GTECH Texas and 22 years industry exp. 22 years of exp. Overall. Primary contact for installation and operation of a wireless communication network for Texas retailers. Will recruit and maintain satellite installation contractors statewide and communications technicians. Patrick has served on numerous projects including Michigan and Georgia in his 22 years. Also, participated in the telecom deployment on the previous Texas system conversion. Detailed background on projects performed for Texas included in resume including Start POS procurement and placement and satellite com conversions for retailers in Texas over time.

General—Proposer Executive Management team for Texas is experienced and proven both within proposer's organization, the industry and in working together. Proposer's Corporate Executive Management team is very experienced and has history of demonstrated commitment to support of local level management for account service.

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)	80	<p>4.3.2 (b)</p> <ul style="list-style-type: none"> • Technology Solutions Team—works under Texas Regional Software Lead, Andy Haley, will oversee and manage technology solutions <ol style="list-style-type: none"> 1. Jim Brannon, Software Development Manager—11 years GTECH Texas/industry. 19 total. Responsible for defining objectives, planning, staffing and execution of software projects for TLC. Also oversees maintenance. At GTECH, has been involved in many successful rollouts in Chile, New Jersey, Jamaica, Mass, Oregon and Missouri. PMP certification in good standing per resume. <p>Client Services—Corporate client services group includes the Data Center of the Americas team (GTECHs largest in world) and National Response Center (GTECH’s second largest call center in US).</p> <ul style="list-style-type: none"> • Data Center and Operations—DCA will serve as primary data center. DCA has six staff at director level of operations staff have over 21 years of experience with GTECH. Data center management staff has a total 186 years of exp. <ol style="list-style-type: none"> 1. Eric DeFazio, Texas Lottery Liaison/Operations Support Manager—5 years GTECH Texas/12 years industry. 14 years total. Responsible for site and daily operations. Eric has represented GTECH on three continents serving in various IT roles: computer ops, sales, communications, incident change and release management. Software QA Lead for various worldwide clients, supported MUSL audit compliance. 2. Jim Burdick, Data Center Supervisor—9 years GTECH Texas, 14 industry. 15 total. Supports and guides operations staff in day-to-day performance, performing root cause analysis on system related issues, goal to resolve issues before they occur. Facilitates open communications between TLC staff and GTECH Software Engineers. Resume —TLC Senior Software Quality Assurance Analyst 95 to 2000 <p>General—Proposer’s system operations team for Texas is experienced both within proposer’s organization and the industry.</p>
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)	80	<p>Proposers must provide resumes for all key management staff.</p> <p>\$552.110</p>

				<p>Chart notes <u>2 Field Service Supervisors, 6 Field Service Tech Ills, 40 Field Service Tech Ills, and 27 Field Service Techs—Total 76 FTEs</u>) Directly responsible for texas field services, working closely with NRC and sales force and operations staff.</p> <ul style="list-style-type: none"> • Call Center Operations—Retailer Services Calls will go to NRCs in Austin and Providence, RI. <ol style="list-style-type: none"> 1. Sam Franco, Call Center Manager—GTECH Texas and Industry Exp. 3 years, 21 years total exp. <u>(1 Retail Support Supervisor with 2 Call Center Supervisors reporting with 24 Call Center Associates. 1 Dispatch and Supply Inventory Manager and 2 Business Analysts—Retailer side 27 + 3 Dispatch + 1 Manager = 31 Total FTEs)</u> Manages and directs ongoing operations and ensures that Service Levels and performance standards are met. Resume—Call Center Operations Supervisor 00 to 07 Affiliated Computer Services 2. Barbara Broadus, Retailer Support Supervisor—9 years GTECH Texas and industry. coordinates daily activities of NRC ops personnel for efficiency, customer service, data integrity and superior system performance. Resume—served in various roles in GTECH, including LSR, Instant Ticket Specialist and Call Center Supervisor 3. Vachon Colvin, Dispatch and Supply Inventory Manager—6 years GTECH Texas and industry, 6 years total exp. Resume—indicates 10 years exp. 94 to 04 as Internet Sales Representative/Client Advocate <p>General—Hal Walker has significant demonstrated experience in complex equipment deployments. Call Center Operations staff experienced in proposer's organization and the industry.</p> <p>Proposers must provide resumes for all key management staff.</p> <ul style="list-style-type: none"> • Sales and Marketing—led by Tom Stanek. Team consists of marketing, sales support, corporate relations, and business development. Recruiting new retailers, increasing same store sales and creating new promotional initiatives <ol style="list-style-type: none"> 1. Shannon Plum, Marketing Manager—2 years GTECH Texas/industry exp. 15 years total exp. Role to help TLC identify new product and marketing strategies. Work with lottery to execute its marketing plan, will assist in developing POS materials and marketing strategies and deploying the marketing plan in the GTECH sales org. primary background in consumer goods, merchandising for new products and
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)	160	<p>\$552.110</p>

developing and delivering retailer incentive programs. Former Director of Sales/Marketing Ingredients plus 4 years, Advertising Account Supervisor Promotions Network Inc. 2 years

2. Promotions Manager/Coordinator position—position not filled. Will be responsible for overseeing all promotional initiatives focused on retailer and LSR incentives and all promotional selling events. Will provide reports necessary for TLC promotion tracking and post-analysis
3. Gina Dill, Research Associate—15 years GTECH Texas/industry. 24 years in total. Manages all research activities, oversees analysis of both internal databases and external market data to improve marketing and promotional performance initiatives
4. Arden Reid, New Business Development/Recruitment Manager—15 years GTECH Texas, 19 in industry. Will continue to support recruitment by working with the lottery to expand regional and national corporate accounts in Texas. Recruitment successes detailed in chart on p. 25. Ohio Lottery Regional Manager 91 to 95
5. Mandy Carter, Corporate/Chain Account Manager—2 years GTECH Texas/industry and 12 total. _____) manages and develops the GTECH Texas Corporate Accounts Team in cultivating relationships and influencing gaming decisions in corporate accounts. Goal to drive incremental sales growth by devising innovative, tailored marketing and promotional strategies with TLC and corporate. Launched first of its kind chain coop promotion with HEB in 2009 leading to other coop chain opportunities. Previous experience (6 years) as marketing associate with Daymon Worldwide for HEB and as a sales manager for in-store selling department at HEB.
6. Positive corporate customer quotes on GTECH Corp Sales staff provided on p.27
George Sanchez, Sales Manager, North Region—18 years GTECH Texas and industry. 25 years total. Serves as lead and advisor on all sales, marketing, merchandising and business development projects for North region. Former LSR, Account Rep., and DSM.
7. Brian Finnigan, Sales Manager, South Region—18 years GTECH Texas and industry. 24 years total. Same role as north region. Former LSR, DSM and Instant Ticket System Warehouse Manager
Note—North and South Region DSMs listed on tables on p.29 and 30 with years of exp.
8. Chuck Faulkner, Distribution Manager—15 years GTECH Texas/industry. Supervisor of 13 Instant Ticket Specialists (note—**conflict** org chart reflects 11 Distribution

2.2.5	Warehouse and Distribution – Warehouse Manager.	4.3.2(e)	80
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)	120

	<p>Reps under Faulkner—<u>Proposer clarified that 11 Distribution Reps is the correct number in clarification letter</u>, reviewing and replenishing instant ticket orders for 16,000 retailers, also measure indexing and trends of instant games and monitor market penetration. Works with TLC instant products coordinator on game mix, launch schedules and new game launch parameters. ensures with TLC proper tracking of ticket exceptions (damaged, lost and defective)</p> <p>9. Current GTECH Texas District Sales Managers</p> <p>General—Proposer provides an experienced and proven sales and marketing team in response to RFP. Proposer's team has significant relevant experience.</p> <p>Proposers must provide resumes for all key management staff.</p> <ul style="list-style-type: none"> • Dwayne Tatum, Warehouse Manager—18 years GTECH and industry exp. Manages the extensive warehouse and distribution functions including Pick Pack, personnel and systems. Manages 8 million ticket packs shipped annually from Texas warehouse. Will ensure seamless flow of tickets and consumable products to retailers to assure uninterrupted sales. • See also Faulkner in section above. <p>General—Proposer's staffing has significant industry experience and experience with proposer.</p> <p>Proposers must provide resumes for all key management staff.</p> <p>Transition Team—2 Project Managers with a total of 32 years of Lottery experience. One project manager will be permanently based in Texas to assist with contractual terms throughout the contract.</p> <p>Texas-based transition team is detailed on p.42, Barbara Tedrow is Project Manager with 1 systems engineer, 8 sub-Project Managers and 2 Leads (total 12 FTEs). Corporate-based transition team (p.43), Michael Thornton is Project Manager with 1 Systems Engineer, 9 sub-Project Managers and 2 Leads (total 13 FTEs). Combined total FTEs for transition—25 FTEs</p> <ul style="list-style-type: none"> • Michael Thornton, PMP, Project Manager—15 years industry exp. 18 years total. All aspects of project delivery including developing and tracking the project schedule and delivery plans. Will work closely with Texas GM and Lottery to ensure RFP deliverables are provided to TLC satisfaction. Resume Former Director of GTECH Projects Management Group from 05 to 08 and projects and program manager from 01 to 05. GTECH Director of Computer Room Operations 92 to 99 among other positions. Currently MT Consulting President since 08 • Barbara Tedrow, PMP, Texas Project Manager—will be the Texas-based project manager noted above.—17 years industry exp. Will oversee project software development, implementation and acceptance. She has focused on software project management for the
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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	120	§552.110	<p>past 8 years for GTECH systems. Also worked on previous Texas conversion. Resume also served as LSR and Proposal Production Manager for GTECH.</p> <ul style="list-style-type: none"> Nick Watts, Texas Systems Engineer—3 years GTECH Texas, 11 in industry. 15 overall. Responsible for overall system architecture. Will lead technical strategy, system design, and implementation. Responsible for coordinating delivery and integration of tech deliverables, including software, comm. Networks, systems and testing. Nick designed the GTECH _____ using _____ devices, data collection, forms, workflow and integrated business intelligence. Nick also designed single ticket accounting and activations at the point-of-sale. <p>General—Proposer provides 2 _____ certified staff to oversee the transition. Proposer details an extensive Texas team and corporate support team for transition. Solid certifications and credentials for individual team members. Many team members have extensive experience with proposer and have conducted past transitions for proposer.</p>
				§552.110	<p>4.3.1 - Proposers must provide an organizational chart which identifies all staff who will support the Texas Lottery account. The organizational chart should include the position titles, number of positions, and where applicable names of personnel (e.g., key management staff). The organizational chart should include corporate directors and/or officers who will provide direction or oversight to the Texas Lottery account.</p> <ul style="list-style-type: none"> 4.3.5 - Proposers must provide a staffing schedule indicating the projected dates that each of the unfilled positions will be filled. All unfilled positions will be hired upon contract award. Chart p. 47 GTECH notes that few of their proposed positions are unfilled and that the positions identified as selected are filled with personnel with significant Texas experience. Sales and Marketing Org-- Team consists of marketing, sales support, corporate relations, and business development. Recruiting new retailers, increasing same store sales and creating new promotional initiatives

<p>4.3.6 - Proposers must indicate when key management employees will be available to commence providing services under any contract awarded hereunder.</p> <ul style="list-style-type: none"> • Will be able to begin on the date of the announcement of the apparent successful proposer • General—Proposer provides an organization structure featuring new positions (mostly in the sales and marketing arm of the organization) focused on areas with potential for growth or that proposer chose to emphasize in response to RFP requirements (ex. Audit and Security Supervisor and the Field Audits Analyst positions). Proposer notes that most positions are filled or would be filled at contract award completing the organizational structure. Overall proposer did a good job of detailing the role of positions and detailing a clear vision of how different positions would fit in the organizational structure and interact to provide services under the requirements of the RFP. 	
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Total Points

2.3	<i>Quality. The probable quality of the offered goods or services.</i>	2,600	
2.3.1	ACCOUNT MANAGEMENT AND ADMINISTRATION	130	
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>6.1 Account Management and Administration</p> <ul style="list-style-type: none"> • GTECH has identified more than 120 business process over two years driving the development of 11 innovative solutions that will provide TLC with complete transparency into GTECH Operations. <p>6.2 Account Management Detail Requirements 11-17</p> <ol style="list-style-type: none"> 1. The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section. [NOTE: Applies to all sections where applicable.] 2. GTECH acknowledges and accepts <ul style="list-style-type: none"> • The Proposer must provide a description of its proposed account management process. • GTECH notes that account management requires monitoring and reporting of performance against all of TLCs specific SLRs. However, even the most robust reporting tools cannot capture all requirements. You must be able to trust that your vendor will report to you matters of significant interest, regardless of monitoring tools ability to capture information. GT notes its about more: alignment, knowledge, insight, communication, collaboration and above all else trust. <p>Business Process Alignment—Successful account management requires shared business goals and a steeped knowledge of your business processes and value drivers.</p> <ul style="list-style-type: none"> • GTECH has developed advanced reporting tools to measure performance against SLRs and worked diligently over the last 24 months to document TLCs business processes. GTECH has

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<p>mapped their solutions to these processes. Results: New innovations created, improved procedures and functionality, additional resources, greater visibility and transparency and improved communication</p> <p>Innovative Tools and Technology—GTECH is proposing (detailed further in section 6.3 and 6.5) is a powerful solution that GTECH has developed to provide live monitoring of all critical systems and service level drivers in direct response to RFP section 3.60 Sanctions and Remedies and 3.61 Liquidated Damages.</p> <ul style="list-style-type: none">• Performance will be managed, monitored and reported against each SLR giving TLC and GTECH unprecedented view into the entire operation at all times.• offers comprehensive data in an easy to use dashboard. Progress and performance are reported in real time using data from 8 critical systems.• TLC will be able to establish Key Performance Indicators (KPIs) to measure and benchmark performance and identify opportunities for improvement.• In addition to GTECH has developed a Contract Management application that will enable communication and consolidated management of requirements for procedures, reports, requests, HUB activity, data and records. App will track individual employee assignments, due dates and notifications set, documenting evidence stored and progress reporting. Examples of account management reports responsive to requirements 13 through 17 provided on p. 6• Communication and Collaboration—GTECH commitment to continue to meet between GT account management staff and TLC counterparts. ED Meetings and key operational meetings that will occur during a quarter detailed on p. 7 and 8• Account Administration-Moving Forward—To continue alignment and proper contract execution, GT will conduct extensive annual internal evaluations and reviews to develop action plans relative to TLC business objectives and future opportunities. Purpose: identify opportunities to improve, identify additional resources to be provided to the team, ensure financial alignment with TLCs current and future objectives <p>6.3 Service Level Monitoring DR #6</p> <ol style="list-style-type: none">1. The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section. [NOTE: Applies to all sections where applicable.]• GTECH notes recognition of the importance of SLRs in maintaining the integrity and reputation of the lottery, and has devoted considerable resources to develop processes and tools to monitor and report on them.• GTECH acknowledges and accepts.2. The Proposer must provide a description of its proposed Service Level monitoring and reporting process.	<p>§552.110</p>
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3. The Proposer must identify how SLRs as defined in Sections 3.60 and 3.61 of this RFP, will be measured and reported.

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4. The Proposer must provide an example of service level reports and its notification process that satisfies the requirements as defined in Sections 3.60 and 3.61 of this RFP.

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5. The Proposer must describe the automated reporting capabilities that it will make available to the Texas Lottery, including the Texas Lottery's ability to access data (real time) and generate reports.

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6.4 Service Management

6.4.1 Incident and Problem Management Response

DRs--None

1. The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section. [NOTE: Applies to all sections where applicable.]
 - GTECH acknowledges and accepts.
2. The Proposer must provide a description of its proposed incident and problem management process to ensure adequate resources are available to meet the Texas Lottery's Service Level Requirements.

GTECH's Incident Management Process—

Problem Management Process—

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impact to the customer.

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6.4.2 Capacity Management Response

DRs--None

1. The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section. **[NOTE: Applies to all sections where applicable.]**
 - GTECH acknowledges and accepts.
2. The Proposer must provide a description of its proposed capacity planning process to ensure adequate resources are available to meet the Texas Lottery's Service Level requirements based on current and future growth expansion over the life of the Contract.
 - System has been scaled to support and exceed current levels of performance and to far exceed TLC's expected future growth.
 - System size is important but the proper level of service to support growth is vital
 - GT consistently evaluates existing services to ensure solutions have the capacity to support ongoing needs.
 - Capacity Planning Diagram p.13
 - If new service is requested, GTECH would evaluate the request and determine the capacity impact to systems, networks, facilities, security, auditing, staffing, etc, defining capacity requirements and impact. (example related to addition of Powerball provided on p. 14)
 - Capacity Monitoring—GTECH uses multiple tools to monitor capacity of each system or server. Each tool can set defined performance and capacity thresholds. Goal of these tools is to warn of a threshold breach so GTECH can take action before a critical failure occurs.

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				<p>6.4.3 Performance Management DRs—None</p> <ol style="list-style-type: none">1. The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section. [NOTE: Applies to all sections where applicable.]<ul style="list-style-type: none">• GT acknowledges and accepts.2. The Proposer must provide a description of its proposed performance management processes.<ul style="list-style-type: none">• See performance based monitoring tools detailed on p.15• When a tool reports a threshold breach related to capacity or performance, incident management and problem management processes will be used to log the breach. SMEs will then perform an analysis of the issue. Team will then develop a solution, communicate it to TLC and upon approval will begin change and release management procedures to resolve the issue.• GTECHs latest release features 3 new features: Operations Automation, Self Monitoring and Progress Monitoring of the host through the daily operations largely without human intervention (exceptions detailed). All scheduled tasks and the progress to completion can be viewed in the3. The Proposer must describe how the Proposer plans, develops, modifies, monitors and reports on System and network performance. The Proposer must demonstrate knowledge and experience of capacity and performance tools for managing the Lottery Gaming System and all managed services defined within this RFP.<ul style="list-style-type: none">• By providing access to system performance data, TLC will have a transparent view into system operations and performance.• Proposed Gaming System capacity<ol style="list-style-type: none">1. wagering at a sustained 600,000 wagers per minute2. 500 concurrent instant games and multiple online games with jackpots of \$10B• GT was recently recertified as CMMI-Dev Level 4 software vendor meaning:<ol style="list-style-type: none">1. The follow industry best practices for system management2. Use metrics to assess system performance levels3. Drive those metrics toward continuously higher levels of performance• Redundancy of key system components will provide reliability that is superior to that of competitor systems <p>Monitoring and Reporting—</p> <ul style="list-style-type: none">• Systems need to be actively managed with proper monitoring tools and people to ensure they are working properly. For this purpose GT designed SLM tool specifically for Texas. Designed to measure and report GT's performance against SLRs.• All other monitoring tools provided will feed data to SLM for the creation of specific capacity and performance reports. Reports can be customized to give users a real time or historical view of system and network components. <p>Central System Monitoring Tools—</p>
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\$552.110	Retailer Transactions—
\$552.110	Gaming Transaction Data—
\$552.110	Current and Historical Transaction-Level Reporting (in real time)—
\$552.110	<ul style="list-style-type: none"> • These tools will not negatively impact system performance because they are only loosely coupled with transaction system functionality. • While performs as an integrated entity, it has been designed and built with architectural separation between components. <p>Network Monitoring, Management and Reporting—</p> <ul style="list-style-type: none"> • GTECH has selected the best combination of network management tools including
\$552.110	<p>Tools will be deployed at both the Primary Data Center (PDC) and Backup Data Center (BDC).</p> <ul style="list-style-type: none"> • Network monitoring tools will also report attempts at unauthorized access and manipulation of system components. • GTECH ops, IT and software engineers have detected capacity and performance issues in Texas prosys and other jurisdictions and have experience to implement sound solutions. <p>6.5 Compliance Review DRs—9 and 10</p> <p>1. The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section. [NOTE: Applies to all sections where applicable.]</p>

	<ul style="list-style-type: none">• GTECH acknowledges and accepts. <p>2. The Proposer must describe how it will meet compliance review requirements. This must include a description of the policies and practices to prevent, detect, and resolve compliance issues. In addition, the Proposer must demonstrate experience, ability, and intent to meet all contractual compliance requirements.</p> <ul style="list-style-type: none">• GTECHs policy is 100% contract compliance and employs cross functional teams to achieve compliance• As described in 6.2, GTECH's account management process ensures multiple levels of accountability and responsiveness.• GTECH has experience of 16 quarterly compliance reviews since they were begun in 2006.• GT commits to cooperate with the independent firm conducting these reviews including full, free and prompt access to activities, records, property and personnel. <p>Description of policies and practices to prevent, detect and resolve compliance issues</p> <ul style="list-style-type: none">• <u>Each contract requirement will be analyzed and built into the departmental operating procedures which govern departmental activities for each area of business. Department managers have express responsibility and will have access to the Contract Management app, and reports to provide insight to prevent and detect compliance issues.</u> <ul style="list-style-type: none">• Contract compliance steps (14 step process) taken are detail in chart on p.3• Contract Compliance Roles and Responsibilities are detailed in the flow chart on p.4 for the GTECH Texas Management group.• Due to significance of services in Texas and contract compliance, two dedicated positions have been established to monitor and enforce policies and practices established to prevent, detect and resolve potential compliance issues: <u>Audit and Security Supervisor and the Field Audits Analyst.</u>• Contract Management Application provides three significant benefits:<ol style="list-style-type: none">1. Enhance communication—contract requirement owners will be able to identify all contractual obligations by organizational group or contract section. Each requirement will have instructions on how compliance will be measured and tracked., notifications, alerts and alarms support activities2. Consolidated Management of Requirements—for requirements not managed elsewhere. The app provides a place to enter and track associated actions and documentation. App offers a consolidated document repository with version control for policy and procedure documentation.3. Streamlined Auditing—For all contract requirements, the app will either provide the evidence or indicate where to go to find the proper documentary evidence.• Contract Management App serves as a shared, single point of management for all contractual obligations. Representative example related to 6.8 Training is provided on p. 7 and 8. Complex requirements are broken down into easily managed assignments. Demonstration of Experience, Ability and Intent to Meet All Contractual Compliance Requirements
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2.3.1.2	Facilities support services, which includes all facilities and equipment to support the Texas Lottery account.	6.6	20	<ul style="list-style-type: none"> Since 2006 inception of contract compliance review program, GTECH has demonstrated contractual adherence and effective corrective action when deviations are identified. To improve on status quo, GTECH has already dedicated a single point of contact for all contract compliance audits. Contract Management application provides another level of communication, management and transparency in meeting compliance requirements. <p>General—Proposer demonstrates competency in each identified area for this section, outlining processes and the role of personnel to address issues and compliance. Proposer identified two dedicated FTEs in support of contract compliance efforts. Proposer provided overview of tool develop specifically for compliance monitoring related to contract requirements. Proposer demonstrated real world experience with incident management (Hurricane Ike example). Proposer did not respond to the following response requirement as noted below:</p> <p>RR #4 Section 6.3 Service Level Monitoring and Report—Proposer did not provide examples of Service Level Reports as called for.</p>
		6.6		<p>6.6 Facilities Support DRs 4-24</p> <ol style="list-style-type: none"> The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section. [NOTE: Applies to all sections where applicable.] <ul style="list-style-type: none"> GT acknowledges and accepts. The Proposer must describe all recommended facilities, to include at a minimum, the locations and types of facilities, functions to be supported, accommodations for Texas Lottery and Proposer staff and warehousing capacity. <ul style="list-style-type: none"> List of GTECH facilities criteria for all recommended locations detailed on p. 2 Each secure location described will include access-control system, CCTV and intrusion detection. Q3 and noted no areas of non-compliance. <p>Administrative Offices—</p> <ul style="list-style-type: none"> GTECH will continue to provide administrative offices for its local staff at the ATC is a major hub for software engineering and is CMMI-DEV certified. GTECH notes that no other vendor has this certification for its software development processes. TLC administrative offices and UAT environment will be located at the ATC. <p>Central Distribution Warehouse—</p> <ul style="list-style-type: none"> Austin warehouse has 71,000 SQFT of space for lottery, sales, field service, and shipping and receiving of instant tickets. Located 6.3 miles from State Capitol Bldg. Capacity of minimum 1 billion tickets any size. Will also maintain a supply of 90 days of secure online roll stock and

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- playslips. This will remain the warehouse if selected.
- Warehouse will also contain minimum of 10,000 SQFT of secured space with controlled access reserved exclusively for TLC use. This is exclusive of the office and storage space referenced under the heading Designated Space for TLC staff later in the section.
- Current warehouse processes an average of 25, 200 packs per day. Table on p. 4 details inventory volume
- GTECH notes that they had 38 days to build and equip a distribution center from the floor up in North Carolina. Dwayne Tatum was the lead project manager. He chose the facility, secured the equipment, selected and supervised the contractors and got the job done. It was the fastest startup in lottery history.

Warehouse/Training Facilities—

- GTECH has located a total of 14 Secure Warehouse (ranging in size) around the state to support lottery operations. Texas Warehouse locations detailed on p.6
- These facilities will provide storage and distribution of all lottery goods, equipment scheduled for deployment, online ticket stock, playslips, POS materials, promotional items and Instant ticket returns.
- These warehouses are centrally located for new and refresher retailer training courses.
- Ongoing management of all materials is essential to maintaining transparency into vendor ops. GTs for Field Service Reps will accomplish this task. See Section 8.4.1, Retailer Visits for more information.
- Three strategically positioned warehouses will serve to supplement the Central Warehouse and will support Field Service staff for storage, maintenance and repairs. They are Dallas, Sugarland/Houston, and San Antonio. Further details on p.7.
- These facilities will also serve as training destinations for classroom training for retailers.
- Average Distance for a retailer to a training facility detailed on p. 8.

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Warehouse Security—

- All warehouse locations will maintain strict security procedures. Will have security guards in several locations to ensure compliance with procedures.
- Central Distribution Warehouse will offer remote monitoring from TLC HQ and TLC dedicated warehouse space.
- Video security will cover all operational areas and access points to central warehouse.
- Monitoring system will include video storage and retention capabilities will meet records retention requirements of section 3.74.
- Field Service offices and warehouses will comply with MUSL rule 2 and contain security features as detailed on p.9
- TLC staff will be present during: delivery/receipt and return of instant tickets, loading of instant tickets for destruction and the destruction process

Data Center of the Americas—

- GTECH is proposing that the Data Center of the Americas be the home of TLCs primary data center.
- GT notes that this offers several advantages that one-jurisdictional data center can provide

				<p>detailed on p.10</p> <ul style="list-style-type: none"> • GTECH notes that the DCA offers high-level redundancy, security and expert management, meaning smooth and efficient operations for TLC. • Around the clock 78 member staff is noted. • Site is routinely reviewed under SAS70 audits and for MUSL Compliance. • Other benefits of PDC placement in DCA detailed in chart on p. 11 and 12 • DCA on avg. provides 99.987% uptime for TLC operations • Consolidated Data Center offers has the most sophisticated system monitoring tools available and highly skilled continuously trained staff • GTECH will provide video feeds of cage, lockdown room and operations areas. • Security detailed on p.13 through 15 • <u>Proposed BDC is in San Antonio, Texas in a separate LATA from the primary site.</u> • Once monthly GTECH will operate the gaming system from the BDC. Security will be similar to PDC and video feeds will be available to the lottery per MUSL requirements. • Environmental safeguards will also be in place and are mentioned on p.16 <p>3. The Proposer must describe other services, procedures, materials, supplies, programs, policies, equipment and facilities it believes necessary for successful daily operations. The Successful Proposer shall be responsible for providing all necessary items for each proposed facility.</p> <ul style="list-style-type: none"> • To accommodate TLC storage needs, GT has allocated additional space for TLC to store materials, equipment, files and other items. • Detailed procedures will be used for shipping and receiving of tickets by warehouse staff. Please see exhibit 12 Receipt and Delivery of Instant Tickets Procedure. • Will assist the TLC staff with any materials that require the use of power equipment at the warehouse. Will also provide supplies and materials as needed to support TLC operations • In addition to field warehouse facilities previously described, <u>GT will have storage facilities located around the state for the field service program. Allowing FSTs to stock equipment for retailer support. Plan to locate these facilities in Midland, Mount Pleasant, Amarillo and Beaumont.</u> <p>4. The Proposer must indicate the proposed hours of operation for the central distribution warehouse.</p> <ul style="list-style-type: none"> • At a minimum, central distribution warehouse will operate 8 to 5 M-F. Hours will be adjusted longer when order volume requires. <p>General—Detailed overview of proposed facilities, including 14 Warehouse locations that will support operations and serve as training destinations for retailers.</p> <p>Business Continuity and Disaster Recovery DRs—9 through 11</p> <p>1. The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section. [NOTE: Applies to all sections where applicable.]</p>
2.3.1.3	Business continuity and disaster recovery capabilities which includes primary site system recovery.	6.7	32	

<ul style="list-style-type: none"> • GTECH acknowledges and accepts. <p>2. The Proposer must provide a description of its proposed Business Continuity and Disaster Recovery capabilities. This must include a description of how primary site system recovery will meet Texas Lottery requirements set forth in this section.</p> <ul style="list-style-type: none"> • TLCs custom Business Continuity and Disaster Recovery Plan will ensure functionality and operations continue without disruption for retailers, claim centers, TLC HQ, and GTs primary/backup sites through backup systems with no loss of functionality or data due to any failure. • Key features and benefits chart on p.1. • GTECH compliance with Department of Homeland Security Voluntary Private Sector Preparedness and Accreditation and Certification Program (PS-Prep) • GTECH meets or exceeds all current ANSI-ASQ National Accreditation Board (ANAB) regulations and standards, further details on p.2 • GT ongoing commitment to contingency planning maintains a certified individual educated in the industry's latest best practices. This person participates in development, maintenance and testing of disaster recovery planning, as well as testing and crises. GT is providing this person as a resource/liaison to TLC for contingency needs. 	<p><u>Key People</u></p> <ul style="list-style-type: none"> • Chris Callow is the Continuity Manager. Chris is a certified Business Continuity Professional (CBCP) and Certified Business Continuity Lead Auditor (CBCLA) through DRI International. • Eric Defazio—computer operations comm. And SAS 70 audits in Texas. Has been responsible for all aspects of BC and DR planning. • Steven March—Director of Operations at DCA. Has developed and implemented Continuity of Operations Plans (COOP) as well as DR plans • Dwayne Tatum—Warehouse and distribution functions, supported 9 lottery start ups, brings lessons and knowledge of experience • Chris Constanza—Will direct field services during conversion and implementation. Currently oversees day-to-day field service for all GT customers. Manages 650 FSTs and 22 FS managers. Understands the importance of DR and BC. <p><u>GT Plan—</u></p> <ul style="list-style-type: none"> • <u>GTECH will provide BC and DR plan, including vulnerable coastal sales sites, for approval 90 days prior to conversion start date.</u> • GTECH updates its plans quarterly, at a minimum • The plan addresses: <ol style="list-style-type: none"> 1. Resumption of sales and business support services based on external disruption 2. Takes into account possible disasters 3. Makes provisions for a safe, secure, off-site storage of all scheduled backup data and programs 4. Ensures continuity of the system and TLC games 5. Documents the recovery of network comm at all levels
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- GT will conduct comprehensive business-impact and risk, threat and vulnerability analyses to determine specific DR needs in Texas, updating the plan to TLC unique requirements
 - The plan will cover the items detailed on p.5
- Recovery Operations—
- Begin immediately following a disaster. The plan dictates the activities that will take place based on the disaster.
 - GT notes that their plans don't just sit on a shelf they have executed these plans during catastrophic events throughout the world, applying lessons learned. Please see the DR efforts for Texas, Louisiana and FL detailed in this section for more detail. Also, RI PDC roof collapse from snow. See insert.
 - Sample TLC BC and DR plan outline is provided p. 6 through 8
 - GTECH tests include operational fail overs, mock disasters and emergency management scenarios
3. The Proposer must describe its data backup and restore process.
- Data Backup Process—
- GT will use a new redundant system configuration with four gaming systems that enable all system and transactional data to be stored in real time. 2 gaming systems in the PDC and 2 in the BDC. They will contain the most recent data. This is the first line of defense.
 - Data will be stored on two disks in each system for a total of 8 copies.
 - For a fatal system failure, the unit is removed from operation without operator intervention. Auto-failover is seamless and transparent to retailers and results in no loss of data. The designated system becomes primary.
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- configuration offers fault tolerance through redundancy in every aspect of the system.
 - SAN and Tape Backups—2nd line of defense. Secure physical storage of critical files, software and backup data that initially go to a
 - Ops policies ensure that data is moving from throughout the day with zero impact to system functionality.
 - will have a complete set of duplicate backup drives that can be used to restore a server failure due to hardware failure.
 - GTECH uses report balancing and reconciliation to ensure that backups are valid.
 - All operational procedures have cataloged backup copies that can be printed to hard copy.
 - Data Restore Process—once a failed gaming system is repaired, it will be reintroduced into the configuration as a spare system. The reintroduced system will automatically begin the process of synchronizing with the primary system.

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				<ul style="list-style-type: none"> • Resynchronization will not slow system performance. • Bare Metal Restore (BMR)—In addition to restore from tape backups, BMR allows GT to build boot disks for minimal OS. These discs can be used to rebuild the entire server in hours of a system failure. • GTECH had 100% uptime in operations during Hurricane Katrina in Louisiana. <p>4. The Proposer must describe how tickets will be delivered should its primary delivery service become unavailable.</p> <ul style="list-style-type: none"> • GT will ensure ticket security related to all instant ticket deliveries during service disruptions. Relationship with primary service carrier and dedication of LSR and FST team mitigates risk of delivery interruption. GT also has secondary carrier in the event of delivery disruptions. With TLC approval, LSRs and FSTs will conduct car deliveries • <u>Example of test of DR Plan—UPS strike in Austin. GT and UPS worked together to ensure deliveries during the 10 to 14 strike to retailers. GT relationship with UPS allowed them to learn of the impending strike and work closely with UPS managers and supervisors in an effort to ensure deliveries. Ultimately, GT delivered ticket themselves. GT supervisors drove tickets to sites and LSRs made retailer deliveries. Warehouse palletized orders for LSRs, and the LSRs separated the inventory on the pallets to break out the packs.</u> <p>General— Proposer demonstrates competency in area of business continuity and disaster recovery and detailed plans for data backup processes. Proposer identified dedicated key personnel, including staff with industry certifications, to support the activity and cited real world examples of their successful application of Business Continuity and Disaster Recovery plans.</p>
2.3.1.4	Training activities which includes training on Lottery Gaming System, various retailer training requirements and LSR training.	6.8	32	<p>6.8 Training Response</p> <p>DRs—7 through 21</p> <ol style="list-style-type: none"> 1. The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section. [NOTE: Applies to all sections where applicable.] 2. The Proposer must provide a description of its proposed training activities for each requirement. <ul style="list-style-type: none"> • GTECH acknowledges and accepts. • The Proposer must provide a description of its proposed training activities for each requirement. <ul style="list-style-type: none"> • Different environments and learning types demand numerous approaches to training for the TLC and its retailers. Methods include: <ol style="list-style-type: none"> 1. Classroom training 2. Onsite training 3. Terminal Based 4. Web Based Training (offered option) 5. Retailer Reference Materials <ul style="list-style-type: none"> • GTs reasons why their training is superior to other companies <ol style="list-style-type: none"> 1. Holistic Approach to Training—all GT staff that interacts with TLC has been trained by the same department, resulting in consistent uniform messaging and terminology for TLC, retailers and players <p style="text-align: right;">\$552.110</p>

		<p>2. Texas Understanding—18 years of exp. with TLC helps tailor training to TLC needs</p> <p>3. Experience of Training Staff—GTs corporate Technology Training and Support Services (TTSS) Department has more exp. training lotteries than any other training group in the world. Trained more than 95,000 retailers/retail employees in 2009.</p> <p>5. <u>Sales Force Exp.—GTECH is the only lottery vendor that currently runs a domestic sales force for a lottery customer. Texas, Nebraska and WV</u></p> <p>6. <u>Advanced Training Techniques—innovated solutions for TLC including web-based training to meet evolving needs of complex lotteries.</u></p> <p>Systems Training for Lottery Staff—</p> <ul style="list-style-type: none">• GTECH notes that they can provide central system earlier than other vendors making it available for training sooner.• Training will encompass operating procedures, lottery equipment and inventory/financial functions.• System training will be provided during conversion and throughout the life of the contract, as requested.• Instructors will lead classroom training, including hands-on practice exercises and online activities with a training system that emulates the production environment.• GT uses SMEs for training• Training is customized to business processes see chart p.3• TLC staff training is based on Training Needs Analysis (TNA). A GT certified learning professional will meet with TLC department leads to analyze business processes, operating model, workflows, challenges, business rules and goals to develop customized training• GT 7 Step Training and Support Process detailed on P.4• Soft copies of all training materials will be provided• Details of training topics/categories p. 5 and 6• Ongoing Training—will be conducted using net meeting or in person as requested. Refresher training will be offered upon request.• Reference Materials—will provide task-based guides. For first time users to learn each module and navigate the system. Guides are provided in hard and soft copy. And via online Help in I and powered by a Java search engine. <p>Retailer Training—</p> <ul style="list-style-type: none">• As with TLC staff training, GT will go through a detailed process to determine critical retailer training needs. <p style="text-align: right;">\$552.110</p>
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	<ul style="list-style-type: none"> • GT will leverage 18-year relationship with TLC retailers in understanding most effective ways to train • GT highlights that retailers will have an easier learning curve based on familiarity with support function and support personnel • All training classes will be provided in Spanish and English as required. About 1/3 of GT sales force is bilingual and speak 9 languages in total. • GT TTSS department has provided training in 14 languages • GT details specific GT training staff begin on p.8 and 9 Training staff assigned to Texas has combined 92 years of exp with GT. Hours of training exp. also detailed. • Jane Penalver—Texas Trainer—will be responsible for training LSRs, FSTs and others staff requiring knowledge of field sales techniques and TLC rule and regulation compliance. Supports training of new retailers in districts. Updating retailer and LSR training manuals. 18 years with GTECH as QA Manager, LSR and Senior LSR • Training for Adult Learners—to maximize retention training is designed around the unique learning needs of adults. 1/3 2/3s delivery method. 1/3 of class time devoted to lecture. 2/3s are dedicated to hands on apps, questions, exercises and feedback. • GT uses Langevin Learning Services (world's largest train the trainer org)—trainers have gained skills and knowledge from Langevin courses and certifications. • GT will use a variety of training delivery methods (noted earlier in the section notes) to meet retailer needs. Further details provided (p.11 on): • Classroom training will be the primary training method used for conversion. Each participant will have a terminal. Will also hold this training throughout the life of the contract for new retailers. • On-Site Training—allows one on one trainer interaction. Will be conducted on-site for conversion for retailers outside of the predetermined travel radius. Ongoing onsite training will be provide by LSRs over contract • Terminal-based training—retailers can self train through series of interactive modules. Recommended for refresher or new employee training. TLC retailers will have Help Screens, Video Clips, Training Mode and eLearning (hands on guided exercises) options via the terminals. These options are detailed for the Altura GT1200 terminal beginning on p.12 • Note in training mode: no physical tickets are printed p.13 • E-learning was rolled out in NC launch in 2006 and has been used in 9 states and four countries since. The training can be taken at the learners convenience. E-learning was developed in response to retailer requests for better tools to train their staff in-store. It features options to do independent learning or choose a "coach" to be guided through the material, samples screens on p.16 and 17. It is a separate application meaning the retailer does not have to go offline to do training. Program can be updated through the lottery network. eLearning can also be made available on CD or on retailer web site.
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Offered Option—Web-based Training—TLC Lottery Learning Link (LLL) p.17 to 21—

- This would be offered in lieu of traditional classroom training and for going refresher training. A retailer with a computer and internet access could use it. LLL is a complete trackable program. A 3D model of the computer that can be spun around on the screen is used. The computer screen imitates the computer touch screen. Video clips simulate real life situations.
- GTECH notes that the web-based training program is unique to GTECH, offering convenient at home or in-store classes
- Web-based training benefits detailed in chart on p.21
- The lottery and retailers can monitor employee progress

Retailer materials—

- Print materials for equipment functionality and game ticket generation will be provided in print form developed by the GT training team and approved by the lottery
- GT will provide:
 1. Retailer Guide—retailer-related policies/procedures and accounting and licensing information
 2. Retailer Manual—instructions on how to use each piece of equip
 3. Quick Reference Cards—condensed version of retailer manual
 4. Retailer Best Practices—marketing tips and best practicesSee sample reference materials in exhibit 2 through 8 exhibits binder.

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Overview of Training Types and which options best fit each situation (p.24)—

Conversion Training—

- GTECH has trained over 1 million retailers since 1991 across, 30 states and 50 countries in 14 languages, including training in Texas in 2001 and 1992.
- Chart on p.25 details all training and experience of GT training team
- With GTs proposed emulation-style conversion, it is important that training occur as close to the actual transition date as possible to ensure maximum retention.
- TTSS will work with the installation team and start training 2 to 3 weeks prior to first terminal install.

	<ul style="list-style-type: none"> • With TLC approval, classroom training will be provided to all retailers except those retailers who fall outside of pre-determined drive time. These retailers would receive onsite training. • Sample retailer training program detailed on p.26 and 27 • To ensure registration to most convenient training classes, GT will establish a <u>Retailer Training Management Office (RTMO) using the Retailer Training Management Application for scheduling</u>. The app offers ge positioning data and cities will be chosen based on Texas retailer proximity. List of 47 proposed cities for training are detailed on p.29. • RTMA benefits: <ol style="list-style-type: none"> 1. Schedules retailers through smart calling 2. Tracks retailer call responses 3. Provides retailers with door-to-door directions to training sites 4. Monitors attendance and rescheduling 5. Creates progress reports 	<ul style="list-style-type: none"> • RTMO contacts a retailer at least 3x to ensure retailer attendance. 3 weeks out postcard sent, 2 weeks out call is placed to confirm schedule and postcard receipt and one day out reminder phone calls are made • Attendance list is faxed from each class to the RTMO. Missing retailers are called to reschedule. • GT notes that their avg attendance rate over the last 5 years has been over 99% • 100% attendance myth discussed on p.31, due to required lottery training • Calling and follow up by RTMA is the key to the programs participation success p.32 <p>Corporate, Key and Chain Account Training—</p> <ul style="list-style-type: none"> • Train-the-trainer courses will be offered to these accounts at locations of their choosing • LLL offered options is an ideal solution for corporate accounts. LLL can be customized to the particular needs of those accounts • LLL saves these accounts time and resources that would be spent on training. • GT notes they are often asked to structure training in three tiers for these accounts based on the level of employee responsibilities/position: one class for each of Management, Bookkeepers, and Clerks • If TLC prefers, GT will provide training staff all the materials needed for training as a material transfer. • GT prides themselves on custom-tailored solutions for chain accounts, including customized training scripts for the accounts. • United Grocery rollout and testimonial on p.34.
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				<p>New Retailer Training—</p> <ul style="list-style-type: none">• Will develop training materials for new retailers between TTSS, GTECH Texas and TLC, TLC having final approval• As LSRs will conduct retailer training during the conversion, GT notes they are extremely qualified to provide comprehensive training for new retailers.• GT notes they currently hold more than 1500 classes per year for retailers <p>New equipment and new feature training—</p> <ul style="list-style-type: none">• LSRs will receive training in bi-weekly meetings and administer training to retailers.• <u>will record training activity and will provide information that LSRs can use for targeted retailer training</u> <p>Licensing Requirements—</p> <ul style="list-style-type: none">• Will ensure all retailers are trained on licensing requirements• will notify retailers of pending license renewals• will also give LSRs means to assist retailers and answer any questions about licensing requirements. <p>Retailer Refresher Training—</p> <ul style="list-style-type: none">• Many retailers experience 100% turnover annually. Retraining is important.• LSRs will serve as the retailers primary contact for ongoing training.• <u>will provide historical records of past training events conducted for each retailer to help identify training needs.</u>• Stripes testimonial of appreciation of GT support provided on p.36• Retailers will also be able to refresh training via terminal based training.• Retailers that chose web-based training for their conversion training will also have access to this. <p>LSR Training—</p> <ul style="list-style-type: none">• LSR training is ongoing responding to continually evolving TLC industry and business environment• LSR training includes: New employee training, new equipment and software training, new lottery product/feature training, general employee development, sales skill development training and conversion training.
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				<p>\$552.110</p>	<ul style="list-style-type: none">• GT notes that their formal and informal classes will far exceed the minimum 2 formal classes required per year.• Food city markets testimonial p.37 <p>New LSR Training—</p>
				<p>\$552.110</p>	<p>New Equipment and Software Training and New Lottery Product/Feature Training—</p> <ul style="list-style-type: none">• LSRS are trained on the functions of these items at District meetings. As an added value, all information on the feature is uploaded to _____, provide a quick reference for the LSR to use. <p><u>Other efforts at GT</u></p> <ul style="list-style-type: none">• GT Building Excellence—Companywide program to recognize employees that demonstrate excellence. Multi-tiered reward program described on p.40• Continuing education financial assist program• Learning opportunities at GT in key areas, these are offered in webinars, videos, instructor led and selfpaced eLearning format. GT offers 262 eLearning classes. <p>General Employee Development—</p>

				<p>LSR Certifications—</p> <p>§552.110</p>	<p>LSR Conversion Training—</p> <ul style="list-style-type: none">• LSR will occur shortly before they begin retailer training• 3 primary pieces of training:<ol style="list-style-type: none">1. Weeklong train-the-trainer2. Marketing and Sales Strategies3. Training• <u>FSTs and LSRs are cross trained on each others functions to avoid retailer confusion and compliment each others responsibilities.</u>• GT plans to expand this cross training by providing FSTs with current game changes and promotions and LSRs with training program on FST functions in the future• <u>FSTs and LSRs will have</u> . Allowing either to solve whatever issue the retailer has. <p>Promotions Staff Training--</p> <ul style="list-style-type: none">• 11 positions are being proposed as Promotions and Training Representatives. They will play a prominent role for new retailer and refresher training. They will also conduct promotional training for LSRs and manage promotions.• Promotional Staff Training in each district will be promoted by a senior LSR that holds the role of promotions expert. They are trained by the promotions coordinator on promo activities conducted on behalf of TLC• Promotions Team is trained on all TLC products, equipment and promotional and sales
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				<p>techniques</p> <p>Player Training—</p> <ul style="list-style-type: none"> LSRs take opportunity to educate the public during routine retail visits. Demonstrate to retailers how to ask for the sale and engage players on new online games Introduce new players to lottery at selling events with incentives for trial Conduct ambassador programs on role out of new equipment. LSRs present at stores educating and giving out prizes for equipment based purchases. <p>General—Proposer demonstrates comprehensive commitment to training in all required areas related to the contract. Illustrated substantial level of experience in conducting large training programs related to rollouts/conversions. Classroom approach to retailer training at conversion and dedicated terminals for each trainee. Dedicated conversion scheduling office for retailer training. Comprehensive follow-up strategy to ensure that training occurs. Demonstrated commitment to training of their personnel and professional development track for LSRs. Cross training of FSTs and LSRs. Examples provided of how [redacted] will be leveraged in real world use by LSRs and FSTs to track and monitor training requirements.</p>
2.3.2	LOTTERY GAMING SYSTEM		780	
	On-Line Games		47	
2.3.2.1	On-Line game development which includes demonstrated experience and success in On-Line game development, research and implementation.	7.2.1	21	<p>On-Line Game Response DRs—20 through 24</p> <ol style="list-style-type: none"> The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section. [NOTE: Applies to all sections where applicable.] <ul style="list-style-type: none"> GT acknowledges and accepts. The Proposer must provide an overview of its On-Line game development, research and implementation process. <ul style="list-style-type: none"> GT development process produces exciting games that are well researched and statistically sound to ensure market relevance.

				<p>\$552.110</p>	<ul style="list-style-type: none">• <u>GT identifies EZ match as the Texas example of this process. They noted that the base game design fundamentally had to be changed to meet Texas' requirements for the game and the selection of winners could not occur at the time of the purchase. GT went to GTECH printing and developed the game as a true Instant prize structure with 1 pack as the baseline with closure procedures the same as an instant game. What started as a baseline game from GT product portfolio, became a game like no other game that GT offered anywhere.</u> <p>Market Analysis—</p> <ul style="list-style-type: none">• GT will use numerous techniques including research by internet, telephone surveys, mail “intercept” and focus groups.• Perception analyzer, an Audience Response System (ARS), may be used by focus groups to collect and measure group responses in real time.
				<p>\$552.110</p>	<ul style="list-style-type: none">• Prizm and Local Analysis—consumer segment tool, Prizm, defines US households in terms of 66 demographic and behavioral segments, discerning consumer preferences, lifestyles and purchasing behaviors. Prizm can project how new games or concepts will do in certain Texas markets. Can draw correlations between game concepts related to current/potential players or both.• Game Value Attributes--4 key attributes to evaluate: Player Relevance, Portfolio position, presentation and prize structure• Game Concept Creation: Design and Development—develop games that fill the gaps. Review the GT library of proven games or develop a new game through the GT Game development group. Game library categories include: Online, instant, instant-online, monitor, interactive and online add-ons.• GT notes that they have acquired major players in the game development industry expanding on their own game development team. Companies acquired are detail in chart on p. 13• GT notes that concepts from channels not allowed in Texas today can be applied to games that the Lottery can currently offer.• See more on GT's extensive game library in subsection 27.3 Developing and Implementing

			<p>New Online Game Concepts.</p> <ul style="list-style-type: none"> • Third Party Partnerships—If TLC would prefer to partner with another lottery vendor or creative game development shop, GT would be happy to work with those vendors in order to help drive revenues in Texas. Ingenio, a Loto-Quebec subsidiary, and Tournament One, leading edge one stop shop for content design, marketing advertising and production, are examples of third party companies GT has worked with previously. GT notes almost a dozen lotteries run products designed by Ingenio. GT partners with Ingenio on Game Lounge, internet based games which can be offered as just for fun games establishing player interest in future game developments. Tournament One has done work with Time Warner, Viacom, MTV, ESPN, CBS, Progressive Gaming, Cyberview and MGM. • Licensed properties—GT has licensed properties that will enhance all types of lottery games. Ex. Aerosmith game with experiential prizes • Custom Game Creation—GT has approx. 120 company wide resources for concept development and game design R&D, as well as access to other creative groups within GTECH subsidiaries identified on p. 13 to create new custom games. • §552.110 will be leveraged to collect valuable information from field personnel that have improve game feedback from retailers and players. Also enabling follow-up research to improve game refinement processes. <p>Market Research, Testing, and Game Refinement—</p> <ul style="list-style-type: none"> • GT notes that they have developed a tool to allow them to test games in a real-world environment, producing more authentic test results and better business decisions. More details in Section 8.8 Research and Lottery Product Development 	<p>§552.110</p>	<p>§552.110</p>	<p>§552.110</p>	<p>§552.110</p>
			<p>Implementation Strategy and Execution—</p> <ul style="list-style-type: none"> • Two steps occur in this phase: System and software actions for game launch and field preparations for game support • GT notes that all current TLC games have already been converted and thoroughly tested on the new • After game is finalized, system development and change management get underway. • To add a new game of an existing game type, a model of that game type with defined parameters, is created and assigned a new name and deployed on the central system or). • game system is highly parameterized to provide flexibility details provided on p.23 • GT notes that <u>can handle the most popular game parameter changes w/o changing a line of code. Examples on p. 23.</u> 	<p>§552.110</p>	<p>§552.110</p>	<p>§552.110</p>	

	<ul style="list-style-type: none">• Detailed discussion of change management process. UAT and QA testing, including specially designed testing tools, related to system game development begins on p.24 to 28• Field Preparations—• Sales Management and LSRs take several actions to prepare for a game in the field including:<ol style="list-style-type: none">1. Draft/deliver retailer training2. Creating "how to make a sale" sheets3. Selling-in at retail4. Customizing game launch strategies with each retailer5. Delivering game launch materials (playslips, POS)• Offered Option—Easy Play Cards—are POS Merchandising as well as quick and easy purchase tool for players. GT is offering these as an offered option.• <u>Retailer Training—before game launch, LSRs will train retailers on the new game and strategize on appropriate merchandising best practices. Merchandising POS is deployed. TLC Execution Guides address these activities</u>• Call Center staff are trained on new games, changes and promotions to ensure they can assist retailers with questions.• In Store Advertising with —marketing content and technology solution for managing and delivering electronic game, jackpot, winner and informational messaging. GT has deployed over 120,000 units in 28 jurisdictions worldwide. Ensures timely accurate lottery information w/o retailer participation or effort. <p>Evaluation and Monitoring—</p> <ul style="list-style-type: none">• <u>After game launch, success is monitored and assessed. Comprehensive sales analysis and tracking is conducted, see also 8.8 Research.</u>• GT notes that optimizing the current game portfolio is as important as new game introductions. They will support through marketing and merchandising. <u>They note that game changes come slowly in Texas gaming environment. Future growth depends on training, sales force execution, and promotions, as noted throughout the section response.</u> <p>3. The Proposer must provide evidence to demonstrate its experience and success in developing and implementing new On-Line Game concepts. Examples must include On-Line games currently in the market, sales expectations and actual performance, and implementation strategy.</p> <ul style="list-style-type: none">• Summary tables provided at beginning of section 7.2. Table 1 list of game launch firsts brought to market by GT. Table 2 list of game introductions and game changes introduced in Texas by TLC with GTs assistance. GT notes understanding of gaming environment and limitations in Texas such as AG ruling on raffle games. GT notes that their record for getting games to market in Texas on time and property is flawless.• GT has launched 324 online games since 2000. Game launches detailed by game type starting on p.37	<p>§552.110</p>
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- Texas game launches with sales expectations detailed on p.38.
 - Domestic game launch examples with revenue expectations and actual performance on p. 39.
 - GT sales expectations are developed using three variables: Player and Market Landscape, Current portfolio, and Comparison to other jurisdictions
 - Game Implementation Strategy—
 - GT notes a plan like this must be supported by custom execution plans for district, territory and retail levels.
 - GT has been introducing online games around the world for 35 years.
 - GT Comprehensive Game Library—will provide proprietary online game library that GT owns or license to the TLC. Library contains thousands of instant games, hundreds of video games, more than 400 online games, and 290 interactive games. GT is continually researching and testing and refining more.
- Traditional Online Games—
- Lucky Bet, Lucky 7 Bonus, Break the Bank (p.43 on)—proposed as possible Lotto Texas replacement should sales suffer from cross sell.
 - Add-on games—
 1. Extra/EZ Match concept noted as effective in FL and LA. Sales figures provided for Louisiana base game increased 204% and 327% overall including wagers on Extra. 60% of base game players select Extra also. No sales data provided for FL. Revancha—2nd tier drawing on a lotto style game. 2 sets of numbers selected. Only 100% match on the 2nd level drawing results in prize. Total combined Lotto/Revancha sales in Puerto Rico were up 35% for year 1.
 2. Booster—Add on for Pick 3 10 additional chances to win for an additional \$1.
 - Pick 3 add-on Concepts—
 - Bonus Ball Concept—drawing a second bonus ball periodically. P.52
 - Instant Online Games—portfolio of 75 of these games. GT has filed a patent on their consecutive non-winning tickets strategy to use either one virtual pack or individual virtual packs issued by retailer based on experience in Texas. Minnesota has run these games since 2004 and they have resulted in an average 4.15% sales increase in online since that time. Ohio the games represent 3% of overall online sales. GT notes that adding online games generally involves a time-consuming software development process, but instant online games are added just like loading an instant ticket file. The can be selected and launched on any schedule. GT recommends launching three different price points (\$1, \$3 and \$5) with three different games in Texas.
 - Exploratory Game Concepts— GT notes that with so many games under development that they take a range of equip, software and game concepts to players and retailers 3 North American and 3 European jurisdictions for focus group evaluation twice a year. An example concept that has emerged is Lucky Sweeps discussed on p.59
 - Licensed Content—GT notes that licensed online game content is part of our baseline On-line portfolio offering to TLC. Licensed brands offered to Texas are detailed on p.61.

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- Texas game launches with sales expectations detailed on p.38.
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				<ul style="list-style-type: none"> • Association –based Online Games—GT noted its roll in the PB/MM cross sell initiative • Promo Game Design and Execution from IGI Europrint—a GT subsidiary, is a game content provider that specializes in promotional games for newspaper inserts, direct mail, etc. Allow for entries of unique codes on mobile phones and web sites for a chance to win prizes. IGI's services for promotion ideation and design are included in the base price. Printing, distribution, etc, would be provided as an offered options. See Section 8.5 Retailer Contests and Retailer Based Player Promotions. P. 62 and 63 • GT Strategic Game Development Capabilities include: (p.67) <ol style="list-style-type: none"> 1. In-Depth Game Library 2. Quick and Dependable game support 3. New game and new game feature development 4. Research, insights, and experience choosing games that will work best in Texas 5. Multijurisdictional game implementation <p>General—Proposer provides a detailed analytical approach to online game development and research. Proposer illustrates a deep level of corporate investment in game development and performance monitoring. Recommendations for potential Lotto Texas replacement game were for concepts that are similar in play style (matrix combinations) to other existing TLC online games. Texas and domestic game launch examples were primarily add-on game introductions or traditional online game introductions. EZ Match game development effort example illustrates proposer's commitment to go to additional effort to attempt to bring concepts to market. Proposer demonstrates understanding that execution at implementation is equally important to success of game as concept development.</p>
2.3.2.2	On-Line game controls which includes development and monitoring of On-Line game control features.	7.2.2	12	<p>On-Line Game Control Response DRs 3 through 5</p> <ol style="list-style-type: none"> 1. The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section. [NOTE: Applies to all sections where applicable.] <ul style="list-style-type: none"> • GTECH acknowledges and accepts. 2. The Proposer must describe its approach and experience with the development and monitoring of On-Line Game Control features. <ul style="list-style-type: none"> • <u>GT has decades of experience including Texas in this area.</u> • <u>TLC can control all aspects of a games parameters for any scenario including advanced and multi-draw wagering and liability limits and can do so for any drawing 365 days in the future.</u> <p style="text-align: right;">\$552.110</p> <p>Multi-Draw and Advanced Draw Wagering—</p>

				<ul style="list-style-type: none"> allows for multiple wagers for any drawing occurring in the next 365 days, including multiple drawings for the same game on the same day. It also offers day and night features. Authorized personnel can modify the drawing frequency, time or day of a given game by updating that game's Product Definition File (PDF) in the system. In addition, subscription players are not limited to the same advance wagers or the same number of multi draws for their entire subscription term. See Section 7.6 Sales and Marketing System General Requirements subsection 47.5 Subscription System ES will validate and generate exchange tickets for remaining multi-draw wagers. These wagers will be clearly labeled as exchange tickets. All online ticket validation transactions are linked in the system to the sale transaction ensuring the complete life of the transaction can be audited. <p>Liability Limits—</p> <ul style="list-style-type: none"> <u>can set liability limits to ensure that TLC can systematically ensure that it does not over commit for a particular game. Maximum payout.</u> You can monitor output and limit wagering on a particular combination of numbers. can monitor fixed payout games and will immediately alert the lottery, if applicable when sales of a number combination in one of these games reach a lottery specified liability limit. The system can lock up a set of numbers and limit further sales of a combination. Real time status of each of the 15 most heavily wager combinations can display on the management terminal screen; the same information can also be printed, if desired. Advanced Play Step Down Feature—involves the winding down of advance wagers in preparation for matrix changes or changes in draw frequency. allows and GT will work with the lottery to initiate procedures to allow purchases to occur up to the maximum number of advance plays into the future without exceeding the end date specified by the lottery.
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<p>\$552.110</p>				<p>\$552.110</p>
<p>2.3.2.3</p>	<p>Drawings which includes the Lottery Gaming System's capability to meet the Texas Lottery's drawing requirements.</p>	<p>7.2.3</p>	<p>14</p>	<p>General—Proposer demonstrates both experience and system functionality to meet online game control requirements.</p> <p>Drawings Response DRs—6 through 10</p> <ol style="list-style-type: none"> The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section. [NOTE: Applies to all sections where applicable.] The Proposer must describe its proposed System's capability to meet the Texas Lottery's drawing requirements. <ul style="list-style-type: none"> GT acknowledges and accepts <ul style="list-style-type: none"> The Proposer must describe its proposed System's capability to meet the Texas Lottery's drawing requirements. <ul style="list-style-type: none"> GT notes importance of draw security and points out that they have produced more than 18,000 successful draws (detail table on p.75) for the TLC since 1992. From synchronizing draw time to working with Independent Auditors to update the new jackpot amounts in the gaming system, GT and TLC work to ensure that each draw is a high quality draw. GT will provide the retailer number that sold the winning top-tier lottery ticket within 4 hours if

				<p>\$552.110</p>	<p>not sooner and enter new estimated jackpots into appropriate systems.</p> <ul style="list-style-type: none"> GT notes they can broadcast winning numbers/results over monitors. GT notes that the draw control requirements in the RFP are all included in the draw solution, which touches many areas of the Lottery's enterprise, including the system, claims and payment, publicity and advertising, retailer management and others. allows the TLC to vary the number of drawings per game, per day, or per week and/or days the drawings are conducted. GT noted that access to the System can be allowed or restricted all the way down to the field level. No other lottery vendor can provide this level of granularity in system security. P.77 Summary table of Draw Solution benefits p.78 Independent Auditor's Verification of Winning Numbers via Dual Entry— supports dual entry of winning numbers and prize and jackpot amounts through 2 different management terminals by different users with proper access levels. enforces dual manual entry of this type of critical data through two different applications screens in and can be configured for two user logins to the two screens. See chart on p.80 for process steps. If screens don't match, it is captures as all attempts are logged in the allows display and print of various screens (i.e. draw close, next draw sales, verification of completion of dual entry procedure, verification of completion of online share calcs, etc.) sample screens begin on p. 83 Reverse Drawings—in unlikely event that draw proves problematic, authorized users can invoke the draw rollback functionality in When run, winning records are deleted from the database and the draw results are reversed and the new draw can proceed. allows for draw sales for the draw in question to be closed to allow sales and operations to begin for the next draw without necessarily finalizing the problematic draw. GT notes that they serve Texas, NY, CA and FL in the performance of these functions.
			<p>47</p>	<p>\$552.110</p>	<p>General—Proposer demonstrates system functionality necessary to meet drawing requirements. Experience conducting drawings for other large US Lottery jurisdictions.</p>
<p>2.3.2.4</p>	<p>Instant Ticket Game Management</p> <p>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.</p>	<p>7.3</p>	<p>47</p>	<p>\$552.110</p>	<p>Instant Ticket Game Management Response DRs—3 through 11</p> <p>1. The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section. [NOTE: Applies to all sections where applicable.]</p> <ul style="list-style-type: none"> GT proposes the in support of the functions required in this section. GT notes that the system will satisfy and surpass the requirements of this section is designed to provide integrated supply chain management that exceeds the highest levels of performance expected by the largest lotteries. GT notes that the TLC has a much more complicated instant ticket program than other lotteries due to game launch frequency and order volume. adds a number of new features and process detailed throughout the response to the RFP

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(p.3):

1. Faster, larger processors
3. Integrated Initial Distribution Software
4. GT Solution
5. Ticket-level accounting and activation
6. Radio Frequency Identification () technology
7. Automated Returns Processing
8. Improved Player-activated terminals
9. Single Point of access for all instant ticket information
11. Daily store-level "Top Prizes Remaining" information
 - GT acknowledges and accepts
2. The Proposer must provide a description of the proposed Lottery Gaming System's capability to support the volume, scope, development and management of the Texas Lottery's Instant Tickets operations as described in this section.
 - GT notes that they are world's largest supplier of instant ticket management systems, noting that more than 50 lotteries use their instant systems worldwide p.7 chart
- Security Grid for Pack Status management—rule based grids that control acceptable pack status changes for operations involving packs
- GT notes that they have preserved 100% of TLCs business rules while converting the current system to ES. GT wishes to demonstrate this during the site visit.
- GT Notes they will retain all 23 current TLC statuses but recommendation of single ticket accounting added to increase visibility on returns and to support implementation of single ticket accounting
- Single Ticket Accounting—GT has a robust solution to allow activation at POS using their proposed retailer terminals, will support single tickets, strips of tickets and full packs. Will also

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<ul style="list-style-type: none"> • support cancellation of the sale of tickets in a TLC specified time frame • GT Notes that it may not be ideal for every retailer and can be used or not. A retailer can even use both processes at the store level. <u>Single ticket accounting is available to the TLC as an Invited Option in GT's base offering. P.12</u> • Resupplying Retailers with Instant Inventory—GT's automated retailer resupply system has been enhanced: 	<ol style="list-style-type: none"> 2. <u>allows LSRs to enter orders for a specific game or price points a retailer does not typically sell.</u> will "learn" from this order and include it in future reviews. 3. <u>monitors warehouse inventory and only allows order placement when supply is available</u> 4. Loading new games—game data is loaded directly from vendor files eliminating possible sources of errors and games can be loaded during business hours not during down periods 5. System supports loading of game data from all ticket printers supplying the US and can be loaded from 6. Reprints and reorders can be added and are available for use and sale immediately 7. Order Generation for New Games—IPS offers staff a multitude of options for initial distribution quantities including each retailer's sales history. Examples: <ul style="list-style-type: none"> • Referenced Product—Orders placed by retailers experience in selling past similar product types • Price Point—past price point sales performance • Fixed Quantity—for all retailers • Retailer Type—independents one quantity and corps another for example • Ad Hoc—various other methods 8. supports special targeted distribution programs for new games (i.e. coop partner games, etc.) 9. New game orders can be created in minutes not days allowing planning for distribution to come much later in the launch process. 10. Order Fulfillment and Shipping—will be performed using GT's current pick pack process. 11. LSR Transactions— allows all of the LSR features available today.
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<ul style="list-style-type: none">• LSR to retailer transfers• Full pack and partial pack returns• Returns for terminated retailers	<p>13. Pack Inventory—authorized users will be able to view pack (and by ticket where appropriate) inventory at retailers, warehouse and with each LSR.</p> <p>15. Pack History—With IPS there is no limit to the # transactions that a pack can go through or the # of transactions that can be viewed. System will also offer comments entry whenever a pack status is changed manually. All status changes are tracked by user.</p> <p>17. <u>will have access to significant info through inventory data, sales ranking and special reports.</u> ¹ <u>pilot in Texas showed a 5% growth in instant sales over growth in non-supported locations</u></p> <p>18. Settlements—System support automatic or manual settlements of packs. Auto settles can be set for time settlement, low tier validation settlements and settling the oldest packs if too many packs of the same game are activated. Note—single ticket accounting will also support single ticket settlements.</p> <p>19. Files will be restored within two working days of the lotteries request.</p> <p>20. Information for Development and Management—LSRs will have access to retailer specific information via <u>and LSR won't need to enter location and access the terminal to get information any longer.</u> Also, discussion of integration of various offered tools to better manage information and business functions p.27</p> <p>§552.110</p> <p>Invited Option</p> <p>3. As an Invited Option, the Proposer must describe if its Lottery Gaming System will support single Instant Ticket accounting. This includes the functionality to track all transactions (e.g., location, status, sales, validation, etc.) and activities at the ticket level. (GT Response is part of base offering)</p> <ul style="list-style-type: none">• Following notes are duplicated from the prior section above. Single Ticket Accounting—GT has a robust solution to allow activation at POS using their proposed retailer terminals, will support single tickets, strips of tickets and full packs. Will also support cancellation of the sale of tickets in a TLC specified time frame• GT Notes that it may not be ideal for every retailer and can be used or not. A retailer can even
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<p>use both processes at the store level. Single ticket accounting is available to the TLC as an Invited Option in GT's base offering. P.12</p> <ul style="list-style-type: none"> • <u>Single Ticket Accounting is offered as a part of GT's base offering.</u> • GT has researched the issue of ticket inventory management at retail and the issues that retailers (particularly chain retailers) have with the inability to track lottery on a unit level. Research done with retailers in Texas, CA, GA, RI and MA over the last few years. Two very clear messages arose: Retailers don't wish to scan tickets twice (once on the terminal and another time on the cash register) and a large portion of retailers do not wish to be charged as they sell each instant ticket, the prefer pack accounting. This means retailers need a variety of accounting methods available to suit their needs. 	<ul style="list-style-type: none"> • GT solution supports true accounting by ticket number within a pack, unsold tickets are not activated reducing theft risk • Example of retailers that may wish to offer both methods—PAT will be pack driven for float, ticket by ticket at the business center for shrinkage protection • Solution is fully integrated with Retailer Services • Solution works with all proposed GT equipment • Solution requires bar code with Game/Pack/Ticket number coding • Uses existing interleaved 1 2 of 5 bar code. • Reporting allows retailers easy determination of tickets sold as with online product sales. • Sales cancellation feature • GT notes looking forward to demonstrating the single ticket accounting solution during the benchmark. 	<p>GT offered Alternative Solutions as Offered Options—GT notes that some retailers are less interested in single ticket accounting and more interested in improving handling and recordkeeping for instant tickets.</p> <ul style="list-style-type: none"> • SmartCount—Most retailers have processes in place of reconcile instant ticket inventory with cash draws, problem is that it is manual. SmartCount automates calculation. Altura Terminal Bar Code reader can scan the last ticket at the end of each shift. An application calculates the # of tickets sold by game. Terminal generates a summary report. • Wireless Bar Code reader—For retailers where the dispensers are not located near the terminal.
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	Claims and Validations		47		
2.3.2.6	<p>Lottery Gaming System's validation capabilities, which include Integrated On-Line and Instant Ticket claims, validations and payments, and check writing software and hardware for use at Texas Lottery headquarters and each of the Texas Lottery Claim Centers.</p>	7.4	37	\$552.110	<p>Claims and Validation Response DRs—5 through 7 and 9 through 35</p> <ol style="list-style-type: none"> The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section. [NOTE: Applies to all sections where applicable.] <ul style="list-style-type: none"> GT acknowledges and accepts. The Proposer must describe how it will provide an integrated System for On-Line and Instant Ticket claims, validations and payments, which includes check writing software and hardware for use at Texas Lottery headquarters and each of the Texas Lottery claim centers. <ul style="list-style-type: none"> Will provide check writing software and required support hardware at TLC HQ and each claim center including PCs, and Claim process mapping provided after p. 2 GT will provide highly customized claims and payment solution that preserves even the most complex business rules. In place today and requirements detailed in the RFP. benefits include enhanced performance as is modular and does not reside within the gaming system Summary of features on p.6 is designed to interface with ES applications but also with external applications and back office systems (3rd party apps). For example, lottery files meet vendor requirements Will work to ensure interface process discussed on p.7

<p>\$552.110</p>	<p>3. The Proposer must describe the validation capabilities of its proposed System.</p> <ul style="list-style-type: none"> processes both online and instant validations. Online validation requests are passed from ESPS to central system by , instants flow through for validation. All validation attempts are recorded and all validated tickets are flagged to ensure no duplication validations can occur.
<p>\$552.110</p>	<p>Retail—</p> <ul style="list-style-type: none"> No-win and win messaging with prizes amounts are utilized for retailer validations. Receipts print on the terminals. Can configure batch receipts for one receipt for all tickets presented by a player. Lottery has final approval of all messaging that appears on receipts/terminals. Lottery business rules will control payment levels and authorizations. supports cross validations at retail. Inquiry Threshold—confirmation can be required prior to validation to ensure retailers have funds available Ticket Level Accountability for Validations—tickets placed in missing, stolen, etc. statuses cannot be validated for payment New system will support validation of tickets from the prior system Exchange Tickets—full functionality for exchange tickets will be provided as detailed on p.11 Duplicate Validations—With a winning ticket can only be cashed once. offers exceptional control allowing TLC to place any online ticket “on hold” prior to validation. All attempts, times and locations for these tickets will be logged and reported.
<p>\$552.110</p>	<ul style="list-style-type: none"> is capable of retaining all data for prize validation and payments for as long as the TLC requires the data to be accessible in the system. PPD tickets is a configurable parameter in the system.
<p>\$552.110</p>	<ul style="list-style-type: none"> PPD messages will contain the retailer number of the cashing retailer GT can control validation levels of staff between offices such as cashing limits. Super Retailers— provides the TLC with comprehensive support for super retailers. Initial player registration information would take place via the sales terminal recording it in Repeat players could provide their DL for identifications. DL can be entered manually or by scanner. will validate player information against the existing database.
<p>\$552.110</p>	<ul style="list-style-type: none"> Self Service Player Registration—GT will provide a player portal where players can register with the TLC through the internet. Registration requires age verification which can be completed through a third party verification company. System also capable of demographic information verification for database. Info would be verified, stored and shared across applications including subscriptions. Players will be able to register in advance of Super retailer visits, etc. can run checks on the prohibited claimant database and for holds for Super Retailer claims. If flagged, the claim would be rejected and the Super Retailer would direct the player to the

	<p>§552.110</p> <p><u>claim center.</u></p> <ul style="list-style-type: none">• is capable of also withholding taxes at the Super Retailer level should the lottery desire.• Offered Option—Texas Lottery Super Retailer Play Center—GT could work with Super Retailers to establish in-store player service areas with internet and “just for fun” play or game testing labs for new games of build excitement. GT would provide analysis of most viable existing retailers for such services. Based on current requirements GT has already identified 277 viable locations for these services strategically located around the state.• Offered Option—	
	<p>§552.110</p> <p>Ticket Validation at TLC HQ and Claim Centers</p> <ul style="list-style-type: none">• GT notes screen snap shots provided beginning on P.22 are of the actual claims and payment app created on their proposed system for TLC• Tickets can be scanned or manually entered, when entered tickets are inquired for validity, only valid tickets can be entered against a claim.• Tickets can be easily removed from the claim by using a check box, remove ticket button• allows retrieval of claimant data for existing claimants, possible matches are offered and can be selected from• will perform several checks during processing to verify claim eligibility, debt set offs in accordance with the state lottery act• Tax documentation—system is configured to withdraw local, state and federal taxes by percentages based on prize thresholds and withholding limits. will issue payout receipts, including tax payment details, to winners at the time of payment and supports reprints of those receipts. will also capture, print and report year end IRS reporting information including functionality to print required forms for reporting of claimant information to the IRS. Lottery staff will be able to view and generate replacement tax documents as needed.	
	<p>§552.110</p>	

- Administrative Claims discussion under Expired Tickets header on p.31. Reason types in this miscellaneous claim feature are configurable. also offers a granular level of roles/privileges and supporting reporting capabilities. P.33 notes that these claims will allow entry of comments related to manual transactions, just as it would claims issued in the standard fashion.
- Ability to select or change the payment type (cash or annuity) at the time of the claim is a standard feature of the
- System will also support processing payments for prizes not included in the validation system, merchandise prizes, etc.
- will process multi ticket claims up to \$599. There is no limit to the number of tickets like on the current system.
- Dual Control Processing— requires that all claims go through a dual control process for payment release. One staffer can create the claim but another person must release it. No person can do both. Note the section later states that this can be applied to all regular and miscellaneous claim payment types. also allows the capping of individual staff members ability to print checks based on the prize amount.
- can be configured to print a non-cash prize check “voucher” instead of a check. Each voucher would have a unique ID that facilitates tracking. Physical checks will not be printed when non-cash payments are processed
- will facilitate all required taxation or recurring accounting associated with non-cash prizes.
- Note—debt setoffs and overrides of taxes are not supported for non-cash payments within the system. p35
- Reports of Non-Cash Prizes can be generated for desired periods using SAP BusinessObjects.
- Processing Annuity Payments—Process for these payments is similar to processing for a miscellaneous claim. will generate the first payment for the annuity claim and automatically track additional annuity payments and details, including the balance due and paid for each winner over the annuity period. also allows installment payments to be split between multiple claimants or transferred to a new claimant if needed.
- Void and Reissue—a payment can be voided at any time after claim status is set to Paid but prior to confirming payment cancellation. System notifies the user of any associated set-off payments that exist for a voided payment that must be subsequently canceled. Reissues require dual user approval. P.38
- has robust capability to verify claimant addresses, including zip code based address verification functionality. validates USPS requirements and is configured to include zip code and addresses for the US and US jurisdictions. Per requirements, the system will also verify addresses in Canada and Mexico.
- Claim modifications are all recorded and can be viewed in a web browser form showing chronological list of all modifications.

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				<p>§552.110</p> <ul style="list-style-type: none"> • Check Generation Security—in addition to other controls detailed, terminals that originate check generation to undergo additional security verification using • MICR Print Capabilities—GT notes that FSTs will service claim center printers. Installing printers and one backup for each office and one for the Controller. Printers will produce high quality MICR information. • GT notes that they will make every effort to use HUB vendors to source check printers. • Printer specs: 45 pages per minute. 200,000 page per month duty load, 1200 X 1200 dpi. expandable printer memory. • Printers will be protected by system controls that they can only be accessed by authorized users. <p>General—Proposers solution offers significant functionality for claim processing management. The noted limitation of the system related to non-cash payments, “debt setoffs and overrides of taxes are not supported for non-cash payments within the system” is a system limitation that would have to be overcome by TLC. offers sound support for Super Retailer requirements. System access security profiling, entry and modification logging and reporting features appear to represent solid security controls. Self service player registration with third party verification of age is a beneficial player convenience feature. Related to DR #22, Proposer notes debt setoffs and overrides of taxes are not supported for non-cash payments within the ESPS system. P.35. Proposer noted inability to meet detail requirement noted below:</p>
<p>2.3.2.7</p>	<p>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.</p>	<p>7.4</p>	<p>10</p>	<p>DR 22 Debt Set-Offs and overrides of taxes are not supported for non-cash payments</p> <p>Claims and Validation Response DRs—8</p> <p>4. The Proposer must describe its proposed System’s secured method (and equivalent backup method) of</p> <ul style="list-style-type: none"> • GT will use a . Removable . The cards are required w/o exception required to execute the printing of authorized signature files. • GT indicates that they will provide a signature stamp that can be securely stored as a backup in the rare event that the primary and backup printer fails. • GT notes that the are encrypted and cannot be read on standard computer programs and cannot be activated without software thwarting attempts at compromise. • GT Notes that they can quickly deploy updated signature cards if officials change. • Check Stock Security features—GT will provide stock in accordance with TLC security requirements noting features that have been useful in deterring fraud attempts are: Specialized ink, Multicolored watermarks, a printed “Void” paragraph, Specialized Paper Stock, toner Fuse Coating, Chemically Sensitive additives. These are detailed on p.44 and 45 • Reports will be made available to analyze the total volume of checks printed per office and per <p>§552.110</p>

				<p>printer. (Reconciliation reports.)</p> <ul style="list-style-type: none"> System will also help verify bank transactions via regularly scheduled and ad hoc reports on payment activities such as EFTs and issued checks. And _____ will allow TLC to provide select financial institutions with banking activity updates in accordance with the highest level and quantity allowed by TLC banking partners. <p>General—Proposer provides a detailed response for this requirement.</p>
<p>2.3.2.8</p>	<p>Retailer Management 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.</p>	<p>47</p>	<p>\$552.110</p>	<p>Retailer Management DRs—8 through 29</p> <ol style="list-style-type: none"> The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section. [NOTE: Applies to all sections where applicable.] <ul style="list-style-type: none"> GT notes that many of the features of their proposed solution have been incorporated because of Texas. <ul style="list-style-type: none"> GT acknowledges and accepts. The Proposer must describe how it will provide an integrated System to support the Texas Lottery's Retailer management functions. At a minimum, the System must include licensee management functions such as Retailer maintenance and license application processing, inventory management, accounting and access control. <ul style="list-style-type: none"> GTs proposed system is _____ which brings real time data to and from the field and visibility into all granular data elements on a configurable user access basis. GT indicates it is the only tool today with this ability. GTs _____ System is the only system proven to handle more than 250,000 online sales devices and has handled 600,000 transactions per minute under this configuration. See Section 7.6 response for more detail. This noted as proof that _____ exceeds the 150,000 active/canceled retailer requirement of the TLC. <ul style="list-style-type: none"> _____ will bring appropriate retailer management functions directly to the location through LSRs A major feature of _____ is the ability to handle both simple and complex relationships, supporting multi-terminal independents and individual licensed locations can be grouped for management from a central location. GT notes that all terminals now role up to a common retailer identified and can be viewed individually or rolled up <ul style="list-style-type: none"> _____ supports chains with the ability to group multiple terminals into simple or complex chain configurations designed for the business models of the most complex chains. Ex. P. 5 _____ also supports groupings of divisional groups within a chain with divisional chain heads and can be further grouped in a super chain configuration. See p. 6 diagram. Can handle accounting, billing and reporting using the model the chain uses in their business GT notes that _____ has been converted to all TLC business rules and supporting functionality and will be ready to support RS day one of a new contract. <p>Recruitment—</p>
			<p>\$552.110</p>	

			<p style="text-align: center;">§552.110</p>	<p>Recruits will be assigned unique ideas and all data tracked will be maintained through the</p> <p>Application Processing—</p> <ul style="list-style-type: none"> • Applications can come into the retailer via the lottery web site or data from the screen, application or renewal by fed in real time to • Users can save partial apps and access them from a list of partial apps later. • supports real time integration to back office and other systems allowing for interfaces to and from other applications such as the TLC website. Application info can be directly entered in the system via the TLC web site. <p>Licensing Management—</p> <ul style="list-style-type: none"> • All workflow associated with the licensing process can be tracked. TLC can view the status of each step of compliance and easily enter and monitor next steps required. Letters can be generated from drop down menus in the system <p>Retailer Information—</p> <ul style="list-style-type: none"> • provides comprehensive search capabilities. Search categories provided in screen display on p. 19 including searches by multiple selected categories • Tabbed data screens are used to view location data. • All screens accept comments and narrative and are logged in real time. • All TLC statuses, codes and business rules have been integrated into status codes and 41 reason codes identified in the RFP including the 8 • Address tab supports primary, shipping, billing, mailing and marketing addresses providing flexibility that have different addresses associated with areas of responsibility for their businesses. LSRs can verify addresses and update them in real time using • Email, fax and mobile data can also be recorded • Contact list contains the assigned primary, owner, officer etc. to direct business to the proper contacts. LSRs can update contacts at the store to ensure lottery has up to date
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				<p>contact information</p> <ul style="list-style-type: none"> Financial information—expanded to track security deposits and associated fees with a retailer. All financial information is here including financial chain structure data Letters—user can create a standard or customized letter to a retailer or group of retailers. Users can use preloaded list of letter templates. All actions are logged. See exhibit 20 for example of Renewal Application Letter. Instants—tab allows for management of instant equipment, credit limits, participation and information, single ticket accounting information and other granular detail. Instant ticket inventory data is also available on this screen. See also Section 7.3 Route Management—provides the ability to fully customize and manage LSR routes. Route building would come from an analysis done by the marketing team on the most optimal route plan. presents the route plan to the LSR electronically. If temp or immediate route changes are needed they can be provided immediately. Swing rep assignments can be made for reps that are out in real time. Using GPS feature the rep closest to the location can be identified and assigned. LSR Management—this tab identifies assigned LSR and is automatically updated through the route management feature. Authorized users can also make updates to LSR assignments from this screen. Owner management tracks individual owners for multiple locations and tracks COOs etc. Links can be maintained or broken as needed. Detailed information on locations by selected owner can be identified. <p>Terminal ordering Tab—view of order history for a terminal or add a new work order. Views of specific work orders and integration with the Data entry on this screen is submitted to that system for orders.</p> <p>Tellers—users in a given location can be tracked/recorded/maintained. Teller password management occurs from this screen. Privileges can be granted or denied to an individual user of a specific terminal from this screen.</p>
			<p>§552.110</p>	
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			<p>§552.110</p>	

				<p>\$552.110</p> <ul style="list-style-type: none"> Adjustments—can be viewed and authorized users can make adjustments here. List of adjustment types and codes and other details can be recorded with each adjustment. These can be applied by instant and online game with a complete audit trail. Terminal reports can be produced listing adjustment date, game type and dollar amount. Adjustments can be individual or applied to a predefined group of retailers and can be batched to apply on a given date. Can be based on an external file from an authorized 3rd party. Training Requests—installation work orders drive initial training. This area manages training for new game and features and training requests can be replaced through this function. Training requests, their status and history is maintained here. Reports—in the terminal section provides a list of all reports as they appear on the terminal to facilitate communications with GT, TLC and the retailer. provides the ability to view online and print both detailed and summary statements for individual retailers and key, chain and corp accounts for current and prior (at least 36 months) reporting periods, including all inventory and detailed financial details by user specified ranges at 36 months in length. Reconciliations can be done at the store or corp level. GT notes compliance with detail requirement 27 (a- i).
<p>\$552.110</p>				
<p>\$552.110</p>			<ul style="list-style-type: none"> Terminal Groups—can be defined within. This would allow for the broadcast of terminal messages to certain terminals, for instance those running a specific promotion. Terminal groups can be viewed, added or modified from this screen and are completely customizable by the lottery. If a new location is created it is checked to determine if it should be added to a particular terminal group. Groups can be set up by county, trade style, those offering a specific product mix, etc. Retailer Financials—user can create batch adjustments or on-demand sweeps here. Detailed information related to adjustments, including type, codes, payment methods and statuses can be viewed or modified here. tracks NSF amounts associated with individual and aggregated levels, calculating penalties and interest associated with delinquent accounts and can notify via sales terminal, retailer web site and paper reports System Preferences—the full range of configurable features is detailed on p.50 	

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					<ul style="list-style-type: none"> Interface—GT will upload debit, credit and new retailer files from <u>supports real time integration with back office and other systems allowing for interfaces to and from other apps such as the lottery web site, using secure protocols.</u> Capture 1099 Information—will capture all 1099 information for tax reporting and will be transferred to the lottery by CVS file Historical Reporting—
					<p>4. The Proposer must describe the System's capability to accept online submissions of original and renewal Retailer applications via an internet-based system and how payments for application fees would be processed.</p> <ul style="list-style-type: none"> System will transfer data periodically to the web server to identify trends for app cancellations or possibly even contact retailers that did not fully complete the process. Renewal retailers will be able to pull up their information for renewal. After application completion, retailer is sent to payment page. The highly secure payments form will be hosted on a secure payment gateway. With application completed and payment confirmed, all information is transmitted to <u>as a completed and paid application where it will be processed normally.</u>

2.3.2.9	Lottery Gaming System's ability to provide online access to retailer management transactional data.	7.5	14		<p>Retailer Management DRs--10</p> <p>3. The Proposer must describe the System's ability to provide online access to transactional data.</p> <ul style="list-style-type: none"> provides the ability to view detailed transaction data through the terminal activity tab. Most recent and user selected time frame transactions are available. Data comes straight from the Drill down on transactions is included for full detail. Sample p.58 <p>General—Proposer's solution provides detailed transaction data incorporated in the system.</p>
	Lottery Gaming System General Requirements		94		
2.3.2.10	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.	7.6.1 and 7.6.2	42	<p>§552.110</p>	<p>System Configuration and Capacity Response DRs—5 through 20</p> <p>Battelle Benchmark Report Data—Battelle provided an overview of their report and benchmark testing process and reported all tests were favorably completed. Battelle noted ticket checkers required more finesse to read tickets noting that with experience the read reliability improved. Battelle noted the test result in this area was favorable with this qualifying note.</p> <p>1. The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section. [NOTE: Applies to all sections where applicable.]</p> <ul style="list-style-type: none"> GT notes that 4 US jurisdictions have opted to exercise out of contract extensions with GT and all are running the GT solution with a next generation architectural framework. CA, GA, MN and NC. GT notes this is proof that system refresh is not needed because of the services provided by launched in 2001 and has gone through 14 major releases. is a product by Lottery professionals for Lottery professionals. What is It is an enterprise-wide architecture solution, built on discrete components that work together but are not completely dependent on each other. allowing adds, changes, upgrades and improvements to the many separate pieces of with adversely effecting the entire system. As business needs changes, the enhancements can be implemented while keeping the rest of the system intact and functioning normally.

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§552.110	<ul style="list-style-type: none">• Core of s the build on the IBM x3850 X5 platform will function on the server for all of the in the PDC and the BDC and the Customer Acceptance Testing (CAT) system.• Core features and benefits of detailed on P.4• GT notes that other major lottery technology suppliers claim to provide open systems. However, their current designs are based on traditional operating systems. More on p.5• Advantages of to TLCs future detailed on p. 6 and 7 Under better performance, GT notes using Linux operating software ES.• Functional depiction of software configuration p.8• GT acknowledges and accepts.
§552.110	<p>2. The Proposer must describe how its System will meet the configuration and capacity requirements.</p> <ul style="list-style-type: none">• GT notes their systems are configured to accommodate substantial network growth.• GT notes that exceeds the system capacity requirements of the RFP and it will be proven during a site visit.
§552.110	<ul style="list-style-type: none">• The four production systems will be built to work seamlessly together, at the same time, separation of the systems will ensure that a component failure on one system does not cause a failure in another. There are no single points of failure in the system design for TLC.• GT indicates that their configuration across the PDC and BDC will ensure near 100% uptime the highest in the industry...along with full redundancy against failures, loss of data and performance degradation
§552.110	<ul style="list-style-type: none">• GT employs many measures to provide in-depth security against failures or degradation of the host systems including:<ol style="list-style-type: none">2. Unparalleled Level of Redundancy3. Fault Tolerance Best Practices5. Field proven equipment
§552.110	<ul style="list-style-type: none">• Typical Sales Terminal volume chart on p.12 compared to GT Benchmark• GT indicates that their system is the only one proven to support 250,000 terminals an industry first p.13
§552.110	<ul style="list-style-type: none">• interface between the central system (and the terminals. One can handle . The proposed design has three servers in

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<p>§552.110</p>	<p>each data center servers can be added to the system as the lottery expands. GT notes that more also monitors and manages the</p>
<p>§552.110</p>	<p>GTs high-availability database domain employs</p>
<p>§552.110</p>	<p>consolidates and organizes data overlaying a feature rich reporting, analysis, and a dashboard tool set for SAP BusinessObjects.</p>
<p>§552.110</p>	<p>Virtual Central System Environment, and discussed on p.17 to 19 related to scalability</p>
<p>§552.110</p>	<p>)—will enable real time updates at POS. TLC will be able to tailor the displays based on predetermined rules to specify certain system conditions and use real time data from retailers</p>
<p>§552.110</p>	<p>Archived Files— retains three years of granular transaction detail and historical transactions. GT capacity planning is built to accommodate retaining 5 years available online for inquiry.</p>
<p>§552.110</p>	<p>GT confirms Sunday to Saturday billing functionality plus ability to tailor multiple billing periods for different classes of retailers based on various variables p.20</p>
<p>§552.110</p>	<p>3. The Proposer must demonstrate how its proposed System can meet or exceed the Texas Lottery's performance requirements.</p>
<p>§552.110</p>	<p>GT notes its system can expand based on TLC growth</p>
<p>§552.110</p>	<p>Real Time Processing and Services Nearly 24 hours a day—GT Notes that they already operate 23 ½ hours a day on current system since 8/31/08 and have generated an additional \$370,632 to the FSF as a result. GT indicates that they can perform this in less than 30 minutes.</p>
<p>§552.110</p>	<p>Real Time Processing—all game processing activities are recorded on electronic media on multiple hosts in real time.</p>
<p>§552.110</p>	<p>system exceeds RFP requirement to conduct 200,000 sales transactions per minute. A comparable system to the one proposed benchmarked at over 600,000 transactions per minute</p>

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- Primary site recovery in less than 2 minutes—GT indicates its system complies, including no loss of transactions and interruption of user access.
 - GT notes maintaining a 99.99% uptime rate across all of its lottery systems worldwide.
 - System takeovers and reintroduced repaired systems discussed beginning on p.25
 - Backup System live operations described on p. 26 and 27 Commits to continued monthly testing currently performed under current contract.
 - 8 Second response time requirement—GT indicates that they will exceed this requirement. Indicating that it has demonstrated transaction speeds of less than 5 seconds after data entry.
 - Single Ticket 4 second time—GT indicates it exceeds this
 - Multitwager Ticket 6 second time—GT indicates it exceeds this (less than 5 seconds)
4. The Proposer must describe its System's capability for detecting and reporting fraudulent transactions and activities.
Inquiry and Search Capabilities—

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Fraudulent Transaction Detection and Reporting—

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- Jeremy Bingham's support role for these functions noted on p.45

7.6.2 Electronic Data Exchange Response DRs—10 and 11

1. The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section. [NOTE: Applies to all sections where applicable.]
 - GT acknowledges and accepts
2. The Proposer must describe how it will meet the data exchange requirements outlined in this section and the Data Exchange Report.
 - provides extraction tools that will provide easy configuration and automation to ensure TLC receives required data files and agreed upon frequency and specified format.
 - can support any current or future interfaces required including third party interfaces.
 - GT notes that they have interfaced with 3rd party CRM, back-office, ICS, network front ends and internet gaming systems.
 - GT notes the list of interfaces in the Data Exchange and System Interfaces list handed out at the bidder's conference will be a part of
 - Summary table of interfaces supported today and in the next contract detailed on p. 47 and 48

How GT will meet the requirements for Interfaces in

- Will work with TLC to understand business needs
- Will apply same processes and procedures for interface implementation used for software development (Capability Maturity Model Integration-CMMI). Will have a team dedicated to support these functions divided between design and support functions. Interfaces will be tested in development test environment.
- GT will perform real time monitoring of interfaces using ES Service Level Monitoring.

§552.110 Overview of B2B and these services provide

				<p>\$552.110</p> <p>from 3rd party (B2B) and real time back office or other internal data feeds. Details on p. 50 to 52. Note—GT indicates it can potentially provide B2B in the future for 3rd party entity connectivity to the Does this mean it is included in the GT base offering? (proposer clarified in letter response that it is included in base price. (i.e. lottery wagering applications for internet, PC, PDAs, mobile, etc.).</p> <p>—provides data feeds to TLC back-office systems in real time. It is a middleware component that provides connectivity to and from the and the TLCs back-office channels through open standards interfaces for required processing. Messages are sent in —These interfaces are produced for a number of GT customers for a variety of financial accounting systems.</p> <p>Additional Lottery Support-</p> <ul style="list-style-type: none"> • GT notes adoption of IT and Lottery standards such as XML to future proof the system provided to TLC. • GT discusses their involvement with standards group at PCATS and the XML project with NASPL. GT notes it has been involved with NACS, PCATS, XML and NASPL for many years. • GT notes they have provided XML-Electronic Data Interface (EDI) format statements for 7-11, Chevron, Valero and Racetrack in Texas as part of the PCATS pilot program using the NACS sub-committee (NAXML) draft standards. Providing detailed information that can be incorporated in IT structures by retailers. <p>GT has achieved certification in the two areas of QA best practices applicable to vendors from the NSI Certification Program operated by the NASPL Open Group.</p>
<p>2.3.2.1 1</p>	<p>Lottery Gaming System's capability for configuring and executing player and retailer promotions.</p>	<p>7.6.3</p>	<p>19</p>	<p>\$552.110</p> <p>General—Propose provides an overview of the configuration and capacity of the proposed system and how it meets or exceeds the standards detailed in the RFP. data warehouse reporting tool resides separately and will not impact or degrade system performance to meet reporting requirements. System capable of near 24 hour operations (less than 30 minutes or required daily down time). System is sized to support 5 years of transaction data in excess of 3 year RFP requirement.</p>
				<p>7.6.3 Sales and Marketing System General Response DRs—3 through 6</p> <ol style="list-style-type: none"> 1. The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section. [NOTE: Applies to all sections where applicable.] <ul style="list-style-type: none"> • GT reports that its system capabilities go beyond the requirements of the RFP. • GT acknowledges and accepts. 2. The Proposer must describe its System's capabilities for providing player and retailer promotions.

			<p>§552.110</p>	<ul style="list-style-type: none">• GT proposes the marketing group that's dedicated to TLC application and the GT sales and• Together they will configure and execute the promotions the TLC wants for players and retailers now and in the future• offers a user-friendly GUI with numerous settings to make promotion setup and launch quick and easy. Will make the most of promotions with system's flexible capabilities and GT Marketing group know-how.• GT notes that running a promotion starts with research, an idea and then very careful planning.• ensures that you have all the data that you need to run reports on your promotions and it offers promotional activity tracking and reporting capabilities. See also reporting in 7.9• GTs proposed On-Site Marketing Coordinator will also assist you with your promotions-related tasks (analytical information processing, distributing, etc.)• <u>is designed with no software changes required, quick and easy promotion setup is a primary capability</u>• Diagram on p. 57 details the process flow for promotions using the Lottery Management Database (LMDB) to provide valuable information to make informed decisions regarding future promotions.• <u>offers the following noteworthy benefits:</u><ol style="list-style-type: none">1. Supports both online promotions and Co-op promotions that offer incentives to motivate non-players and players2. Enables TLC users to efficiently build promotions based on the lottery's specific criteria3. Allows you to create promotions that are retailer or chain-store-specific. Noted on p.78 that system is fully scalable related to retailers participating)• Table of sample promotions run by in the US begins on p. 58 to 68 details promotion, description, jurisdiction that ran and the example details and promotion results in those jurisdictions. <p>Creating Promotions in —</p> <ul style="list-style-type: none">• <u>is highly parameterized and promotions are easy to set up. Users open the application complete the data in five tabs and can set up a promotion for the retailer network in minutes. A promotion can be made active for the next morning's business.</u>• Five tabs to be completed are: Promo Overview, Promo Type, Prize Type, Promo Criteria and Promo Text detailed further on p.70 see also promotion creation overview chart on p 71• <u>supports coupon promotions.</u> GT notes the same coupons used today will be converted to the new system and available as coupons with bar coded serial numbers produced by 3rd party sources for sales promotions. Approved coupons are read by the Altura terminals external 2D bar code reader. Data is sent to the and validated against a file like an instant ticket game file.• GTs own system coupons are created with unique, traceable bar codes and serial numbers for sound data tracking and security. Coupons are validated and one time use only.• <u>All coupon data is tracked and can be retrieved to evaluate promotion success</u>• NY multi-game buy one, get one mailer promotion cited as a successful coupon promotion
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				<p>\$552.110</p>	<p>offering details on p. 73 and 74</p> <ul style="list-style-type: none"> Examples of several cross promotions run in GT jurisdictions involving clerk vouchers, to purchases for chances to win or discounts are detailed as functional applications of P. 75 to 78 Simultaneous Promotions—provides the ability to conduct simultaneous player and retailer promotions involving multiple lottery products, including but not limited to tie-ins between online and instant games. The promotions are scalable by county, zip code, business type, chain, sales level or TLC designated group. offers a powerful marketing tool that allows the TLC to set up different kinds of groups depending on your marketing strategy. The mechanism is completely parameter-controlled, giving tremendous flexibility for message creation and targeted marketing. Groups are used for many purposes such as e-mail, multimedia messaging and promotions. Any parameter that is common to the retailers can be used to create a group. Groups can also be manually created by retailer number. can support multiple promotions for the same game with the ability to set priority rules to account for instances where one event could trigger multiple promotions. A promotion with higher priority would take effect. Tracking and Reporting on Retailer and Player Promotions-- can track retailer promotions and player contests winners including winning addresses. <p>General—The Proposers offer a robust promotion management solution. The user interface appears simple and intuitive. The system appears to offer a wide range of promotions, including coupon support (system generated and third party), with great flexibility to configure retail participation through group configurations that are a part of the solution. The proposer confirms the system's ability to manage multiple simultaneous promotions across games.</p>
<p>2.3.2.1 2</p>	<p>Web-based systems to support "Second-Chance Drawings", player registration programs for informational, promotional and data gathering purposes, and mail order subscription services which includes transaction handling, prize payout and age verification features. including the processing of all subscription orders, age verification of players, and payment of prizes.</p>	<p>7.6.3</p>	<p>33</p>		<p>Sales and Marketing System General Response DRs—7 and 8</p> <p>3. The Proposer must describe its System's capability to support Web-based "Second-Chance Drawings" for On-Line Games. This system will not involve the sale of lottery products via the internet, but will only involve the submission of non-winning On-Line Game tickets for secondary drawings as approved by the Texas Lottery.</p> <ul style="list-style-type: none"> GT indicates that they can create a player web site for second chance drawings for online games offering free tickets, cash prizes, and merchandise prizes—even the perceived opportunity to win a prize in a second chance drawing can continue the winning experience for players. GT can create a second chance drawing web site where players establish an account and key in ticket serial numbers for non-winning tickets to get a second chance prize. System features: <ol style="list-style-type: none"> 1. Players log into the TLC second chance drawing web site 2. Lottery can choose a single or two entry pages (one for instant and one for Online)

3. Entry pages allow one entry at a time
 4. Entry page links to page for player to see all entered tickets
 5. Winner drawing can be performed using our web-based back-office system or the tickets can be exported for the lottery to conduct the drawing
- Second Chance Drawing Administration—
 - GT notes they have collected, designed, managed and analyzed hundreds of 2nd chance drawing promotions.
 - GT notes integrity of drawings for a T-shirt as important as those for \$1M in cash. GT is confident that their rigorous processes and security compliance measures will ensure the success of TLCs program.
 - GT notes that they have recruited experienced lottery vets who offer a broad background with player/retailer promotions, incentive programs and event marketing.
 - GT will customize offerings with a wide range of draw services, such as:
 1. Promo strategy design and dev
 2. Prize development and sourcing
 3. Sweepstakes and inventory management
 4. Physically secured drawings and prize fulfillment
 5. Professional customer service for managing personal details with winners
 6. Reporting to suit your needs
 - When a promo is finished GT will provide an analysis outlining the measurable goals, results and ideas that can be applied to future promotions.
 - GT system allows players to enter their non-winning ticket numbers by mail, web or text.
 - GT notes that they can support multiple game promotions as well as ongoing promotions through a VIP players club.
 - Draw Experience--GTs draw management and fulfillment services have been implemented in NJ and RI. In NJ, GT ran the 3 Stooges second chance drawing web page drawing and fulfillment. Details of the promotion on p. 84
 - GT notes that they believe that all promotional efforts should be measured for success and then applied to future efforts.
 - GT indicates that they are offering a second chance drawing web site, but more: a full featured player portal that includes subscriptions, 2nd chance drawings, and player registration and that will take the lottery to the next logical lottery platform solution—GTs Renaissance. See section 47.5 under heading for Renaissance. **Note— is the card program and it is an Offered Option.**
- \$552.110**
- General—Proposer provided response covered general system specs. Limited detail and visual examples of capabilities with regard to conduct of online second chance drawings. Specifically noted drawings management experience in RI (Aerosmith) and NJ (stooges) appears to have been related to instant second chance drawings.**
4. The Proposer must describe its proposed Web-based system for a player registration program that

	\$552.110	<p>involves registering players for various informational, promotional (e.g., unique player-printed coupons), and data-gathering purposes.</p> <ul style="list-style-type: none"> • Players can register for various informational, promotional (unique player printed coupons), and data gathering purposes. • Once registered, player communication can go through the web site, RSS, text messaging, etc. • GT notes that their intuitive player friendly website is state of the art portal available anytime, anywhere. • Allowing player demographics and behaviors to be analyzed, fine tuning promotions, marketing communications and game offerings to improve sales. 	
	\$552.110	<ul style="list-style-type: none"> • <u>All player information is stored in one database and shared across products to minimize redundancies and inaccuracies.</u> • <u>Player completes a single web page form:</u> <ol style="list-style-type: none"> 1. User name and password 2. Security question and answer, used in customer service scenarios for lost user and password information. 3. Account preferences that can be modified over the life of the account • GT can also collect optional details (i.e. where did you hear about us?) Players can also register anonymously with just an e-mail address. • All information collected is stored in a secure database and can be searched using ad hoc inquiries in 	
	\$552.110	<p>General— Proposer provided response covered general system specs. Limited detail and visual examples of capabilities with regard to [redacted] No specific examples of experience in this area provided. Proposer notes registration programs as bundled as a part of grouped online services.</p>	
		<p>5. The proposer must describe its mail order subscription database system for lottery players as authorized by Texas Government Code Section 466.3052, including the processing of all subscription orders, age verification of players, and payment of prizes.</p> <ul style="list-style-type: none"> • After player registration, they set up subscriptions on a web site. Players will be given cross reference numbers to include when sending payments and emailed subscription confirmations, which include info on chosen games, numbers and subscription durations. (note GT does not address mail-based subscriptions here. Addressed later see details below). • <u>When subscriptions are created they are associated with the players registration file</u> • <u>GT notes web-based registration would occur as is detailed in section 47.4 web-based system for player registration program. GT notes the can accommodate a subscriber downloading a</u> 	

form from the web site, completing the form and mailing it in.

- Players provide info and receive a unique subscriber number. SS#s are only required if there is a tax reporting obligation.
- Verification of player eligibility-GT will consider citizen registration, valid DL, personal income tax filings, or any other required means of player verification
- Once registered the form and payment must be mailed to the Lottery. Checks, Money Orders, direct EFT and debit card are all valid forms of payment in the GT system. Lottery then uses the subscriber number to pull up the account and process the payment.

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Note pages 94 -99 discuss description and second chance drawing integrated functions

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- GT notes their integrated change management approach established with TLC combining business processes, information, and technology impact analysis and synchronizing those activities with the technology delivery system in chart on p.2
 - GT notes changes fall into three categories: Batch changes, Emergency changes and System changes
 - GT notes that with a technology group of more than 700 professionals, GT will fulfill all of the TLCs requests for support and changes in an effective and timely manner
 - GT acknowledges and accepts.
2. The Proposer must provide an overview of its software development life cycle including, but not limited to, change and release management processes, recommended frequency for changes, review and approval process, documentation activities and associated assigned resources to support the software development life cycle process.
- GT notes that larger business environment must be taken into account with regard to integrated change management as it relates to software development processes. GT notes taking into account: TLC 5-year business plan, GT Texas Account 5-year plan and Technical Roadmap, support technology for GT 5-year plan
 - Tactical Executions are noted as including Program Plans and Software Batches.
 - Strategic Planning hierarchy is detailed on p. 5
 - GT approach is to manage change is designed to identify, evaluate and negate risks inherent in moving the technical environment forward to meet business needs.
 - GTECH notes their CMMI Certification and ISO 9001:2008 Quality Management and NSI Quality Assurance for Development.
 - Software Development Life Cycle (SDLC)—primary elements detailed on p.7. see also flowchart p.8 detailed discussion p. 8
 1. Request for Software Service (RFSS)
 2. Change Advisory Board (CAB)
 3. Planning and Requirements Definition
 4. Design and Development
 5. Software Quality Assurance (QA)
 6. Release Management
 7. Post Installation Activities
 - GT notes that CMMI best practices provide a framework that ensures projects are actively managed and finished on time, with no surprises.

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- Backout plans and recovery procedures are in place should there be a problem. Decisions for

				<p>such action would be jointly approved by GT and the TLC.</p> <ul style="list-style-type: none"> • Discussion of Change Documentation Process beginning on p.21 • GT Software Quality Certifications discussed in additional detail on p.24 to 28 • GT notes that they are the only lottery systems vendor in the world that is CMMI-DEV Level 4 certified and is considering level 5 certification. • GT notes that they will provide a dedicated Program Manager, Project Manager and QA Lead in support of every batch release p.28 <p>3. The Proposer must describe the proposed test environment and access for conducting QA and UAT.</p> <ul style="list-style-type: none"> • <u>GT notes that before they release any software, they perform extensive testing and QA in an environment as close as possible to the environment in which it will operate.</u> P.28 • All applications are available to the test environment including productions reports. • Test environment is a duplicate of the production environment <p>Test System Architecture—</p> <ul style="list-style-type: none"> • Five identical systems support the lottery: 4 production and 1 test. See also 7.6.1 subsection 42.2. • TLC can access the test environment through the DCA and via a secure communications link. • As test system duplicates production environment, TLC can execute realistic high-load or high-transaction volume scenarios with the assurance that the production system will behave the same way. • System will be capable of load tests and testing all terminal types and comm. Protocols <p>General— Proposer outlines a step-by-step approach to system management, including change and release management and the maintenance of an appropriate testing environment. Proposer notes CMMI-DEV level 4 certification.</p> <p>System Security Response DRs—8 through 10</p> <ol style="list-style-type: none"> 1. The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section. [NOTE: Applies to all sections where applicable.] <ul style="list-style-type: none"> • GT notes that it has never had a software or facilities security breach in Texas • GT notes that this is proven up through annual SAS70 audits and biannual Security audits performed in Texas • GT will develop and implement a security plan that encompasses all aspects of security, form physical control of the premises and systems and application security to procedural controls of the operations and human resources. • GT acknowledges and accepts. 2. The Proposer must provide an overview of its System security plan <ul style="list-style-type: none"> • GT notes that security starts at the top introducing their security team: <u>Steven Pare, Senior Director of Global Security and Robert Picasio, Senior Security Manager</u>
2.3.2.1 4	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	35	

- GT notes that as the system evolves they are always looking toward the horizon to ensure that they keep TLC a step ahead of potential security threats.
- GT Operations Security Plan will be built on:
 1. Best Practices including securities and standards bodies such as WLA, ISO, MUSL and NASPL and a separate security audit conducted by in-house or 3rd party security professionals to validate system integrity and security aspects
 2. Industry Compliance—Compliance with numerous ISO standards and model frameworks. GT's internal PDC model for establishing, implementing, operating, monitoring, reviewing, maintaining and improving their Information Security Management System aligned with corporate goals and objectives.
 3. Physical and Visible Barriers—no identifiers on buildings, facilities unless lottery requested
 4. Updated Environmental Systems—Protecting the Equipment that runs the games—AC, fire protection backup systems, disaster recovery expertise
 5. Personnel Policies—strict code of conduct, background checks on employees, close collaboration with lottery security, separation of duties
- GT notes plan will be submitted no later than 90 days after contract award and will comply, at a minimum, with Title 1 TAC202.
- Multiple Layers of Defense—plan will assure defense in depth through multiple layers of protection from unauthorized access to or use of TLC games and game data.
- GT notes that their expert, experienced security professionals, the practices they follow, and the tools they use will ensure that TLC gaming system operates and generates revenue continuously...
- Multiple layers of security protection in the GT plan detail in the chart on p.7
- GT has provided an outline of each aspect of the Ops Security Plan and briefly discusses the approach and methodology they will use to develop the content of the plan beginning on p. 8 covering BIA, Risk, Threat and vulnerability analysis, security strategy, personnel security practices, segregation of duties, physical security, data security, Telecom access security, network equipment security, incident response and resolution, protection of software and other copywrited materials, plan evaluation, Security Awareness/Training, and Plan Maintenance.
- Plan maintenance will occur as a result of annual or interim reviews.
- 3. The Proposer must describe the physical and logical security components of the Lottery Gaming System. At a minimum, this must include an overview of the policies and practices to prevent, detect, and resolve security incidents. In addition, the Proposer must demonstrate experience, ability, and intent to meet security requirements.
 - GT notes responsibility for security controls and practices in 24 US jurisdictions and 23 outside of the US. These plans have been approved and/or audited by the jurisdictions and evaluated by multi-jurisdictional associations and audit organizations
 - GT operates one of the most sophisticated and secure consolidated data centers in the world, right in TLCs backyard: the DCA in Austin

Security Management Approach—

- Secure Physical Storage related to DCA security detailed on p.19 same as in response to

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section 6.6

- Reliable Backup Data Center—Plans to in a separate Operating from the facility monthly. Will have comparable security to the PDC and will have video feeds from the location to TLC in accordance with MUSL requirements.
- Process discussion p.21—GT uses an compliant with industry ISO standards, WLA security control standards and MUSL rule 2, SAS 70 and PCI Data Security Standard. GT notes there is one ISMS for the company. Illustrated on p.21
- GT notes that information security is an essential component of its business and uses a dedicated security group under the aegis of GTs Legal Department. Members of the group have certifications detailed on p 22. Will work closely with TLC security personnel to confirm specific requirements of TLC.
- Control Room/Equipment—all operator actions and events are logged and monitored by the system they are also available to TLC through
- System—in addition to physical security, strong emphasis is placed on logical and software security components including:

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2.3.2.1 5	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	35	§552.110	<ul style="list-style-type: none"> Independent Audits provide evidence of effective system security. GT systems passed 19 SAS70s in 2008 and 19 audits in 2009, each w/o qualified opinions. Control objectives of SAS70 audits are detailed beginning on p.47. GT notes daily adherence to these standards. <p>General—Proposer provides a thorough and complete response regarding its policies, practices and adherence to industry standards for system security, including dedicated personnel. Proposer has also provided demonstrated experience across many jurisdictions where system security has been reviewed on an ongoing basis.</p> <p>ICS System and Vendor Response DRs—4 through 10</p> <ol style="list-style-type: none"> The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section. [NOTE: Applies to all sections where applicable.] <ul style="list-style-type: none"> GT acknowledges and accepts. The Proposer must describe the process for providing support to the third party vendor and how transactions from the Lottery Gaming System will be processed. <ul style="list-style-type: none"> GT notes that it has customized data formats and feeds to work with TLC vendor requirements and even accommodated short testing cycles as required. GT works with ELSYM in 17 jurisdictions. They note that also working with 2 other vendors, Lapis (3 jurisdictions) and H&S (4 jurisdictions). GT notes (p.2) that while TLC requires that an out of balance never occur, it acknowledges that it might occur by requiring procedures to address it.

			<p>\$552.110</p> <p>\$552.110</p> <p>\$552.110</p>	<ul style="list-style-type: none"> GT notes that it has the most accurate, reliable, and consistent data feed in the industry, as confirmed by ELSYM. GT notes they will work with whichever ICS vendor the TLC chooses GT notes that they will provide necessary resources to vendor to maintain linkages GT acknowledges that they will pay for these services GT will provide a dedicated comm. Link to send data to the computer in as close to real time (in seconds) as the ICS system can receive. will be recognized by all Transactions will be N-plexed and recorded on the primary and subsequently sent to the ICS system GT notes that their solution will provide a synchronization process to ensure that the stays current with the most recent transactions. GT details the steps that will occur in the event of a comm. Disruption on p.4 The connection between the and is a one way connection in accordance with MUSL rules. GT will work to convert its system and any conversion to ensure that transaction data/historical data for at least the last 10 years are converted The Proposer must describe how out-of-balance incidents are handled and electronic funds transfers are accomplished. Balancing occurs once processing is completed on both the and the GT notes the ICS typically uses a continuous balancing approach against the at checkpoints. Balancing is automated. This allows identification of out of balances sooner than draw break. If out of balance occurs, the is reviewed to identify any command that is out of the ordinary. TLC can have these reported on the exceptions report. The report details the type of exception generated, who generated it and when it was generated. TLC can then followup, ensuring the integrity of data captured by the will produce a sweep file for the EFT process and will be transferred to the TLC internal system or as specified by the Lottery. <p>General—Proposer demonstrated experience in this area and provided a comprehensive response to RFP requirements.</p>
<p>2.3.2.1 6</p>	<p>Reporting 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.</p>	<p>7.9</p>	<p>47</p> <p>47</p>	<p>Reporting Response DRs 6 through 12</p> <ol style="list-style-type: none"> The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section. [NOTE: Applies to all sections where applicable.] GT acknowledges and accepts. The Proposer must describe its proposed System's reporting functions. This must include the ability of the Lottery Gaming System to produce a variety of reports as well as permit Texas Lottery staff to create ad-hoc reports using user-friendly report development tools including graphical reporting capabilities.

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- Users won't see the complexity behind collecting and organizing the data in report requests from the applications used to run the system because reporting processes are completely integrated and transparent
- will provide the TLC with the data it needs, in the format it needs, to make the best possible business decisions.
- Top 3 benefits:
 1. Solution empowers the TLC to make appropriate business decisions with meaningful, timely and complete info at fingertips
 2. It is user friendly and easily customized to meet specific reporting needs. All report data will be accurate
 3. Provides transparency and seamless reporting capabilities, as well as views into all areas of TLC operations, including sales performance and asset management
- A list of all integrated data in the reporting solution is detailed on p.3
- Report generation (including lottery metrics, sales trends, reports and charts) are available through a few clicks of the mouse.
- System Portal is the entry point for
- features overview on p.5 and 6
- Report information can be easily generated, viewed, queried, edited, shared, archived and scheduled.
- Overview diagram of the ES BIS solution on p.7
- A 3rd Party SAP BusinessObjects component will be used to deliver reporting capabilities
- User has the convenience of being connected by a single user name and password for all reporting activities
- GT notes that at a minimum it will provide all reports identified in TLCs report list. GT notes that they have already converted these reports and they are available on the new system with no system degradation. See table at the end of the section.
- GT notes that reporting is a vital function of various TLC departments and they identified many additional reports in other sections of the RFP. These are detailed in the table, "Reports in Your RFP Accessible through SAP BusinessObjects" located at the end of the section.
- GT notes TLCs commitment to security practices and protocols and indicates that the TLC will have the tools and applications to help identify potential irregularities that could potentially be fraudulent actions by retailers, players and insiders.
- GT developed is Anomalous Activity Analysis Package to support lottery security departments.
- Most of these reports are parameter driven and users can set and modify thresholds.
- GT notes that approx. 82% of fortune 500 companies choose products from SAP BusinessObjects, as they are the standard for business intelligence.

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				<ul style="list-style-type: none">• <u>GT details a 7 step plan for a successful conversion and a report catalog that works beginning on p.11</u>• <u>GT notes that they have developed a highly useful Conversion Gap Analysis process over 29 years and 180 lottery conversions. They note that the process is designed to ensure limited interruption and new-system visibility as well as continuous sales during conversion.</u>• <u>GT notes that they have already conducted several of these steps to ensure TLC has the reports it needs at startup.</u>• <u>Michigan Lottery is cited as recent example of a jurisdiction where this process was utilized. GT identified more than 500 reports on the legacy system that were condensed to 170 highly useful reports</u>
<p>§552.110</p>				<ul style="list-style-type: none">• <u>GT can add or modify reports within 30 days of written request. GT notes that these reports will go through the normal established cycle, because they are new TLC functionality. P. 13</u>• <u>GT notes that if the data is available in GTs “reporting universes” (described later) TLC can quickly created reports they need</u>• <u>GT will monitor reports and if use is low they will be discussed with TLC for removal</u>• <u>BusinessObjects has an audit feature that tracks user frequency, reports accessed, etc.</u>• <u>GT notes their reporting solution is future proof, designed to be expandable, scalable and to accommodate 3rd party products.</u>• <u>—reporting solution includes the a data warehouse and a user interface for reporting purposes.</u>
<p>§552.110</p>				<ul style="list-style-type: none">• <u>Reporting Universes: Windows to Lottery Information: These windows will be selected as users create ad hoc analysis. Each universe contains data objects (i.e. dimensional objects like game name or retailer number or measures like numerical data for instance net sales)</u>
<p>§552.110</p>				<ul style="list-style-type: none">• <u>The BI platform empowers the Lottery to improve its responsiveness and flexibility through integrated analysis for all users.</u>• <u>Report Management overview of functionality begins on p. 17</u>
<p>§552.110</p>				<ul style="list-style-type: none">• <u>Report Catalog offers browse and search capability</u>• <u>Sharing—reports can be schedule, run and delivered to specified users.</u>• <u>GT notes that dashboards eliminate the need to rerun reports and update spreadsheets</u>

				<ul style="list-style-type: none"> GT indicates that they are offering the TLC two Performance Dashboard Packages, through their partnership with SAP BusinessObjects: <ol style="list-style-type: none"> In House Dashboard Creation Package—SAP Xcoelsius tool is used. One creator license and 25 view licenses to allow access to the dashboard Dashboard Creation Support Package—GT will work with TLC to create views that help TLC staff. <ul style="list-style-type: none"> Drill down views from dashboards provided as examples p.38 and 39 <p><u>Training and Documentation—</u></p> <ol style="list-style-type: none"> Important to ensure that TLC staff get the most of the reporting tools. GT is providing the training program Will offer training for beginning, intermediate advance users GT notes lessons learned from training in Michigan and WV on p. 40 Training features workshops of hands on use Classroom training will be provided Documentation will include examples of analyses that can be performed and descriptions of information available Training course highlights detailed on p. 41 and 42 Specific documentation to be provided detailed on p.42
2.3.2.1 7	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.	47	47	<p>System Supported Terminal Functions Response <u>Battelle Benchmark Report DRs: 22</u> DRs—2 through 32</p> <ol style="list-style-type: none"> The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section. [NOTE: Applies to all sections where applicable.] <ul style="list-style-type: none"> GT acknowledges and accepts. The Proposer must describe the terminal functions supported by the Lottery Gaming System that meet the requirements of this Section. <ul style="list-style-type: none"> GT notes that combined with the GT proposed terminal solutions supports all of the functions required to operate a modern lottery, including all of those detailed in Table 61 of the RFP. GT provides a highlights and special features list of their system, sales terminals, communications network and sales force that will be provided to TLC and its retailers

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§552.110	<ul style="list-style-type: none">beginning on p.2GT notes that all terminal functions will be supported by the System.All transaction activity will be logged on the via the for all retailer and player terminals.Ticket-Scans and player terminals are fully customizable, each can display exact prize values for all prize levelsTicket Scans can be located up to 100 feet away from the retail terminal to avoid retailer counter congestion.
§552.110	<ul style="list-style-type: none">Training Mode—indicators: the screen changes to a different background color, in addition the screen will display the words, "training mode" behind the buttons. It can be accessed through an on/off button on the terminal. "Test" tickets are graphically represented on the display screen and will not be printed. Training mode is always available and will be updated before new online game launches.Multidraw/Advance Wager Tickets—functionality described. GT notes that multiple draw date results can be provided for each draw that has been completed prior to the ticket validation.Terminal Capabilities— provides capability to set parameters such as inquiry only functionality at claim centers.
§552.110	<ul style="list-style-type: none">Support for Secure Multilevel Access—individual clerks and terminals in a location can be set with various privileges. User access is set by passwordCapturing Validation Information—System will capture the store and clerk id for every validation attempt, no matter the size of the prize. This exceeds RFP requirement of prizes between \$25 and \$599.Confirmation Mode For Validations— is fully customizable to support these alerts.Confirmation Mode for Large Dollar Transactions— is fully customizable to support limit alerts to confirm transaction sizes that exceed a preset threshold.Transaction Cards—Retail sales terminals and PATs are all equipped to support various cards with an accompanying variety of applications. GT notes having implemented successful gift card and players club programs in several states. CA in particular has a large gift card program implemented by GT. These gift cards have no value until scanned and activated by the retailer on the Altura terminal. Retailers can add or deduct value from the card by scanning. Cards also work with most self service equipment in CA. p.12 GT notes that the Altura is equipped with an external smart card reader that reads cards that conform to ISO 7816 standard.
§552.110	<ul style="list-style-type: none">Reading Bar Codes for Keyless Inquiry and Validation—terminal supports reading of

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and other ISO/IEC standard bar codes. Combining GTs unique feature with their Simple Keyless Validation method will provide exceptional retailer convenience and unparalleled security. More on this in section 7.12 under the heading Validation of winning instant tickets

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- Printing Graphics and Bar Codes—Terminals will be equipped with GTs new AccuTherm Ultra printer. Unit can print the following ISO/IEC industry standard bar codes:
 1. Interleaved 2 of 5 (I 2of5)
 2. European Article Numbering (EAN)
 3. Universal Product Code (UPC)
 4. Code 39

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- Licensed Rights—GT acknowledges that they must obtain all rights for use of self-check process acceptable to the TLC, such as what is in place in current process. GT also acknowledges that it must pass all tests performed by the TLC or its authorized designee for quality and security
- GT is pleased to propose an alternative solution: a new, two-scan, self-check ticket checking process based on GTs Simple Keyless Validation patent as described under the heading Simple Keyless Validation in section 7.12. As GT owns this patent, there will be no need to procure a license from a 3rd party. GT notes that this will provide the TLC with something that it has wanted since instant ticket checking was implemented: visibility into the use of ticket checking as it will be possible to:
 1. Log all ticket checking attempts in the
 2. Check the frequency and sequence of tickets being checked on the Ticket-Scan to identify if a retailer is trying to pick out winning tickets.
- Online Ticket Stock Management—GT notes that this will be done much the same as it is today by the LSRs. LSRs will be able to scan the bar code on the retailer terminal or assign by scanning on the unit. All transactions will be fully logged on the and researchable.
- Delivery confirmation and Survey Data Collection—Altura and system will support all instant ticket inventory functions. ES also supports a number of ways to collect survey data, including customized playslips. Retailer fills it out and drops it through the reader. Retailers can also use the touch screen on the terminal to directly enter survey data for transmission to the central system. A menu of questions can be presented for the retailer to select answers to. GT LSRs will also be able to collect survey data by conducting surveys on their units.
- Returns and Transfers—LSRs can conduct returns and transfers to a retailer using the software and the Altura terminal via the LSR menu.
- Terminal Ordering—GT allows retailer terminal ordering in NY and MI today. It can be enabled for single retailers or groups of retailers. GT ITS will review every order placed directly by the retailer to verify game mix and quantity before it is released for shipping. Automated

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restrictions like minimum/maximum number of packs ordered can be set, etc. Screen snapshot on p. 18

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- Tracking Signage and Lottery Equipment—GT notes that the inventory can be tracked and/or scanned using the wired bar code reader on the sales terminal. GT notes that the solution also allows for all inventory tracking functionality by entering and tracking these items. All data is maintained in Retailer Management.
- Terminal Messaging supports a variety of messaging formats for retailer, players and the general public.
 1. Programmable Screen Savers—Jackpot or other important messaging can display.
Ex. Advertise a retailer incentive program in Houston area, for example, while terminals in Austin display current MM jackpot.
 2. Message Groups—communicating through advanced grouping capabilities through ES Retailer Services, discussed previously.
- Grouping—example of the success of the Coop Texas/Valero promotion
- Enhanced Amber/Blue and Silver Alerts—GT will transmit these alerts through their Ops team using the terminals and 17" Flat Panel Monitors and our operations team will use the MultiMedia Content Manager to send these alerts.
- Terminal Messages can be set as immediate or deferred and can be recurring or one time
- will allow for jackpot messaging and promotions communication and winner awareness p.26
- Related to on p.26—GT indicates, "The download will typically take place without interfering with any wagering or other functions of the terminal." GT clarified in letter that downloads will not impact wagering or validation functions on the terminal. Downloads will take place in the background when the terminal is idol for a specified period of time. Downloads can also be sent immediately when needed. Each "show" can be composed of a combination of images, full motion video, and flash animations as well as dynamic text.
 - benefits summarized beginning on p.27
- GT notes they will apply best practices with regard to installation based on their Texas experience: including placement and mounting options, show length, alignment with lottery marketing objectives, messaging that positively affects sales and sample shows tailored to the local market.
 - will convey: customer transaction info, ticket validation info, jackpot information, Marketing promo and info messaging, new game announcements, Amber, Silver and Blue alerts and lottery winner information. Also allows the use of slides to partition and show multiple messages.
- GT notes that Arizona added these at their 2600 locations and saw sales increases
 - also allows cross promotions support

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- Managing Content—GT on behalf of the TLC will stream content and information to retailers through GT staff will use to manage the content appearing on the screens and schedule and release content. Diagram p.35
- Messaging Communications Devices—17” LCD Monitor panels and 24” Starlight LEDs. GT notes Altura can receive store and transmit messaging to multiple wired and wireless communication devices
- Retailer Reports—detailed on p.37. PAT reports can be printed from the retail sales terminal, either aggregated with the terminal or separately. Statement information will be available for 36 months for authorized personnel.
- Retailer Incentive/Bonus Tracking—is integrated into the will provide full access to reports and tracking on the program.

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General— discussion and functionality well thought through and detailed. Configuration platform appears to be very flexible to optimize messaging on the device. Proposer did not provide a clearly identified solution for delivery of news feeds via Proposer indicated in clarification letter that feeds will include weather and local/national news, once the requirements for providing these services are clearly defined. For example it will be important to understand the source of the updates for each market... Training mode feature is well designed for clear notification to retailer. Keyless validation supported with two offered approaches. Gift card support and experience in executing gift card programs. Aggregated or separate reporting for all in-store sales devices is a nice feature for retailers. Messaging features offer flexibility. Proposer did not fully respond to the following requirement:

DR25 Did not specifically address how local news feed will work

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3. Each Proposer must provide information on the functionality or capability of all On-Line devices to interact with the back-office systems of Retailers.
 - GTs implementation provides many jurisdictions with the functionality required for online devices to interact with the back-office systems of retailers.
 - GT notes two primary implementation methods:
 1. GT developed and maintained application that conforms to retailer’s specified integration standards
 2. App from the retailer’s back-office system provided embedded in the GT terminal that conforms to GTs terminal standards

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				<p>§552.110</p>	<p>4. The Proposer must describe its System's capability to inquire and log ticket prize inquiries and validations from all Terminals to the Lottery Gaming System.</p> <ul style="list-style-type: none"> GT indicates that all clerk terminal inquiries are logged on the _____ and all online ticket inquiries at the PATs are logged and processed on the central system. <p>General—Proposer's response on this section notes that retailer terminal inquiry and validation transactions for both instant and online tickets are logged to the central system. Proposer's response notes that PAT equipment inquiries for online tickets are logged to the central system. Proposer is silent with regard to player inquiries on PAT terminals and the logging of these transactions to the central system in the response to this section. See notes in section below.</p> <p>5. The Proposer must describe its Terminals' capability (including Player Activated Terminals) to provide ticket prize inquiry communication of winning, non-winning and actual prize amount data.</p> <ul style="list-style-type: none"> GT indicates ability to provide win, no-win and prize amount data. GT notes that current includes, win/no-win and prize amount and the Altura and PATs can decode this data. GT notes encoding the security check digits in a bar code on the front of the ticket under the latex. 2 bar code scan inquiries and validations method detailed earlier. GT does not address ability to used _____ single scan for validation. Proposer clarified in response to question #27 of its clarification response that it would license and print PDF417 bar codes. <p>General—The proposer provided two options for keyless ticket validations in the earlier section. Proposer's response in this section limits TLC to select their preferred method (non third party) or forgo the ability to log inquiries against the host system for instant games. Proposer clarified that it would license _____ but proposer did not clearly indicate that these inquiries would be logged on its host system.</p>
			<p>94</p>	<p>§552.110</p>	<p>Sales Terminals and Related System Sales Equipment Response</p> <p>Battelle Benchmark Report DRs: 4, 7, 11, 14, 18, and 19 DRs—3 through 24</p> <p>Battelle Benchmark Data (also relevant in this section-see notes above)</p> <p>1. The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section. [NOTE: Applies to all sections where applicable.]</p> <ul style="list-style-type: none"> Diagram of GT equipment deployments by quantity worldwide p.2 just under 700,000 for all devices. GT notes that they recently completed a similar conversion from ISYS to their proposed Altura solution in NY successfully. GT noted tiffany to ISYS conversion in 2002 was completed almost 1 month ahead of schedule in spite of weather delays and logistical problems. GT acknowledges and accepts _____ <p>2. The Proposer must describe the proposed Retailer Sales Terminals and related System equipment</p>
<p>2.3.2.1 8</p>	<p>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.</p>	<p>7.12</p>	<p>61</p>		

		<p>that meets the requirements defined in this section. Proposers must offer the broadest diversity of terminals and related System sales equipment options for deployment in support of current and future Texas Lottery retail venues. Proposers must fully describe all solutions and how the proposed equipment would support the Texas Lottery's current retail environment, as well as new retail venues. Proposers should indicate if the proposed Retailer Sales Terminals and related System equipment have been successfully deployed in other jurisdictions.</p> <ul style="list-style-type: none"> • See deployments chart on p.2 • Proposed Equipment—
	\$552.110	<ul style="list-style-type: none"> • GT acknowledges that TLC will determine equipment deployments for retailers and agrees to provide additional sales equipment beyond the initial deployment for all new retailers in accordance with lottery approved deployment requirements. At a minimum, retailers will be capable of selling tickets and players of checking tickets
	\$552.110	<ul style="list-style-type: none"> • GT notes that they have already planned for conversion to this equipment as detailed in Section 10.3 and plan to install these major components early in the conversion process and to go live on the existing production system as soon as they are installed. Emulation allows the terminals to communicate with the existing gaming system.
	\$552.110	<ul style="list-style-type: none"> • GT notes that they just completed the NY conversion. system launch is scheduled for August 2010, but terminals have already been installed and communications network has been modified. P.8
	\$552.110	<ul style="list-style-type: none"> • Terminal Retailer Ease of Use Features detailed on p.9 and 10 <u>Altura GT1200 and SFT—</u>

			<p>\$552.110</p>	<ul style="list-style-type: none">GT faster reader, faster screens and 8.5 in. reader.SFT uses same software, smaller footprintOffered Option, a key pad designed for two-handed manual entry for Pick 3 and Daily 4 retailersSupportsFuture proof—Terminal speeds, use of memory slots, integrated Peripheral Component Interconnect (PCI) interfaces, extra USB, and LAN ports are a few of the reasons.1200 and SFT Specs:<ol style="list-style-type: none">1.
			<p>\$552.110</p>	<ul style="list-style-type: none">Printer—the AccuTherm Ultra is by far the fastest lottery printer on the market at 10 ips.GT notes that a feature of the SFT is that it can be placed next to other objects (p.14), no room is needed to ensure it doesn't overheat.SFT can be deployed with option printer stand placing the printer on top of the terminal for even more space savings. Offered optionGT notes that they invest about \$8 million per year in R&D<u>1200—GT notes that nearly 300,000 Altura units have been delivered since 2000 with approximately 17,000 of the 1200 series installed in NY and currently generating \$130M in weekly sales.</u>GT notes that one retailer in NY that sells \$9M in lottery annual said, "the machine is good, don't change anything."SFT Footprint—p.20 and 21—notes that the footprint gets smaller with an optional printer mount.GT compares there unit to a competitor unit on p.211200 Features diagram on p.24Offered Option—GT1200 can be designed to save more space with the optional mount that places the printer above and behind the terminal display screen. Improving foot print. GT notes that this is an additional charge item1200 has a 10' power cord. Terminal also has two cables to the printer: 1 power supply and 1 interface cable. Plus one cable for comm. And one forGT notes that some competitors give footprints that do not include cable space taken up by the terminals. GTs includes measurements of the protected cabling.

	<ul style="list-style-type: none"> • <u>1200 has eight additional, unoccupied ports that are available as the TLC expands its services.</u> • <u>Diagram of peripherals for the terminal and the ports used on p.29</u> • <u>Securing the Terminal Ports—unused ports are dormant, ports do not support plug and play</u> • <u>GT notes that they have completed testing to ensure that the 1200 doesn't require special placement on the retail counter to avoid overheating, like some competitor units.</u> • <u>Environmental p.32 to 34</u> • <u>GT notes that the 1200 can be set up in minutes using their cellular and technology by one person at fairs and events.</u> 	\$552.110
	<ul style="list-style-type: none"> • <u>GUI is software programmable and can be modified with quick and easy changes. Will work with TLC to build most convenience screens for retailers.</u> • <u>Viewing Angles—GT notes the screen brightness and its important in different lighting environments. Screen lighting can be adjusted. GT notes screen supports 70 degree side angle viewing. Display screen tilt features show on p.39</u> • <u>GT designs GUIs based on feedback from installed Altura retailers worldwide.</u> • <u>GUI design strategy and step by step process outlined p.42 to 49</u> • <u>GT uses a Certified Usability Analyst to assist with GUI design</u> 	\$552.110
	<p>Offered Option—Keypad for high volume Pick 3 and Daily 4 retailers p.49 to 50</p> <ul style="list-style-type: none"> • <u>GT is offering the Play It Again feature as a part of its base offering. Launched in Kentucky. Clerk scans the old ticket and a new wager is created identical to the one on the ticket scanned.</u> • <u>SFT reads at a rate of 18 ips, Altura reads at 25 ips</u> • <u>Altura 1200's speed cannot be surpassed by any other vendor's terminal</u> • <u>1200 offers playslip buffering, some industry terminals require waiting until the first playslip transaction is complete before next playslip can be processed.</u> • <u>Design is drop at the top comes out at the bottom.</u> 	\$552.110

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- GT indicates that the CIS can read many types of media forms from play slips to receipts.
- limit jams and make them easy to clear
- GT terminal quick pick features uses a unpredictable seed value based on a free running clock and has been certified by GLI
- 1200 validates by external bar code reader, or manual entry
- Cancellations are based on TLC business rules
- 1200s 2D image based bar code reader serves for POS support also including bar coded instant ticket packs and coupons, ID cards for LSRs, etc.
- Survey Tools—terminals and readers can support surveys and inventory information
- 1200s 2D bar code reader quickly and easily supports prepaid gift cards and loyalty cards as discussed later.
- Terminal Tones—terminal supports wave file format and integrated speaker supports (beeps, clicks and a scale of notes). Sound volume can be adjusted by FST or at central system level.

Customer Oriented Display—17" flat panel display

- GT notes that by having only one device for advertising and sales transaction data, retailers can make the best use of their sales counter.
- GT proposes to provide 24" LED Starlight units at sales locations where the is not a viable option. Starlight content can be managed the same as content on the as detailed on p.65
- VFD is also offered as an option for and starlight alternative.
- Smart Card reader—GT notes that the 1200 will be equipped with an external smart card reader
- GT notes that their 2D image-based Bar code reader exceeds the required minimum read rate requirement of 98% with a 99.9% read rate. It reads all major linear, stacked linear and matrix bar codes, as well as OCR fonts. P.68

- Bar code reader can be mounted on either side of the terminal. Universal mount allows vertical/horizontal rotation and is removable. Will withstand drops of 4 feet or less to the floor.

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- Simple Keyless Validation (SKV)—2 scan validations. 1st scan is the back of ticket bar code, the second is a pdf417 bar code under the latex containing the digits in the PIN, the human readable PIN is still printed under the latex and clerk has the choice of using the SKV or manually entering the PIN. GT notes that it would grant the TLC a license that would allow instant manufacturers to use their printed SKV feature. GT discusses the size of the SKV bar code on p. 76. Seems to indicate that it is fairly large. GT notes that Oregon Lottery implemented SKV and in 2008.
- GT notes implementation of SKV will allow them to not procure a license from any 3rd party.
- Ticket stock and related security featured covered on p.89 to 92. Stock will withstand heat exposures up to 180 degrees.
- Retailer Messaging Functionality p.94 to 96
- GT terminal training manual support on p. 99 and 100
- GT uses Shadowload to load applications to the terminal in the background during down periods. allows more than one version of a software app to be store and the prompts activation of the correct version. Shadow download enables software downloading without interruption to current transaction processing on the 1200 in the field. P. 102
- GT notes that they use data compression techniques that reduce downloads by more than 50%.
- Terminal password functionality and Clerk Identification features and Privilege levels discussed on p.103 and 104
- 1200 uses self diagnostics—FSTs can run extensive diagnostics and status conditions can be observed on the terminal remotely. Network diagnostics tools also discussed. P. 105 to 107
- Terminal is based on Java and the Linux Operating System p. 108
- GT notes that competitors offer up to with their terminals where their proposed terminal offers . They indicate this is due to the used and does not translate into more free space for future expansion. GT Notes that their and easily outpaces hard drive performance, while ensuring terminal software is not compromised during power source disconnections. See diagram on memory usage and allocations p. 110
- games, promotions and advertising, 235 MB (base application) for current games, and is available for online content and application download support. If more memory is needed FSTs will implement expansion at no additional cost to the TLC

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Player Activated Terminals—2 units proposed

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Ticket Scan Ticket Checkers—wired solution

- GT notes that 21 states have their online ticket checkers and 6 including Texas offer instant ticket checking with 2 adding the feature. Note—NY is online only jurisdiction.
- Can be positioned 100' from the terminal.
- Offers wide range of messages, 2 rows with 20 characters
- Discussion of two approaches for validating instants—patent by non-GT firm and GT 2 bar code approach p.153

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General—Proposer demonstrates depth of experience in deploying offered terminals and terminals have been extensively field tested.

- Retailer Terminals—Altura 1200 and offer expandability for peripheral support. Altura 1200 equipped with SAW touchscreen and SFT with resistive. (Note--Resistive screens are more typically deployed in these types of environments per Battelle. However, SAW is more durable). Proposer demonstrates commitment to retailer-friendly GUI interfaces and proposer indicates commitment to work with TLC on screen interface optimization. Survey collection support and branding capable. Shadow download and software versioning support at host are nice features. Play It Again is innovative player feature. Messaging functionality is flexible and offers solid features.

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- PATs-- built in, QP push buttons for online games sales, bar code reader scanning option is also a nice feature. Site Visit-- is a well lit, very attractive display unit for instant tickets. Bursters and bill acceptors can be updated over central system.
- Ticket Checker—100' from terminal range. Wired, not wireless. Battelle noted ticket checkers required more finesse to read tickets noting that with experience the read reliability improved. Battelle noted the test result in this area was favorable with this qualifying note.
- Customer Display-- 17" flat panel display or 24" Starlight alternative or VFD
- Mobile unit--widely deployed. Compact unit, bar code reader and validation capable.

Specified and Invited Options -

5. ~~As a Specified Option, the Proposer must offer an automated in-counter ticket dispensing unit. The Proposer shall thoroughly describe the design, installation, maintenance and functionality of the unit. If the Texas Lottery exercises this option, the Proposer must install and maintain the units.~~

- ~~Section removed from the RFP~~

6. As a Specified Option, the Proposer must offer in-lane terminals designed for use in multi-lane stores such as supermarkets. The Proposer shall thoroughly describe the design, installation, maintenance and functionality of the terminal. If the Texas Lottery exercises this option, the Proposer must install and maintain the terminals.

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- GT proposes their in-lane sales solution.
- GT solutions allow the retailer to sell the lottery product from their own POS device—generally the cash register.
- GT notes that there is no need for a separate terminal or printer at the checkout lane with
- GT notes that they were the first to deploy this technology over four years ago in Tesco Supermarkets. UK's largest retail chain and later Pronosticos in Mexico used the technology to recruit three large retail chains that did not previously offer lottery (details p.164).

	<ul style="list-style-type: none">• <u>Tickets are printed on store register paper, not lottery paper.</u> GT notes that this eliminates the need for a <u>separate lottery dedicated printer.</u> P. 164• GT notes their solution makes accounting simple as ticket sales are captured as a standard UPC bar coded sale into the retailer's system, eliminating a major concern of large chains related to accounting procedures.• GT notes that clerks can simply scan a player's EZPlay card (<u>offered option</u>) or use a QP button on the register. Note--EZPlay cards appear to be offered as a part of the solution in this section. QPs are used to limit lane time. <p style="text-align: center;">§552.110</p> <ul style="list-style-type: none">• GT notes players can pay for lottery with other transactions or as a split transaction• <u>GT notes that they have 27,000 in-lane deployments</u> compared to 6,000 for Intralot and 0 for SGI.• GT notes that they are the only vendor with a team dedicated to national chain recruitment. They also note that their solution would be ideal for the grocery chains in Texas.• See chart on p.174 about GTs outreach to chains about this solution in Texas• GT notes that they want to move to bar coded cards for players that can be swiped at these retailers allowing for their personal selected wagers to generate. <p>General—Proposer's demonstrates experience in deploying solution and using it to recruit new retailers to offer lottery products. Solution involves integrated sales interface on retailer's POS device.</p> <p>7. As an Invited Option, the Proposer may offer specialty terminals and equipment, to include new and emerging technology, for future deployment.</p> <ul style="list-style-type: none">• Discussion of Single Ticket Accounting Solution detailed in Section 7.3 Invited Options and compatibility with the 1200 and the GT Mini terminal.
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2.3.2.1 9	Functionality or capability of all online devices to interact with the back office systems of Retailers.	7.12	19	\$552.110	
				\$552.110	<p>Sales Terminals and Related System Sales Equipment Response</p> <p>DRs--None</p> <p>3. The Proposer shall include information on the functionality or capability of all Terminal devices to interact with the back-office systems of Retailers.</p> <ul style="list-style-type: none"> • GT uses their • 2 methods either GT developed and maintained application that conforms to the retailers integrated standards or an application embedded in the GT terminal that conforms to <u>GT terminal Software Developer's Kit (SDK) standards.</u> • <u>Both can communicate in real time to and from the retailers back office via an alternate network interface.</u> • GT notes that their solution () can open up new revenue opportunities citing Chile project offering bill payment, cellular phone top-ups and domestic wire transfers on

					<p>their terminals.</p> <p>General—Proposer provides similar information to that provided in its response in Section 7.11. Proposer notes its experience in working in Chile to conduct similar deployments.</p>
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	14	<p>§552.110</p> <p>Sales Terminals and Related System Sales Equipment Response DRs—25</p> <p>4. The Proposer must provide a sample of its Retailer Training Manual and explain other options for training Retailers such as including an online training manual within the Terminal.</p> <ul style="list-style-type: none"> • See Exhibit #3 and #4 for English/Spanish retailer training manuals. Note this is tied to earlier section on training. • GT notes the 1200 training mode, indicating that all online transactions take place on the online system and training activities are logged on the system • GT discusses their Technology Training and Support Services Staff (TTSS) role in training, development of materials and customers served. P.158 • Help Screens discussed p.159 • GT discusses terminal based eLearning and provides screen samples on p.160 to 162 <p>General—Proposer provides strong training functions including terminal-based interactive training module. Proposer demonstrates commitment to retailer training through TTSS</p>	
	Installation, Relocation and Removal and Maintenance and Repair		47		
2.3.2.21	Plan and procedures for handling equipment installation, relocation and/or removal requirements.	7.12.1	12	<p>§552.110</p> <p>Installation, Relocation and Removal Response DRs—12 through 14</p> <p>1. The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section. [NOTE: Applies to all sections where applicable.]</p> <ul style="list-style-type: none"> • GT acknowledges and accepts. <p>2. The Proposer must describe how it will meet the equipment installation, relocation and/or removal requirements.</p> <ul style="list-style-type: none"> • GT notes that their _____ is essential for efficiently and effectively managing and monitoring retailer calls, performing analysis and dispatching Field Service Technicians (FSTs). NRC associates use CSMA to review each retailer's case history and to capture pertinent case information. _____ assigning appropriate FSTs to each case. • _____ and FSTs, driven by decision factors, including equipment status and travel distance, uses sales impact analysis, integrates TLC business rules and reschedules in real time. • GT details the four steps of their installation procedure—(begin on p.2) <ol style="list-style-type: none"> 1. Determine Retailer Equipment 2. Complete Installation Work Order (in 3. Field Services Installation scheduling 	

			<p>§552.110</p>	<p>4. Installation and Retailer Confirmation</p> <ul style="list-style-type: none"> • GT notes that <u>offers user-friendly work order modules including searchable parameters.</u> similar to the <u>technology used in the shipping and logistics industry.</u> • <u>has been designed to</u> <u>and up points for sales. A receipt can be generated</u> <u>attached to the retailer record.</u> <u>from the unit and a record is sent to the</u> <u>attached to the retailer record.</u> • GT acknowledges that it can collect signatures in any form that the lottery chooses. • LSRs and Corp Account Reps have access to all work orders in their area via <u>and</u> can update retailers on the status of these orders at all times. LSR can also modify dates, set priority and status, and enter any appropriate comments to provide a history of changes. • <u>Relocation and removal of equipment—GT notes it will remove/relocate sales equipment within 3 working days of notification by TLC, unless the TLC adjusts the schedule. GT notes these tasks will be automated for the FST and accountability will be handled by the</u> <u>will be recorded and captured in.</u> • GT notes they have met or exceeded every major TLC deadline to remove equipment. Noting 30 store abrupt Albertson's closure and 3, 934 equipment removals in the last 5 years. • Storage of Equipment—notes they will store equipment related to circumstances detailed in the RFP
<p>2.3.2.2 2</p>	<p>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.</p>	<p>7.12.2</p>	<p>12</p>	<p>Maintenance and Repair Response DRs—6 through 9</p> <ol style="list-style-type: none"> 1. The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section. [NOTE: Applies to all sections where applicable.] <ul style="list-style-type: none"> • GT acknowledges and accepts. 2. The Proposer must describe in detail the proposed plan and procedures for the maintenance and repair of all Terminals and related sales equipment. The plan must include a preventative maintenance schedule. <ul style="list-style-type: none"> • GT notes staff experience of more than 18 years servicing Texas retailers • <u>GT notes to improve service to retailers new dispatch technology will be used to build optimized schedules for FSTs</u> • Mission is to eliminate downtime of TLC sales equipment. Plan follows the outline below: <ol style="list-style-type: none"> 1. Design equipment that reduces, if not eliminates, downtime—equipment is designed with a minimal number of moving parts, also uses reliable tech(e.g. LCD used LEDs for longer life) 2. Retailer Visit Procedures—Dispatch issues are addressed first, followed by a full service PM for all store equipment at the location visited. P.4 3. Preventative Maintenance (PM)—Pm is reduced to simple, routine cleaning and quality check due to new sales equipment. LSRs are cross-trained to recognize equipment problems providing additional resource to maintain equipment. LSRs call in to NRC and FST is dispatched to address issues and conduct a full service PM. GT notes that

				<p>PM will be scheduled for every FST retailer service visit and that all maintenance information will be retained for a period of 24 months for TLC review upon request.</p> <p>4. <u>Shortest Path to Resolution—Average Mean Service Time (p.6), spending right amount of time with a retailer is integral to PM. GT measures monitors and controls time spent by FSTs performing maintenance and repair work. Time measure table for common tasks detailed on p.6. NRC staff trained on Texas use the knowledge management system, with detailed product/equipment info and troubleshooting. In 2009 NRC staff resolved 67.57% of all retailer service calls w/o the need for FST dispatch. Field Service Work flow detailed on p.7 CSMA and DE are discussed as FST management tools on p.8. See also prior section response</u></p> <p>5. <u>Proactive Monitoring for Chronic Retailers—GT uses integrated field service data through and continuously reviews and monitors retailer performance. See also table 70, Subsection 4 response below.</u></p> <p>6. <u>Proper Staffing Support—FSTs are trained to minimize business impact to not disrupt lottery or other retailer sales while conducting an efficient maintenance and repair program. See also response to requirement #3.</u></p> <ul style="list-style-type: none">• Features and benefits of the plan detailed on p.3 chart <p>4. The Proposer must describe in detail its proposed plan and procedures to address resolution of chronic equipment problems.</p> <ul style="list-style-type: none">• GTs incident problem management process identifies the patterns that indicate chronic issues, analyzes trends, performs root cause analysis and provides solutions to prevent recurrence. See also 6.4 Service Management for more complete discussion.• <u>GT will establish a more stringent threshold than the RFP of three dispatches (RFP dispatch for 4) in 90-day period to begin monitoring and escalating emerging chronic problems. Additional detail provided in response to Question #42 of proposer's clarification letter response.</u>• GT confirms that they will replace equipment at the request of the lottery if they have not already done so.• <u>Chronic retailer review process by NRC detailed on p.19</u>• <u>Chronic Retailer Review by Field Service</u> provides FSTs will alerts on chronic retailers and associated history through CSMA. LSRs will have full access to the same information receiving alerts on chronic issues and be aware of maintenance issues when visiting retailers. <p>General—Proposer provides a detailed process for addressing maintenance, repair and chronic problem resolution. However, proposer does not detail a preventative maintenance schedule or planned application of maintenance best practices to ensure uptime. Proposer sets a three dispatch standard for chronic problems exceeding the RFP requirements. Proposer demonstrates system integration in this area through for FST routing and alerts for FSTs and LSRs to chronic problem locations. by NRC staff to clear many maintenance calls.</p>
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2.3.2.2 3	Staffing levels to cover repair functions and the planned location of staff.	7.12.2	12	<p>Maintenance and Repair Response DRs--None</p> <p>3. The Proposer must indicate its proposed staffing levels to cover repair functions and the planned location of staff.</p> <ul style="list-style-type: none"> • GT analyzed demographic, retailer, technology and economic trend data to determine the most optimal locations for field service offices. • <u>15 Locations were identified. (conflict with chart on p.10) Chart 10 reflects 16 locations. GT to clarify. 14 locations provided by proposer in clarification letter</u> • <u>There are 3 Houston area offices and 3 Metroplex area offices (2 Dallas and 1 Ft. Worth)</u> • <u>Total of 73 FSTs identified in chart on p.10</u> • <u>GT notes that high volume retailers will receive the service they expect as GT located their field service offices near them.</u> • <u>GT notes that they are increasing the # of FSTs to improve responsiveness to high-volume retailers and positioning the TLC for wireless technology to retailers. P.10</u> • <u>GT FST response to retailer outage related to Hurricane Ike detailed on P.11 reduced the number of down retailers from 4,600 to 1503 in one week. By third week, 4342 of the 4600 downed retailers were up and running</u> • <u>Background provided on Art Campbell, Hardware Trainer, conducts expert training for the maintenance and repair teams in the GT Technical Training and Support Services (TTSS) department. Other exp. provide with Hughes and military with GT since 2002 with TTSS since 2005.</u> • <u>FSTs will send all swapped equipment to the closest depot/screening facility. If it can be repaired it will be returned to service. More extensive repairs will occur at the GT Regional Repair Facility or at the Original Equipment Manufacturer (OEM) for repair.</u> • <u>Regional Repair Facility—Rhode Island Regional Repair Facility (RRF) where intricate repairs are performed. RRF uses a rigorous QC and repair process. Communication with RRF and field service management allows for remedial training to occur as needed.</u> • <u>GT also provides their Field Service Engineering Team (FSE) supporting every GT customer consisting of 3 members with over 58 years of collective GT experience. Team members detailed p. 14 and 15</u> • <u>GT's five principles of ensuring a quality process (related to technology service and support) detailed beginning on p.15 to 18.</u> • <u>GT notes that they are the only field service program that provides a single point of accountability (their FST team), including wireless network, preventing delays in repair time p.16</u> • <u>GT confirms that they will return sales equipment to service in 4 hours and maintain terminals 7 days a week, 365 days per year and return non-sales equipment to service within 3 business days</u> • <u>GT notes that FS management monitors staffing levels and performance on an ongoing basis and provides guidance or additional staffing as needed.</u> • <u>GT discusses role of testing, research and historical data review of equipment provided by Corporate FSE department and the issuance of global Field Service Bulletins to all field service organization to correct concerns before they become an issue.</u>
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2.3.2.2 4	Lottery Gaming System capability to remotely monitor all deployed equipment for proper operational functionality and identification of equipment malfunctions or failure.	7.12.2	11		<p>General—Proposer’s staffing plan appears to concentrate locations around population centers while having fairly spread out support locations for West Texas. See clarification notes above on 14 FST service sites. Philosophy and process for field service appears thought through and supported by organizational infrastructure. Proposer demonstrates corporate level commitment in support of field services. FSTs are not noted as specialized in performance of certain service activities (e.g. comm., terminals).</p> <p>Maintenance and Repair Response DRs--None</p> <p>5. The Proposer must describe its capabilities to remotely monitor all deployed equipment at the system level for proper operational functionality and identification of equipment malfunctions or failure.</p> <ul style="list-style-type: none"> GT system monitors TLC deployed retailer sales equipment and can send notifications via email, text and pages allowing appropriate action. All monitoring information is stored for historical reporting and analytics. Equipment fault and diagnostic information is logged on the alerts are generated, and gives GT and TLC ability to take action on a variety of faults and other statistics. allows monitoring of the entire retailer network. Critical and non-critical information is collected—print faults, paper jams, reader faults, and CPU temperature. Critical faults are transmitted approximately every 5 minutes. Non-critical approximately every hour. <p>General—Proposer describes system level support for equipment performance monitoring including component level monitoring features.</p>
2.3.2.2 5	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.	7.13	60		<p>Call Center Response DRs—10 through 19</p> <p>1. The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section. [NOTE: Applies to all sections where applicable.]</p> <ul style="list-style-type: none"> GT acknowledges and accepts. <p>2. The Proposer must describe its call center system including its capabilities.</p> <ul style="list-style-type: none"> GT supports TLC and retailers through its National Response Center (NRC). There are two locations Austin and Providence. Calls will be answered in both facilities with Austin as primary and Providence as secondary GT notes resent metrics calculated call completion rate of 99.99 percent and a platform availability rate of 100%. NRC is 24X7X365 GT notes management team is intimately familiar with Texas retail environment and supports a staff of 180 associates. GT notes NRC has supported Texas since 2004. Services for Retailers: ticket stock orders, solve validation questions, troubleshoot to ensure retailers are selling tickets or dispatching FSTs

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- GT uses the Client Service Management Application (CSMA) to track calls from initial input to case closure
- routes calls seamlessly between call centers, all incoming calls are routed over toll-free lines. Skills-based call routing is determined by the call center network-matching the best available associate with the call. If all operators are busy, a pre-recorded message is played and the calls are queued. Retail will hear call status information, including on-hold time, at predetermined intervals.
- Two locations provide Disaster Recover capabilities
- Industry best practices used—such as staff training on supported equipment, automated scripts to help with diagnosis of issues by phone and Texas-specific training
- Supply orders can be taken and routed for delivery through GTs Texas Supply Queue
- Summary of Technology investments p.4
- Impact 360 (a verint tool) which is the latest call center workload-scheduling software forecasting call volume and appropriate resource needs backed by experienced call center management (30 years exp) further discussion p.4 to 6 Tool and management projections yielded ongoing forecasts that were within 1.6% of the actual retailer call received for the year.
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- GT also partnered with eLoyalty to design and deploy a solution that combines call center voice apps with Internet contact apps, such as email and service management tools.
- Majority of TLC skilled associates will be based in Austin, but skilled associates will also reside in Providence
- GNIIE Knowledge Management toll allows staff to easily trouble shots and solve problems using intuitive category searches and "Smart Synopsis". Steven Key, Call Center Director, coordinated SMEs to conduct a complete redesign of GNIIE tool. Redesign examples p.10
- CSMA improves service by optimizing FST workloads leveraging case management processes, dispatch scheduling and functionality. Features and benefits summarized p.11 and 12
- Queue dashboard dispatch routing detail p.16
- provides FSTs with case management and routing tool. P.17
- GT notes that real time reporting is available to TLC through
- GT also notes that the system can generate ad hoc query reports for lottery staff. GT also notes the standard reports provided related to call center performance to the TLC today.
- GT notes holding monthly performance meetings with TLC personnel to discuss a variety of performance issues. P.19
- GT notes that CSMA tracks all call center and field service performance. GT notes that this information is available to TLC in real time
- TLC silent Monitoring—GT notes that TLC can monitor any GT Texas associate that is on a

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			<p>call.</p> <ul style="list-style-type: none">• Stolen Ticket Procedures—GT will work closely with TLC following procedures to limit losses using GT's . A dedicated terminal in the call center maintains a stolen ticket database. NRC has a dedicated team that has been trained to handle stolen ticket reporting.• GT notes that they can make changes or troubleshoot without reliance on a third party vendor, to meet TLCs system requirement for a minimum of 99% of calls without a busy signal• <u>Front End Message—IVR can provide front end messages about system issues.</u>• Video Conferencing is leveraged to operate the two sites as one virtual call center. Weekly meetings are conducted between the two leadership teams.• System records all inbound and outbound call recordings. System allows GT to maintain and store calls in accordance with TLC requirements. Recordings will be stored online for a minimum of 6 months.• TLC Call Transfers—GT notes importance of warm call transfers in communicating the caller issues ensuring good customer service and sometimes addressing language challenges. P.23 <p>General—Proposer details a call center infrastructure (featuring primary and backup site), management strategy and tools (access for TLC to data, CSMA and and retailer support tools, IVR-front end messaging system and skills based call routing).</p>	<p>3. The Proposer must describe how the call center will be staffed and managed to ensure timely, professional, courteous and accurate response to all calls.</p> <ul style="list-style-type: none">• GT notes focusing on balancing estimated call volumes, # of associates and their respective skill levels.• GT notes maintaining all associates skill levels through continual training and QA reviews.• <u>Staffing-Resource Levels—NRC is organized according to levels of expertise. Senior Director, Ian Hvatt, with GT six years, has extensive satellite and comm. system experience relies on experience and skills of the Call Center Director and the Call Center Director, with combined 22 years of call center experience. Call Center Management Structure and Key Call Center Staff positions on p.25 and 26</u>• <u>Ratio is 20 associates for each supervisor, 4 supervisors reporting to the Call Center Manager/Director position in each office.</u>• <u>GTs Tiered approach to training levels and redundant support to meet call volume needs detailed on p.27</u>• GTs approach to call center staff training and development and Texas-specific associate training p.27 to 31• <u>GT employees a QA team with a supervisor and 4 QA analyst to evaluate determine current trends in feedback, coaching and training opportunities for the NRC associates. Sample call review of Texas calls yielded a 90.66 average QA score in 2009 and a 91.48 QA score through March 2010.</u> <p>General—Proposer's training process and QA monitoring process demonstrates service focus. Tiered approach to training levels offer career path to associates and support retention. Detail provided on management structure and various positions that support the call center.</p> <p>4. The Proposer must describe how the staffing and management of the call center will support the</p>
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<p>Texas Lottery's diverse Retailer licensee base.</p> <ul style="list-style-type: none">• GT notes that the most common language need other than English is Spanish. GT notes that they can provide help for almost any spoken language in the TLC's diverse license base.• GT commits to continue to recruit multi-lingual call center associates.• GT currently has 104 call center associates trained to respond to TLC retailer calls, 18 are fluent in Spanish. They also have associates fluent in 7 other languages. GT uses its own certification program for proving speaking qualifications of associates in other languages, including oral board review with Spanish speaking managers evaluating spoken language.• Language Line—When non-English Speaking retailers call in, GT provides this service 24X7X365 interpretation is available in 170 languages.	<p>General—Proposer has dedicated training for staff in support of Texas and presents an in-house language certification program and external language resources that can be called upon.</p> <p>5. The Proposer must indicate how it will achieve the required performance levels for the call center.</p> <ul style="list-style-type: none">• Performance reports are provided by the for a number of call center measures detailed on p. 33.• GT notes use of electronic wall boards in NRCs to track current service levels. Staff manages call assignments based on Texas' metrics to ensure they are complying with Texas service levels• GT has added a new function, the Workforce Management team, to enhance the quality of service, service level performance and professionalism. They will focus on balancing associate staffing, managing service level forecasting, participate in scheduling and making real-time adjustments to meet changes in service levels by analyzing call center data and reporting findings to management. Team will be lead by Greg PetitBon, Workforce Manager, 11 years call center experience and Six Sigma training detailed p.34• Impact 360 software tool provides a statistically reliable method to ensure superior call center coverage. First implemented in 2006 and has become more sophisticated over time. Software is backed by experienced call center management <p>General—Proposer describes typical call center management tools for monitoring and management of service levels along with additional resources (Workforce Management team) focused on service level performance.</p> <p>6. The Proposer must document how chronic problems will be handled.</p> <ul style="list-style-type: none">• GT will exceed RFP requirement by escalating emerging chronic problems after 3 calls in 90 days exceeding TLC's 4 service call RFP requirement. Further clarification provided in response to question #42 of clarification letter.• CSMA app will be able to identify chronic retailers, documenting their past history and the problem that must be solved now. Case notices will be sent to FSTs using• Chronic issue process detailed on p.35.• GT notes also their root cause problem resolution process detailed in Section 7.12.2 subsection 70.4
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Ticket Inventory Supply and Management		78		
2.3.2.2 6	Innovative solutions to enhance inventory order and distribution beyond the noted requirements of the RFP.	7.13	12	<p>Call Center Response DRs--None</p> <p>7. The Proposer must describe any innovative solutions it proposes to enhance inventory order and distribution beyond the noted requirements of this section.</p> <ul style="list-style-type: none"> • GT notes that from the beginning it has provided automated instant ticket distribution in Texas. Noting that they are now proposing a third generation of software. The first version QLMS was replaced by <u> </u> to address increasing sophistication in TLCs game offerings and price points. • GT notes software has to consider rapid fluctuations in price points in the market, an increasing variety of retailer game display types (on counter slots, ITVMs, GamePoints, etc.) are among the challenges. • GTs systems have emphasized automated data based ordering more than relying on retailer tel-sell contact with retailers as this can rely more on a <u>retailers perceptions of inventory needs and movement and less on hard data.</u> • Financial data was a significant driver of past systems. <u>GT notes the limitation of using this data on p.37</u> • GT proposes <u> </u> gauges Retailer's players demand based on retailer validations. • <u>Additional detail on</u> <u> </u> <u>evaluation and ordering by way of example p.39 to 43</u> • <u> </u> <p>General--</p>
2.3.2.2 7	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.	7.13	43	<p>Call Center Response DRs—20 and 22 through 24</p> <p>8. The Proposer must describe how the staffing and management of the ticket inventory and supply</p>

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		management functions will support the Texas Lottery's diverse Retailer licensee base. <ul style="list-style-type: none">• <u>GT notes that every retailer is unique: personalities, business models and inventory needs. GT ITS and Management bring a combined 115 years of exp, averaging 12.8 years of experience working with Texas' diverse licensee base. Chuck Faulkner, Distribution Manager leads this team.</u>• <u>ITS staff (11 staff) are assigned a territory just like an LSR building relationships, knowledge of a region, district and retailers. Nearly half of all ITS staff members are bilingual</u>• • Other functions that will be performed by ITS staff detailed on p.47
§552.110		<p>General—Proposer noted nearly 50% bilingual staffing among call center associates and noted depth of experience of current staff in providing service to the TLCs current retailer base. Proposer provides further details on <u>and integration of and systems in supporting ITS personnel in service of retailers. Proposer notes that functionality should reduce workload and allow staff to focus on sophisticated customer centric quality functions.</u></p> <p>9. The Proposer must describe what procedures are included to process special, out of cycle, express, expedited, or emergency orders from Retailers.</p> <ul style="list-style-type: none">• GT notes empty dispensers mean lost revenue. GT tries to ensure that retailers have a three week supply of inventory at all times.• GT Notes special circumstances can arise the deplete inventory (full pack purchases, proximity to a promotion event, etc.)
§552.110		<ul style="list-style-type: none">• ITS reps are also available to assist retailers with special orders.• <u>Emergency orders are given packing priority and sent immediately to the warehouse to be packed the same day.</u>• NRC staff take orders with ITS is not staffed and communicate it to ITS. NRC staff do not have access to place orders.
§552.110		<ul style="list-style-type: none">• GT notes that they will bring in ITS Warehouse and any other staff on weekends and holidays based on ticket ordering activity. <p>General—Proposer notes that <u>emergency orders are routed for warehouse fulfillment the same day of warehouse operations.</u></p>

2.3.2.2 8	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	23	§552.110	<p>Call Center Response DRs—21</p> <p>10. The Proposer must describe its range of automated systems to allow Retailers to order at anytime, rather than only ordering in response to a telemarketing call. Additionally, the Proposer must describe its ability to manage and place proper controls on this ordering process.</p> <ul style="list-style-type: none"> • <u>GT offers a number of ways for retailers to order that are convenient for them:</u> <ol style="list-style-type: none"> 1. Orders—85 to 90% will chose this ordering method without any interaction, relying on the experts to manage their inventory 2. ITS Generated Orders—Retailers may opt to continue to receive orders placed by their ITS rep. Will review the proposed order and make adjustments based on the schedule for the retailer. 3. Retailer Call Orders—Retailers can call and place orders on their own. ITS will review the proposed order and help the retailer optimize their order 4. Terminal Orders—retailers can place orders via the terminal. The order placed will be reviewed by ITS as part of control procedures. If there are issues/concerns ITS will contact the rtailer. <p>§552.110</p> <p>7. Order Management—authorized TLC and GT staff can access the status of orders in real time, including orders placed, those being packed and shipped.</p> <p>General—Proposer offers an extensive array of inventory ordering options including terminal ordering for retailers and placed orders for LSRs.</p>
2.3.2.2 9	<p>Communications Network</p> <p>Communications network, which includes information and diagrams to support the performance capabilities of the Lottery Gaming System and the Texas Lottery.</p>	7.14	47	§552.110	<p>Communications Network Response <u>Battelle Benchmark Report DRs: 16</u></p> <p>DRs—15 through 25</p> <p>1. The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section. [NOTE: Applies to all sections where applicable.]</p>

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- Why 30%? GT identified the point where cost and benefit intersected equaling highest availability at a reasonable cost. 30% of retailers represent \$441M in TLC revenue.
- GT notes that other 70% of retailers will be supported by VSAT with upgrades on equipment and current satellites to provided 99.94% uptime.
- GT commits to maintain this design philosophy as the network grows over time.
- GT notes that it and TLC pioneered VSAT for the industry due to unique comm. needs of remote TLC retailers. Ultimately changed the face of lottery network communications worldwide.
- GT notes that almost 40% of US lottery locations use P. 8
- GT notes they use a r
- GT proposes a dedicated, always-on, private VSAT network p.8
- Fixed wireless will not be typical cellular, but dedicated data only connections.
- Majority of fixed wireless retailers will be connected using Sprint Data Link. Sprint is the leading provider of Machine to Machine (M2M) connections. GT has deployed over 14,000 of these connections with Sprint. Will also use ATT Wireless.
- Frame Relay will be used for a limited number of retailers.
- Security—GT notes that security is a critical component of their network design further noting that GT and TLC maintain a zero tolerance for security breaches

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2.3.3	SALES AND MARKETING		910	<p>\$552.110</p>	<p>Communications Network Management—</p>
	Sales Management and Business Development and Marketing		182		

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2.3.3.1 Route sales component to support Retailer locations.

8.2

Sales Management and Business Development Response
DRs-13

1. The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section. [NOTE: Applies to all sections where applicable.]
- GT notes many years of experience in assisting TLC in achieving its goals while guarding professional integrity and enhancing TLC's brand image.
 - GT notes their team of 181 Texas-based professionals who make up the GT Sales, Marketing and Business Development Team have been hard at work for a cumulative 1,600 years.
 - GT notes increasing staffing numbers in the new contract, investing in new tools, data analysis, and technology and commitment to continuous improvement.
 - discussed—GT notes that reps in a pilot saw 6% greater sales increases with than reps without.
 - GT also notes the following advanced technical solutions being offered:
 - Sophisticated Merchandising Techniques and Custom Point-Of-Sale Equipment and Peripherals, and targeted solutions for Key, Corporate and Chain Retailer Expansion (lottery inside, single ticket accounting, and new route management models) providing tools for recruitment)
 - GT notes having studied the Texas Marketplace's complexities, regulations and requirements and have applied their first hand experience to know what will work.
 - GT acknowledges and accepts.
4. The Proposer must describe how it would provide a route sales model to support Retailer locations.
- GT notes that at the corporate level many national chains would prefer to either have the lottery or a third party provide in-store service for managing vending machines and instant ticket inventory, due to manpower or expertise concerns. In response, GT developed an internal route management process for customers where it provides the sales force.
 - GT notes they have the skill set and available resources to support multiple retailer service models, including route management.
 - GT notes TLC discussion of route sales in 2009 Strategic Plan
 - GT route management structure is set up such that GT will provide a sales force team member to visit the retail location based on a predetermined cycle of visits. GT associate will be responsible for managing all instant inventory, consumables, cash reconciliation, accounting reports and equipment maintenance.
 - GT notes that as route management comes to fruition they are poised to create a new division within their sales organization to support it.
 - GT notes that TLC application process can be burdensome to some chains due to stringent requirements. GT has engaged these accounts to agree to Service Level Agreements (SLAs) customized to the unique businesses needs. GT notes in the past they have in some cases assumed additional risk to overcome objections to selling lottery products.
 - GT notes their experiencing working with TLC and conducting route sales in Texas and applying their learning going forward.
 - GT notes the Alco route sales pilot p.66 and 67.

				\$552.110	<ul style="list-style-type: none"> • GT notes that they are the first lottery vendor to undertake route management. • GT notes that this is the type of tool that helps reach agreement with recruited accounts and they plan to always make this available to Texas retailers who want it. • GT notes that they have offered this solution to Dollar General, Family Dollar and CVS in recruitments for Texas. • GT notes that route sales goes beyond logistics and service it includes a robust marketing and promotional plan. The Alco plan highlights are detailed on p.70 General—Proposer provides a strong response on route sales, including demonstrated experience and willingness to pursue this option to achieve retailer support and expansion in Texas.
2.3.3.2	Sales management staff responsible for identifying new selling and business development opportunities.	8.2	73		<p>Sales Management and Business Development Response DRs-4</p> <p>2. The Proposer must identify the sales management staff whose full-time responsibilities are to help the Texas Lottery identify new selling and business development opportunities. Proposers must also identify any staff who may assist with these activities, but will not be assigned to the Texas Lottery account on a full-time basis (e.g., corporate sales staff).</p> <ul style="list-style-type: none"> • Tom Stanek, will be the Director of Sales, Marketing and Business Development. Stanek has 7 years of industry experience, ensures sales force maximization of retail sales, and develops tactics for expansion into new retailer environments. • Arden Reid, New Business Development/Recruitment Manager • Brian Finnigan and George Sanchez, Regional Sales Managers • Senior Sales, Merchandising, and Business Development Managers. These two new position will report to the Regional Sales Managers focusing on planning and directing all sales, merchandising and recruitment programs and activities for their respective areas. 2 be filled upon contract award. • Mandy Carter, Corporate/Chain Account Manager—manages 4 key account reps responsible for more than 1/3 of the retailer base in Texas. Carter helps cultivate relationships with key corporate and chain accounts. 12 years experience in grocery and telecom. • Shannon Plum, Marketing Manager—directs the data analytics team that identifies expansion opportunities. Develops tools and supplies information to increase sales at current retailers and support for retailer expansion. 15 years retail and marketing experience, formerly managed the field marketing and sales division of Philip Morris Corporate Staff-- • Connie Lavery O'Connor—Senior VP and CMO • Larry King, VP, Strategic Sales—retailer development group, recruitment of national chains • Susan Strouse, Senior Director, Retail Development • Jim Breindel, Senior Manager, Retail Strategy-focused on meeting with retailers in different trade styles to solicit input to guide new lottery product development. <p>General—Proposer presents strong Texas and corporate sales support team and dedicated experienced staff at the state and corporate level that show evidence of company commitment to chain</p>

					<p>recruitment.</p>
<p>2.3.3.3</p>	<p>Marketing staff responsible for identifying new product and marketing strategies.</p>	<p>8.3</p>	<p>55</p>	<p>§552.110</p>	<p>Marketing Response DRs—None</p> <ol style="list-style-type: none"> The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section. [NOTE: Applies to all sections where applicable.] <ul style="list-style-type: none"> GT notes that they will use a pairing of local and corporate staff to serve TLCs needs in this area. Noting that they have decades of marketing experience and expertise GT commits to keep the TLC game portfolio fresh and exciting. GT notes that their 360 degree Marketing Program (describe later) will ensure that proper attention is allocated to TLC games in the retail environment. GT acknowledges and accepts The Proposer must identify the marketing staff whose full-time responsibilities are to help the Texas Lottery identify new product and marketing strategies. Proposers must also identify any staff who may assist with these activities, but will not be assigned to the Texas Lottery account on a full-time basis (e.g., corporate marketing staff). <ul style="list-style-type: none"> GT Texas Team— Tom Stanek, Director of Sales, Marketing and Business Development—strategically aligns resources to marketing initiatives and link to GT corporate marketing Shannon Plum, Marketing Manager—works with TLC marketing to identify marketing strategies and new products, collaborating on marketing execution plans, ensures TLC has the information needed to sell its products, ensures TLC initiatives are clearly communicated to LSRs Gina Dill, Research Associate—supervises research and analysis activities interpreting data and preparing reports and findings. Manages the analysis of sales force incentive pay matrices and the retailer cash incentive program. 15 years exp in this area Dan Morales, Senior Market Research Analyst—administers market research support related to strategic lottery marketing including product and new business development. Identifies instant game enhancement opportunities at retail Robert McGovern, Market Research Analyst—Studies instant sales perform, assists TLC with decision making regarding instant inventory, prepares promotional analysis and reports. Brian Finnigan, South Sales Manager—Industry leader in terms of knowledge of instant game performance. Applies his experience to managing the entire TLC instant ticket life cycle-warehousing, distribution, merchandising and sales George Sanchez, Sales Manager, North—sales force management Chuck Faulkner, Distribution Manager—clarified staffing in letter to 11 staff Dwayne Tatum, Warehouse Manager—oversees a staff of 20 Mandy Carter, Corporate/Chain Account Manager—directs GT corporate accounts team, including selling in innovative initiatives to support sales, example selling in double facings for

2.3.3.4	Sales and marketing organization structure to support and optimize Lottery sales.	8.2 and 8.3	36		<p>blockbuster game</p> <ul style="list-style-type: none"> Promotions Manager/Coordinator—will organize and ensure the delivery of promotional instant ticket packs for sales initiatives, promo material distribution to promotion evaluation, ensuring that promotions are conducted properly Jane Penalver, Trainer—Sales force training on sales techniques Corporate Marketing Staff— <ul style="list-style-type: none"> Connie Lavery O'Connor—SVP and CMO Michelle Carney—VP of Marketing and Game Portfolio—worldwide content development expert, providing game portfolio management services Nat Worley, Regional Marketing Director—advises GT East and Midwest regional lottery customers on marketing tactics Walter Gaddy, Senior Sales Manager—Expertise in game design, portfolio management, prize structures and promotion strategies Gerard Caro, Senior Market Research Director—worldwide industry leader in lottery game research Audrey Pate, Senior Market Research Manager Amir Sadri, Content Design and Marketing Analytics, Senior Director—industry leader in online game development and game mathematics. Todd Bauman—Senior Market Research Manager Sarah Simpkins, Senior Marketing Analyst Kathy Lavigne, Senior Marketing Analyst Arron Koll, Senior Manager, Portfolio Development Chris McVay, Market Research Analyst <p>General—Proposer presents strong Texas team and corporate sales team to support new product and marketing strategy implementation.</p>
					<p>8.2 Table 79 DRs—5 through 12 and 14</p> <p>3. The Proposer must describe its sales organization structure and how it will support and optimize Texas Lottery sales.</p> <ul style="list-style-type: none"> GT notes their organizational structure approach here is consistent with the process advocated by Burton, DeSantis and Obel in Organizational Design. GT notes that they have evaluated and modified the goals of their sales organization by undertaking a complete review over the last 18 months. The exercise involved the following steps: <ol style="list-style-type: none"> Goal Definition (efficiency v. effectiveness) Strategic and Environmental Analysis Structural Optimization Process and People Alignment Coordination and Control Implementation

<ul style="list-style-type: none"> • GT notes that this ensures the org. will remain flexible and aligned with TLC goals of protecting the integrity of the organization, responsiveness to needs of retailers, and reaching/exceeding goals for sales and retailer expansion • <u>GT leadership team used local experience and analyzed quant and qual information to identify sales opportunities and then investigated alternative sales force structures to best realize these opportunities.</u> • <u>GT notes that these changes to their sales organization have already been undertaken and including efforts to bolster the marketing team have begun taking shape over the last 18 months.</u> • <u>New proposed department focuses on merchandising and business development as well as enhanced staffing levels to bolster retailer support.</u> 		<ul style="list-style-type: none"> • GT notes every sales person's job is to sell. However, they note that it is critical that every member of the sales organization meet the highest standards of integrity because lottery products represent the integrity of the State itself • GT notes that they have evaluated business processes and organizational dependencies at a granular level achieving the following goals: <ol style="list-style-type: none"> 1. possible to convey clear expectations to each employee 2. share a common map with TLC to pinpoint activities for continuous business improvement 3. Demonstrate that we adhere to each TLC requirement for lottery product handling and treatment of retailers • GT notes that the targeted roles and responsibilities that they have created will enable the new org to provide substantial services in 2 areas: Recruitment of retailers and Optimizing current retailer performance <p>Retailer Recruitment—</p> <ul style="list-style-type: none"> • will focus on four actions: <ol style="list-style-type: none"> 1. <u>Staff Alignment—dedicated recruiters. While all sales org members are responsible for this effort, GT believes the most effective way to achieve growth is through staff dedicated to developing retailer relationships, expanding demographics and regional penetration and recruiting retailers in new trade styles.</u> <p>New sales force organization structure will feature individuals whose primary responsibility is to recruit and facilitate new retailer support instead of rolling this function up under LSR daily responsibilities</p> 2. <u>Market Analysis—Sales Org Structure will be anchored by the GT marketing analytics team. GT's understanding of TLC retailer base and impending changes to the Texas Market will drive TLC sales. Will apply quant and qualitative information to identify expansion opportunities that might go unnoticed. E.g. Will apply their Texas knowledge (ex. City of Katy is planning a Galeria-type shopping mall, local knowledge</u>
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can be leveraged to align resources with retailer expansion opportunities. GT notes they will provide sales force with recruitment leads applying industry wide retailer density best practices, predictive sales models and comparative account analysis. GT notes that will provide this information directly to sales force staff involved in recruiting. GT will also perform market capacity modeling to identify under-penetrated regions of the state for retailer expansion. GT collaborated with Claritas Analytical Consulting to conduct predictive sales analysis on a 57,004 retailer prospect list. The model identified more than 28,000 potential retailers with more than \$2000 in weekly sales potential. (See chart on p. 20)

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3. Opportunity Identification—GT notes that they have invested in extensive research to identify high potential retailers and developed support plans to make them high-selling retailers. GT notes that current penetration at C-stores and Groceries is 67% and that TLC is well represented in these trade styles. Framework for identifying opportunities focuses on:

- o Regional Expansion—GT modeling shows retailer penetration levels have most potential in Dallas, Houston, Austin and San Antonio. Lubbock and Tyler also show potential but are secondary due to population density. State and city growth projections detailed p.22 and 23. GT notes steady increases in the retailer base since 2007 due to their recruitment efforts. See chart p.24
- o New Independents—GT notes that approx. 60% of Texas retailers are independents. GT notes their screening and predictive sales tools ability to identify optimum potential for recruitment and highlights a list of potential retailers on p.25 that are being recruited.

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Other Corporate Recruitment Strategies (p. 38)—GT has worked with country's leading POS suppliers (pinnacle, IBM, NCR and Dresser Wayne to make selling latterv on their systems possible. Example.

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GT also notes significant trade show participation in the retail industry p.39

<ul style="list-style-type: none">○ Texas-based chains--GT notes commitment to coordinated recruitment efforts between their Corp recruitment team, GT Texas recruitment and TLC to support chain recruitment in Texas. <u>GT notes that there are 3,800 corporate account stores in various stages of recruitment (chart p.37) and that GT has laid substantial groundwork in this area. United Supermarkets identified as successful Texas recruitment. P.38</u>○ New trade styles—GT notes trade styles such as gift shops, car washes, dry cleaners, meat markets and video rental stores as opportunities for expansion. GT will focus on high potential, high foot traffic locations within these tradestyles. GT has been recruiting Greyhound in Texas based on predictive modeling identification. GT models suggest that Greyhound will represent incremental \$4-50,000 in annual incremental revenue in Texas. Discussion on major airports recruitment. And Discussion of Barri check cashing recruitment in Texas p.42 GT notes dry cleaner recruitment effort jointly be conducted with TLC.			
<ul style="list-style-type: none">4. Recruitment Execution• <u>Recruitment execution and recruitment visit strategies detailed on p.43 and 44. See also insert illustrating the Recruitment Process.</u>• <u>Entire recruitment process will be tracked and updated in real time using capturing information from each visit. Example provided on p.46 and 47</u>• <u>GT notes that providing retailers with a diverse array of equipment and selling options increases the likelihood of recruitment success. GT indicates that they offer the broadest array of products and services for diverse trade styles.</u>• <u>GT notes that the use customized marketing programs to address retailers as each is unique to help ensure success.</u>			
<p><u>Optimizing Current Retailer Performance—</u></p> <ul style="list-style-type: none">• <u>GT notes their second initiative is to take advantage of opportunities to optimize sales performance with current retailers. 3 step followed:</u><ol style="list-style-type: none">1. <u>Identify current retailer growth opportunities</u>2. <u>Execute retailer growth opportunities</u>3. <u>Represent the TLC brand properly</u>			
<p>Identify Current Retailer Growth Opportunities—</p> <ul style="list-style-type: none">• <u>GT notes use of claritas data to identify where growth prospects exist and which products the growth prospects relate to. This data will be provided to LSRs via</u>• <u>GT LSRs will help retailers identify the correct promotions, equipment, merchandising strategies, marketing strategies, product mix and training for their environment.</u>• <u>GT notes responsibility to alert TLC of any new content from key, corporate and chain accounts for the content management system for TLC approval.</u>	<p>\$552.110</p>	<p>\$552.110</p>	

<p>\$552.110</p>	<ul style="list-style-type: none"> • <u>Corporate accounts represent 39% of retail base and 38% of sales. As they are critical to TLC sales, GT will assign corporate accounts to four classifications. Each account has different needs, by classifying GT will use optimization analysis to identify where potential exists and give each retail location the service required. Account types detailed on p.52</u> • <u>GT notes they will develop a sales and execution strategy consistent with the RFP requirements detailed on p.53. The GT Corporate Account team will deliver this highly focused service. The will work with GT leadership, DSMs, LSRs and TLC to increase sales and revenue. GT details their Corporate Account team on p.53 with their experiencing in supporting such accounts.</u> • <u>Valero and HEB testimonials provided.</u>
<p>\$552.110</p>	<ul style="list-style-type: none"> • <u>GT notes that support from the Corp Account team begins at recruitment and continues through emergency as top account.</u> • <u>GT notes that POS is critical in product announcements and gaining placement in chains can be challenging as this is often saleable space. GT points to the Powerball POS effort as an example of their Corp teams effectiveness. Noting several significant chains that had agreed to placements that had not previously. See p. 56</u>
<p>\$552.110</p>	<ul style="list-style-type: none"> • <u>Following the establishment of solid sales, Corp Accounts will work with the chain and TLC to build a comprehensive promotional event calendar. Examples Ask for the Sale, CADs, second chance drawings and co-op promotions (example. Cefco Millionaire Mondays promotion resulting in 26% Mega Millions sales increase)</u> • <u>Other retailer co-op promotions run in Texas with Corporates detailed in table on p. 60. Resulting in 27 to 84% sales increases.</u> • <u>GT recognizes need for impactful sales strategies. GT Corp Accounts has begun negotiating store support for Ask For the Sale promotions such as store announcements, gas pump messaging, ad placements, etc.</u> • <u>Corp Accounts team will also propose account-sponsored employee incentives to spur sales. Southwest Convenience and Timewise examples provided. P. 61</u> • <u>Each account will be supported by the GT sales/marketing team as detailed in the chart on p.62 to ensure all account needs are being met.</u>
<p>\$552.110</p>	<ul style="list-style-type: none"> • <u>Further discussion of dedicated recruitment positions and their role p.63</u> • <u>GT has created a new division within its sales organization—Sales, Merchandising and Business Development Group. The group's structure and responsibilities is more fully detailed in Section 8.4.1 Retailer Visits. They will focus on retailer recruitment and optimizing</u>

<p>opportunities identified in GT analysis</p> <ul style="list-style-type: none">• <u>Routes Management Sales Call Visit Details p.69</u> Developed and detailed process outlined.	<p>5. The Proposer must describe how it would coordinate face-to-face meetings among the Texas Lottery, Successful Proposer and Retailers to facilitate communications. The Proposer must describe its plans for conducting meetings to reach Retailers across the State of Texas to include proposed frequency of meetings and the strategy for engaging the Texas Lottery's diverse Retailer licensee base.</p> <ul style="list-style-type: none">• GT notes that communications are vital to ensuring alignment and execution of 250 plus staff representing TLC in the field, the Lottery's almost 17000 retailers and 24M potential players.• GT will facilitate meetings to reach the diverse licensee base through the following meetings and contacts: <p>Retailer Communications:</p> <ol style="list-style-type: none">1. Links Meetings2. In-Field Meetings—new meeting program proposed called Customer-Vendor Field trips. GT and TLC staff will meet at predetermined locations randomly selected to confer on field activities and retailer needs.3. Key, Corporate and Chain Account Meetings—Annual reviews covering topics detailed on p.73, GT notes that they held over 200 of these meetings in 2009. GT notes will meet all TLC advance material review requirements. GT also indicates they will represent the TLC and assist in funding multiple corporate retailer sponsored events: §552.110 charities, conference, tournaments.4. Daily Sales Calls--GT notes benefits of here. <p>TLC Communications:</p> <ol style="list-style-type: none">1. TLC Senior Management Strategy Meetings—joint annual strategic planning meetings along with regular executive meetings will be a priority2. Top-to-Top Meetings—GT organized meetings between TLC and corporate account decision-makers3. Biannual TLC and Sales Managers Meetings4. Biweekly product and Small Group Marketing Meetings5. Weekly Recruitment and Business Development Meetings <p>Sales Organization Communications:</p> <ol style="list-style-type: none">1. Annual State Sales Meetings (Example of Statewide Sales Meeting Agenda provided at end of section.)2. Quarterly Sales Managers Meeting3. Biweekly District Meeting4. Biweekly Business Development Team Meetings5. Weekly Flash Meeting with Sales Management Team
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6. Daily DSM and LSR Ad Hoc Meetings

8.3 Table 81

DRs—10 through 14

3. The Proposer must describe its marketing organization structure and how it will support and optimize Texas Lottery sales.

- GT alignment of Local and Corporate staff to provide unified marketing support is detailed in chart on p.10.

PDP—Analyzing the portfolio and the market—

- GT Texas team will continually look to close gaps in the portfolio.
- GT notes that they have worked with TLC through their PDP to apply industry best practices to instants—list on p. 12 and 13
- Corporate team uses _____ to examine global trends to share with TLC

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PDP—Game Design

- When gap is identified SMEs analyze potential games, assess player and retailer reaction and possible market place effects.
- Corporate SMEs then review.
- GT game designers develop more than 1000 instant game concepts and approximately 100 online game concepts per year.

PDP—Research and Concept Testing—

- Corporate game design specialists research and test concepts to gauge fit in TLC portfolio, then they test at the retailer level in the market. Example provided—lottery wants to run Harley Davidson give away promotion. GT corp staff can determine number of people that

				<p>Details of recommendation types on p.31 along with discussion of distribution use to optimize initial distribution</p> <ul style="list-style-type: none"> TLC Online Game Annual Analysis—PDP will be used to identify potential online game modifications. GT will provide an annual online game analysis including 3-year sales projections and possible game modifications GTs online game growth opportunities detailed on p.32 <p>General—Proposer does a solid job of detailing how Texas-based and corporate personnel will work in a coordinated fashion to execute proposer's Portfolio Development Philosophy.</p> <p>§552.110</p>
	<p>Lottery Sales Representatives</p>	<p>136</p>		
<p>2.3.3.5</p>	<p>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.</p>	<p>8.4</p>		<p>LSR Services Response DRs—28 through 30</p> <p>1. The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section. [NOTE: Applies to all sections where applicable.]</p> <ul style="list-style-type: none"> GT notes their extensive experience in Texas in developing the sales force organization plan that is customized to the TLCs retail environment. GT commits to continue to invest in its people through combination of training, incentives and tools for delivering optimum sales. LSR organization is built on the following building blocks: <u>Strong Values, Customized Service Solutions, Optimized Sales Force Management, Performance Based Compensation Incentives, Flexible for Continued TLC Advancement (new retailer service models and proposed route sales) and groundbreaking technology</u> GT acknowledges and accepts. <p>2. The Proposer must describe its LSR organization structure and how it will support Lottery Retailers across the entire geographic and population diversity of the State of Texas. Proposers must identify the Proposer's staff to Retailer ratio for the provision of Lottery Sales Representative activities.</p>

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			<p>§552.110</p>	<ul style="list-style-type: none">• GT discusses route management on p.7 and 8.• GT notes that it will locate facilities to support retailers training and Point of Access equipment, POS materials and merchandising supplies in designated districts.• District attributes profiles detailed on p.9 including average retailer distance to district. P.9• Gt notes they will treat claim centers as retail locations.
			<p>§552.110</p>	<ul style="list-style-type: none">• GT notes they will evaluate rep territories quarterly for retailer growth, current TLC initiatives and service needs.
			<p>§552.110</p>	<ul style="list-style-type: none">• GT notes Texas retailers are diverse and will be provided customized selling strategies instead of applying a “one size fits all” plan.• GT commits to provide monthly reporting of LSR assignments at the retailer and district level.• GT notes their current LSR survey ratings as approximately 95% of retailers rating their service as good or excellent.• GT notes the importance of the lasting relationships built by their sales force members with retailers to enhance the success of the lottery throughout the retailer life cycle (see section 8.2 for overview of life cycle)• GT cites Stripes weekend license conversion of 26 store locations to help Stripes with transition timing.• GT notes that through LSR input will give complete visibility to recruitment efforts including contact documentation, training activities conducted, follow-up training and pos and material deployments
			<p>§552.110</p>	<p>General—Proposer plan appears to have been well thought through and represents new thinking. Further subdivision of current major districts should yield more focused sales efforts and initiatives. Proposer’s approach to the combined Promotions and Training representatives which allows focused</p>

2.3.3.6	Incentive plan for LSRs.	8.4	27	<p>effort on training by “expert” staff is a positive. It is beneficial that skilled trainers will also be the staff to run promotions. However, it is not clear with 14 offices (including Waco new city added with district) how 9 staff will cover this territory. Dedicated staffing for recruitment and sales and merchandising at store level are highlights of the proposed staffing plan in this area. Proposer clarified its response in the proposal indicating that it calculated its 127 to 1 LSR ratio in the proposal by including 131 reps in its count (108 LSRs + 14 swing reps + 9 promotional and training representatives). Concerned about number of dedicated LSRs. This concern is somewhat mitigated by reduction in LSR responsibilities through implementation of dedicated training, sales/merchandising and recruitment positions. Proposer does not detail how LSR staffing levels would be adjusted in response to implementation of route sales model or expansion of the retail base over time. Proposer effectively illustrates how LSR support solution will enhance effectiveness of the sales force.</p> <p>LSR Services Response DRs—29</p> <p>3. The Proposer must provide an overview of its incentive plan for LSRs.</p> <ul style="list-style-type: none"> • GT maintains a comprehensive annual incentive plan for its entire sales, marketing and Business Development team including LSRs. Plan will be provided yearly in accordance with RFP • GT notes aligning their incentives with TLC product, promotions and advertising initiatives • Chart provided on p.18 shows sales force and contest payments from 2000 to 2009 going from \$424,000 in 2000 to \$1.7 M in 2009, with several fluctuations in between, but generally more money allocated to incentives over time. <ul style="list-style-type: none"> • GT notes they also reward staff members for work beyond their traditional job duties. Noting in 2009, they awarded 2084 GT Building Excellence Gold and Silver Awards and 1500 spot awards totaling more than \$2M <p>General—Proposer presents well thought out salary and incentive plan. Salary structure is designed to support retention with emphasis on performance incentives to motivate and drive sales and performance.</p>
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2.3.3.7	Sales services customized to strategically optimize sales performance.	8.4	27	<p>LSR Services Response DRs—27 through 31</p> <p>4. The Proposer must describe how sales services will be customized to strategically optimize sales performance.</p> <p>\$552.110</p> <ul style="list-style-type: none">• GT used predictive analysis to focus retailers on selling the products (instant/online-jackpot or daily) that represented the most growth potential for them. Details begin p.26• <u>GT notes that in tandem with are a part of an automated process to ensure proper customization to the client and transparent merchandising execution. Chart p.29</u>• <u>GT notes their marketing program is fitted to each retailer's environment, like optimizing retailer facings. GT notes a well merchandised store creates an appealing and compelling atmosphere for impulse lottery purchases.</u>• <u>Food Fast LSR support testimonial p.31</u>• <u>GT notes that they purchased an offer TVs and iPods in a Stripes store contest for increased store sales. P.32</u>• <u>GT notes that they will tailor equipment solutions and merchandising to fit each retailer</u>• <u>GT will have custom retailer strategies that LSRs must complete on their visits. will not allow the call to be closed until all actions are completed</u> <p>\$552.110</p> <ul style="list-style-type: none">• GT through LSRs will provide custom sales plans, product portfolios, marketing programs, equipment and route sales management to meet retailer's trade style needs.• <u>Superior Communications—GT notes that they propose the following communication for retailers: targeted messaging and communications and Varied Language capabilities</u>• <u>Equips LSRs with key retailer attributes and sales data targeting specific retailer needs.</u>
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				<ul style="list-style-type: none"> Targeted Messaging and Communication—GT will support retailers with training on sales relationships, merchandising techniques, game types, promotions, incentives, communications and distribution systems to optimize promotion and support. Language—GT notes that 32% of current sales force is bilingual. GT notes that 70% of retailers speak English, 10% Indian languages and 20% speak other languages. Arabic, Spanish, and Asian languages. GT works hard to hire address and train these different needs. GT notes that while only 5% of retailers note Spanish as primary language 26% of Texas population notes Spanish-primary highlighting the need for Spanish POS. GT works with retailers to match POS to the demographics of their customer base. <u>can address this need easily.</u> Retailer Relationship Building—GT notes developing trust, fostering relationships and closing communications gaps at every stage indicating that they are well equipped through experienced sales force. GT notes overarching goal is to facilitate successful selling experiences for retailers while offering the best quality entertainment experience for TLC players. GT LSR dedication noted in DSMs (Suhail's) response to Hurricane Ike in September 2008 p.41 <p>General—Proposer highlights its New Sales, Merchandising and Business Development Team in support of these efforts. Proposer details an emphasis on customized solutions to meet the needs of each retailer in supporting and growing sales. Proposer demonstrates how technology support will be combined with sales team support (proper POS/merchandising, sales technique training, in-language support and high level of dedication by staffing-as detailed in testimonials) to optimize sales performance.</p>
			<p>\$552.110</p>	<p>\$552.110</p>
<p>2.3.3.8</p>	<p>Retailer Visit</p> <p>Retailer visits and support.</p>	<p>8.4.1</p>	<p>91</p> <p>27</p>	<p>Retailer Visit Response DRs—11 through 12, 14 through 17 and 19 through 21</p> <p>1. The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section. [NOTE: Applies to all sections where applicable.]</p> <ul style="list-style-type: none"> GT notes making more than 450,000 retailer visits per year. GT notes that they are offering new services, solutions and technologies to underpin retail visit approach. GT notes continually training their sales force in relationship building. GT notes this as critical in negotiation counter space that is typically purchases by competing projects. <p>2. The Proposer must describe its overall approach to Retailer visits and support. The Proposer must describe its plan for enhanced visits to Retailers that exceeds the minimum required visits for general support and sales activity and that emphasizes sales optimization among the Retailer</p>

				<p>base. The Proposer must provide an overview of the methodology and strategy that will be used to enhance sales.</p> <p>Note— This is a split requirement. See also enhanced visit response below.</p> <ul style="list-style-type: none"> • <u>Director Stanek will work with TLC to develop overall sales and marketing strategies and identify expected growth projections. Territory, district and regional plans will be built from there. Sales members will be evaluated annually based on performance in alignment with the plan.</u> • <u>GT indicates that all retailers will be visited at least once during each 2 week sales cycle regardless of sales levels</u> • <u>Sales visits represented more than 350,000 hours of service time in 2009</u> • <u>LSRs are trained in 5 Ps—Product, Price, Promotion, Placement and People</u> <p><u>LSR 5-steps of sales visits: Plan, Survey, Meet, Execute and Report</u></p> <ul style="list-style-type: none"> • <u>Plan—LSR will prepare for visits using reviewing critical data, evaluate training needs, will track required tasks,</u> • <u>Survey—Will survey retailer interior and exterior for opportunities and issues, checking equipment to ensure working order and replace damaged items, conducting real-time inventories via</u> • <u>Meet—with retailers face-to-face to understand concerns and address, will share custom performance enhancement plans, selling specific merchandising goals and providing actionable info to drive sales</u> • <u>Execute—marketing activities, deliver POS, increase instant facings, implement promotions, etc. GT notes enhancements in their merchandise support scores generated on RRS surveys</u> • <u>GT details their knowledge and LSR responsibilities associated with instant and online ticket processes from TLC requirements starting on p.50</u> • <u>Report— provides retail time capability to verify LSR retailer visit activities including photos, digital signature, surveys, reports, emails, alerts to management through</u> <p>General—Response demonstrates strategic approach to LSR visits and the layering of different organizational support positions/activities to optimize retailer sales support.</p>
2.3.3.9	Monitor and manage LSR performance to ensure that all LSR visit standards are being met.	8.4.1	27	<p>Retailer Visit Response DRs—18 and 22</p> <p>3. The Proposer must describe how it will monitor and manage LSR performance to ensure that all LSR visit standards are being met</p> <p>GT will ensure the standards are met through:</p> <ul style="list-style-type: none"> • <u>Professional Management and Thorough Training—</u> • <u>GT notes that with 2 Regional Sales Managers, 2 SMBD Managers and 14 DSMs they have a 1 to 7 LSR to Management ratio. Noting that managers can spend quality time in the field with staff.</u> • <u>Management can verify LSRs are:</u> <ol style="list-style-type: none"> 1. Properly executing marketing activities 2. Educating retailers and players on products/promotions

- 3. Effectively selling and merchandising products
 - 4. Providing adequate supplies
 - 5. Regularly offering promotions to grow business
-
- GT notes they will continually train LSRs and sales team to build relationships, identify proper merchandising and selling opportunities, and ensure TLC alignment with policies and procedures
 - Management and LSR activities will be tracked via In-Depth Field Audits
 - GT notes to ensure that almost 200 sales force members represent TLC and execute initiatives against standards, they will invest in internal audits of LSR and sales team performance. GT will create a new position called Field Audits Analyst, which will coordinate with TLC to ensure sales force requirements, measurement tools and efficiency controls (via will be used for random, mandatory compliance audits. LSR selected randomly and visit will not close until all audit requirements are met. Example on p. 76)
 - Additional Performance Management Measures detailed on p.77
 - real time tracking and transparent view into field operations noted.
 - GT notes that was created because of a business problem. GT Texas could not obtain a transparent view into field execution and operations and relay it to TLC. Further details p.78 and 79
 - Pilot (p.80 and 81) including sales results
 - GT notes that cole system order pad solution offers some capabilities that TLC requires, is the best choice tailored to TLCs unique business needs.
 - GT notes that is fully integrated with the lottery system data transfer discussed p. 84
 - Mobile provides a comprehensive portfolio of lottery-specific mobile applications to allow each member of the sales force to have the tools they need to perform with highest efficiency. They are organized like an app store. P.86
 - relationship management features detailed beginning on p. 87 including pack processing capabilities.
 - Insight Management Tool—gives LSRs significant data from the central system including reports and data analysis. Retailer specific report examples provided on p.89 Reports that support issues resolution detailed on p. 90
 - GT gives sales force every advantage in terms of increasing sales, while providing GT and TLC transparent view into field operations.
- General—Proposer highlights the management to staff ratio of its sales/marketing organization emphasizing that the low ratio will allow management to proactively monitor performance in accordance with standards. Proposer places significant emphasis on LSR support solution, as a tool that puts the information that an LSR needs in their hands to be successful in providing optimum retail support. Proposer also highlights that the tool provides transparent views for TLC and proposer into field operations.

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2.3.3.1 0	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.	8.4.1	37	<p>Retailer Visit Response DRs—13</p> <p>2. The Proposer must describe its overall approach to Retailer visits and support. The Proposer must describe its plan for enhanced visits to Retailers that exceeds the minimum required visits for general support and sales activity and that emphasizes sales optimization among the Retailer base. The Proposer must provide an overview of the methodology and strategy that will be used to enhance sales.</p> <p>Note—This is a split requirement.</p> <p>Enhanced Visits—</p> <ul style="list-style-type: none"> • GT notes that they will supplement traditional LSR visits to certain retailers. • GT notes that their 14DSMs will spend the majority of their time in the field, assisting retailers, training and monitoring LSRs, and working with local chain accounts. DSMs will be tasked to build retailer relationships including periodic visits to their top 10 retailers. GT notes that this could result in 3000 additional visits per year. Top 10 by district are detailed p.55 to 61 <p>GT Retailer Optimization Program and New Sales Merchandising and Business Development Team—</p> <ul style="list-style-type: none"> • Sales Merchandising and Business Development staff will work to increase sales at high potential retail locations. • Retailer Optimization Plan offers 2 channels of opportunity-existing underperforming retailers with high potential and non-traditional retailers with high potential. see also 8.2 and 8.8 related to these areas • First group—classified retailers using proprietary predictive modeling evaluating actual instant and online sales in relation to estimated potential. Review process detailed p.62 on. Retailers were classified in tiers based on potential. (4 categories: Develop, Maintain, Defend, and Review) • GT notes that they will supplement standard LSR visits to high potential (Develop) retailers with SMBD team visits to these locations adding the potential to add 50,000 retailer visits per year. 4512 retailers were identified with potential for growth. • SMBD, Regional Sales Managers and TLC will work to develop the strategic deployment of the SMBD team. This team will have a higher percentage of salary allocated to incentives based on their role. • Chart on p.62 notes SMBD Representatives —staffing and approach p. 68 SMBD team will be flexible in movements. May focus on DFW in one quarter and move to another district in subsequent quarter. <ul style="list-style-type: none"> • Concentration of these retailers with greatest potential is in 5 primary metro areas: Houston, Dallas, San Antonio, Austin and El Paso. GT would recommend first concentrating on Dallas and Houston as they represent half of the state's high potential retailers • GT recommends that staff focus on a certain number of high potential retailers at a time to manage their focus, also GT notes that some high potential locations will not be supportive of
				<p style="text-align: right;">\$552.110</p>

				<p>participation in the program and they would not recommend staffing to work with all high potential retailers at the same time.</p> <ul style="list-style-type: none"> Managers will establish contiguous zip code groupings of up to 500 high potential retailers for staff to perform enhanced visits. High potential retailer mapping examples provided and detailed p.69 to 71. GT notes that sales goals will be established for the served area, example increase sales 5%. The goal can be achieved in a number of ways for the served area. <ol style="list-style-type: none"> Concentrate on all high performing retailers Focus on a subset of high potential retailers Work with key account team to focus on high potential chains Recruit new retailers Perform any combination of the above. <p>General—Proposer emphasis on DSM time spent in the field on retailer visits and LSR monitoring is a plus. This is reasonable based on management-to-staff ratios noted in proposer's earlier response. SMBD team strategic focus (and enhanced visits) on retailers with highest sales potential offers significant potential and illustrates application of research data in pursuing sales potential.</p>
	<p>LSR Ticket Retrieval, Transfers and Returns</p>	<p>73</p>		
<p>2.3.3.1 1</p>	<p>Perform ticket retrieval, transfers and returns to optimize the inventory mix at retail locations in coordination with Retailers.</p>	<p>8.4.2</p>	<p>\$552.110</p>	<p>LSR Ticket Retrieval, Transfers and Returns Response</p> <p>DRs—7 and 8</p> <ol style="list-style-type: none"> The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section. [NOTE: Applies to all sections where applicable.] <ul style="list-style-type: none"> GT acknowledges and accepts. The Proposer shall describe how it will perform ticket retrieval, transfers and returns to optimize the inventory mix at retail locations in coordination with Retailer. <ul style="list-style-type: none"> GT notes that with _____ and _____ LSRs will be able to perform inventory transactions, including ticket retrievals, transfers and returns similar to today but via the _____ device. GT notes that _____ will allow LSRs to process inventory transactions including retrievals from government agencies and police departments and record them in real time. GT notes this process will eliminate manual returns. <p>\$552.110</p> <ul style="list-style-type: none"> GT notes that pack transfers between retailers are a vital part of the instant game supply chain allowing LSRs to optimize retailer inventory, by introducing better-selling games and removing slow-selling games, removing closing and damaged inventory and reconciling discrepancies discovered during physical inventory audits. GT notes _____ provides access to product supply chain information <p>\$552.110</p>

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- LSRs will be able to assist here by perform returns or transfers to support inventory levels (short or over)
- GT notes that the system will be configured for LSRs to process returns of full and partial packs via the terminal. Dual receipts (1 retailer, 1 for LSR with signature lines noted. P.94) For partial, it notes that the LSR must enter the starting and ending ticket ranges. GT notes that supports multiple ranges of tickets from the same pack.
 - GT notes that the terminal return process described can also be conducted on the device and printed from the
 - Partials—GT notes that supports that partial packs can be moved directly to "Return-Partial" without moving the pack manually to settled first. Accounting is performed automatically in accordance with TLC business rules
 - GT notes expanding return function on so that 10 packs or partials can be processed on 1 receipt.

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- Return Processing and Damaged Ticket return procedures/steps are detailed in the charts on p.100 and 101

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- Ticket retrieval can be conducted in three ways:

1. Terminal
- 2.
3. Authorized staff can conduct the transfer by phone call

- GT notes the first two means of transfer are most common, but if terminal is down and cannot get a signal lock at the store option #3 will be used.

- All inventory transactions are recorded on the allows query of this data by historic LSR transactions. GT notes that query of the is significantly accelerated in (minutes for queries over months)

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2.3.3.1 2	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	37	<p>\$552.110</p> <p>\$552.110</p>	<ul style="list-style-type: none"> GT acknowledges that their current ticket return process has not been optimal. Meaning good inventory may not be available for reshipment to the field and inability to provide TLC with precise information about "at risk" inventory. GT will implement new approaches including <u>acking and adding a new status "Returned-At Warehouse."</u> A series of antennas at the warehouse will receive the individual bag signals and record them moving the bag contents from "in transit" to the new status. This also allows for determination of actual inventory in the field in LSR possession and potentially at risk. GT indicates that Dwayne Tatum's warehouse team is second to none related to accuracy and on-time performance. GT notes re-engineering of Pick Pack areas GT will be able to free staff to help process additional returns.
2.3.3.1 2	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	37	<p>\$552.110</p> <p>\$552.110</p> <p>\$552.110</p>	<p>LSR Ticket Retrieval, Transfers and Returns Response DRs—9</p> <p>3. The Proposer must describe how Retailer-to-Retailer pack transfers will be utilized to optimize inventory availability. Proposers must describe 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.</p> <ul style="list-style-type: none"> GT notes that <u>will reduce the necessity for transferring inventory to locations due to a retailer's supply shortage, supply overage, or incorrect game mix.</u> GT notes that LSRs can use transfers as a tool to build selling relationships and introduce new or enhanced game mix into a store. GT notes that sometimes retailers need a pack or two while waiting on supply shipments in a day or two. Terminal or can be used to conduct these transfers. LSR process for 'Determining the Need for Transfer' detailed on p. 10 GT notes that they will configure the system to allow retailers to conduct pack to pack transfers between themselves. P.108 GT notes retailer to retailer transfers will require proper sign on controls on the terminals. GT notes that will be able to identify in recurring issues with this type of transfers. GT acknowledges that such transfers might indicate a deficiency in GT's operation. will allow Chuck Faulkner and DSMs to identify recurring issues to correct underlying problem. LSR transfers by Authorized Staff-GT notes that allows for authorized users to transfer

			<p>inventory directly to an LSR or even between LSR indicating that while the need for such action is rare that this illustrates the flexibility of _____ to deal with unusual situations.</p> <ul style="list-style-type: none"> • GT also notes that _____ will be configured to allow retailer-to-retailer online roll stock transfers <p>General—Proposer notes that the _____</p> <p>Proposer noted LSR role in conducting store transfers. Proposer may have fully understood this requirement as requiring that the system allow retailers to conduct direct transfers among themselves not LSR-coordinated store-to-store transfers based on Proposer’s response here. In interpreting the requirement in this manner, proposer aptly points out that the need for these transfers may highlight some weaknesses in their own operations (sales support processes) and that the occurrence of these transfers would be brought to the attention of their management. Proposer’s response in this regard demonstrates insight into supply chain management.</p>	<p>\$552.110</p>
		<p>46</p>	<p>Instant Ticket Game Close</p>	
<p>2.3.3.1 2</p>		<p>8.4.3</p>	<p>Process for handling Instant Ticket game close.</p> <p>Instant Ticket Game Close Response DRs—4 and 5</p> <ol style="list-style-type: none"> 1. The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section. [NOTE: Applies to all sections where applicable.] <ul style="list-style-type: none"> • GT acknowledges and accepts. 2. The Proposer must describe its process for handling Instant Ticket Game close. <ul style="list-style-type: none"> • Upon notification by TLC, GT will initiate the game closing process. GT notes that an e-mail to the on-duty computer operations manager from TLC is still the preferred initiation process, noting process is designed to work efficiently. • GT summarizes the four states of the game closing process: Pre Call, Call, Close and End of Validation. Noting the problem games and no top prize games will not have a pre call. GT notes that the operations department set the data parameters for call, pre-call based on TLC instructions. Entry screen sample provided p.113 • GT notes that _____ and _____ will enhance the game close process related to the four call closing periods: 	<p>\$552.110</p>

					<ul style="list-style-type: none"> GT notes that the sales terminal follows the same return rules as detailed above for Games closed for top prizes, problems or defects—GT notes these games require immediate action. GT notes that retailers will be notified immediately via the sales terminals. TLC will compose and transmit this message, as today. The message will be classified as Must Read. LSRs will also be informed via allowing them to start the collection process earlier than in the past. GT notes that will allow GT to easily complete the entry of call and end of game information within the four hour requirement. GT details their End-Of-Game return process beginning on p.117. Same as process detailed in response to 8.4.2 Ticket Retrieval, Transfers and Returns detailed above. <p style="text-align: right;">\$552.110</p>
					<p>General—Proposer demonstrates clear understanding of all aspects of TLCs returns process associated with game closings and has proposed functionality in its predictive ordering system, terminal messaging functionality and solutions that would expedite the game closure process.</p> <p style="text-align: right;">\$552.110</p>
				<p>Retailer Contests and Retailer-based Player Promotions Response</p>	
2.3.3.1 3	Retailer contests and promotions to increase Instant and On-Line Ticket Sales.	8.5	91	46	<p>Retailer Contests and Retailer-based Player Promotions Response</p> <p>DRs—19 through 21</p> <ol style="list-style-type: none"> The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section. [NOTE: Applies to all sections where applicable.] <ul style="list-style-type: none"> GT notes that their proposed staffing plan allocates the appropriate resources to support simultaneous product initiatives and campaigns to build excitement and a positive brand image at the retail location, where it matters most. GT also notes their advanced technology allows more visibility into analytical research, prize distribution and promotion execution. GT notes they will be better positioned to provide auditable activity reports and information flow. GT commits to work with TLC based on their Texas, US and world experience to determine which promotions will be effective in Texas. GT notes that described in 7.6.3 will deploy promotions instantaneously through multiple channels. GT acknowledges and accepts. The Proposer must describe how it will utilize Retailer and player contests and promotions to increase Instant and On-Line ticket sales. <p style="text-align: right;">\$552.110</p>
					<p style="text-align: right;">\$552.110</p>

				<p>Promotion Planning—GT notes that a complete in-depth plan is crucial to promotion success. GT commits to working with TLC to provide a comprehensive planning calendar. Sample p.5</p> <ul style="list-style-type: none">GT notes best practices for player promotions should support specific product categories and ensure promotions accomplish certain goals detailed on p.6. GT notes that they will work with TLC to design and implement: system-wide terminal promotions, chain account promotions, discount coupon, direct mail, web-based or on premise coupons, internet second chance drawings promo events at retail and promotion events (fairs, festivals, etc.)GT highlights their quarterly newsletter Lottery Promotions update as responsive to their customers about promotions taking place in the industry and GTs leveraging their resources to share information on promotions, noting that it provides base sales data and actual performance.can also help with planning by allowing TLC to tap into the database to review the performance of contemplated promotions that have occurred in other jurisdictions.GT notes that Prizm demographic software (see 8.8) can also help with its demographic mapping in 66 demo and behavioral categories <p>Creativity and Flawless Execution—</p> <ul style="list-style-type: none">5 key areas of focus detailed and discussed (p9 and 10): <u>Planning, Goal Setting, Innovation, Resource Utilization and Execution.</u>GT notes that they will provide a standalone, automated RNG plus a backup RNG, certified by a third party to support player/retailer promotionsSales Force—GT notes that LSRs will implement the retailer best practices that are most appropriate for each retailer to maximize sales growth.GT highlights their experience in Texas of knowing what will work and how to get it done related to promotions.GT notes the use of predictive sales models to help design promotions indicating though that further information is necessary to execute promotions, information that LSRs have such as store management and staff support, foot traffic and car traffic.will allow LSRs to set up promotions, track inventory and schedule FSTs. <p>Promotion Tracking and Assessment—</p>
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<p>\$552.110</p>	<ul style="list-style-type: none"> • All data generated from promotions will be collected on <u>GT notes they will support TLCs post promotion analysis to evaluate effectiveness giving TLC info necessary to modify future promotions</u> • <u>Promotions Manager/Coordinator—will provide the reports necessary for TLC promo tracking and post promotion analysis. This position will also will participate in the promotions planning process with TLC and the GT Field Marketing Manager. work with the Corporate Marketing Group to proposes product and promotional initiatives. facilitate the development of any supporting graphic POS, ensure correct promotion setup including development of communications for TLC approval, providing reports with promotion results, providing quarterly and yearly promotion summary reports</u> <p>Traditional Player Promotions—examples given Second Chance to Win, Buy \$5 get \$1, Direct Mail</p> <ul style="list-style-type: none"> • GT notes that TLC can increase player enthusiasm by keeping promotions exciting and fresh. Potential new promotions cited: Bonus Payout Online Game Offers (similar to Green Ball) and Lottery Website (customer service and reward programs) • GT notes that the TLC can use coupons with serialized bar codes on their <u>Corporate Specific Promotions—</u> <ul style="list-style-type: none"> • Retail Chain Co-Promotions—Buy X lottery, get a cup of coffee • Brand Co-Promotions—Buy X lottery, get free Doritos • Major Entertainment Co-Promotions—GT noted Cowboys/Texas tickets with retailers. Also, blockbuster and Jiffy Lube • Co-Op Promotions—store level coordinate promotions (Cefco, Valero examples • GT notes that currently TLC only offers Co-Ops to corporate accounts, but they are working on packages that could potential involve large consortiums of retailers, such as GAMA-Greater Austin Merchants Association, 275 independents. Other corp. promotions detailed on p.20 • GT notes that for corporate promotions, one size does not fit all and the plans must be tailored <p>Cross Product Promotions—</p> <ul style="list-style-type: none"> • Buy instant, get online or instant games designed with online ticket prizes (instant Cash 5) <p>Offered Options—</p> <ul style="list-style-type: none"> • IGI Europrint—works with large corporate to design bottle cap, wrapper serial codes for web or cell phone entry for prizes. P.24 and 24. Also discussed earlier. GT notes that no other company offers a subsidiary dedicated to promotions. <p><u>Web Based Player Registration—</u></p> <ul style="list-style-type: none"> • GT notes ability to provide all services requested in the RFP and notes Section 7.6.3 related to full discussion of the player registration functionality. • GT notes that the Player database will be captured on _____ and can be ad hoc queried. • GT also notes that player registration is comprised of well defined interfaces and back office functionalities required to manage player information, bank accounts, prize claims, prize pavments, tax reporting, player cards and mail subscriptions. P.28
<p>\$552.110</p>	<ul style="list-style-type: none"> • GT notes that their _____ solution provides player convenience in exchange for the ability to collect player information for future marketing outreach programs.
<p>\$552.110</p>	<p>Retailer Promotions and Contests—</p> <ul style="list-style-type: none"> • GT notes that they have worked with TLC since 2003 to run 32 retailer contests. (detailed p.30

				<p style="color: red;">§552.110</p>	<p>and 31)</p> <ul style="list-style-type: none"> GT also noted a contested they sponsored for Stripes based on sales increases by store. P.30
2.3.3.1 4	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	45	<p style="color: red;">§552.110</p>	<ul style="list-style-type: none"> GT notes that will replace the manual parts of this process with automation for most. GT notes Super Set for Life and Blockbuster contests as important success drivers. GT notes that <u>looking forward they have outlined additional incentives that will enhance the player and retailer experience through performance-based rewards while driving additional sales, including partner play promotions (player buys 5 retail games, retailer gets 1), variable commission rates(allows different commissions for certain retailers or subsets of retailers), and corporate-specific promotions (see also 8.2 for corporate promotions)</u> GT cites Wisconsin example on variable commission rates. P. 37 <ul style="list-style-type: none"> GT commits to providing TLC with research on current initiatives in other jurisdictions, recommend solutions for new programs, execute incentives at retail and follow up with reviews that will measure the effectiveness of each incentive investment and opportunities for future initiatives. GT indicates that their unmatched experience makes them the most qualified proposer to provide promotional assistance. GT notes and future internet capabilities ensure that TLC is prepared for the future. <p>General—Proposer details their strategy with regard to retailer contests and player promotions and explains how specific staffing resources will work to support TLCs program including post-promotion performance analysis. Proposer also notes corporate tools and resources (and Quarterly Promotions News Letters) dedicated to promotions support. In the retailer promotions and contests section, proposer demonstrates in-depth knowledge of the physical steps and processes that must be executed that underlie the execution of an effective promotion. Proposer also presents some new promotional designs not currently offered in Texas.</p>
<p style="color: red;">§552.110</p>				<p style="color: red;">§552.110</p>	<p>Retailer Contests and Retailer-based Player Promotions Response DRs—17 through 18</p> <p>3. The Proposer must describe its incentive programs for Retailers, including when such programs should be initiated and the benefits of such programs in maximizing revenue to the State from sales of Texas Lottery Products.</p>

				§552.110	<ul style="list-style-type: none"> • <u>GT notes that analyses of the retailer incentive are crucial to evaluate programs against each other over time. GT notes that they have already established their ability to do this. See p. 48</u> • <u>GT notes that the relationships that their LSRs and Key Account Reps have is critical to promotion support. GT notes that these relationships have allowed GT to convince many corporate to modify their policy to allow clerks to receive prizes that will motivate their performance. In 2009, Kroger's, Allsup's and Albertson's all agreed to modify these policies. GT notes that this is critical to making great ideas become great practice through promotion support in the field.</u> <p>General—Proposer demonstrates significant knowledge in this area and specific recommendations for incentive programs. Proposer shows demonstrated skill in changing corporate views on clerk incentives. As retailer buy-in is critical to the success of all promotions, proposer's demonstrated success in creating corporate buy-in is beneficial.</p>
	Promotional Events and Retailer Promotions		91		
2.3.3.1 5	Promotional equipment and capabilities to support the Promotions Plan, which also includes approach to promotions and how the plan is developed.	8.6	59		<p>Promotional Events Response DRs—25 and 28 through 36</p> <ol style="list-style-type: none"> 1. The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section. [NOTE: Applies to all sections where applicable.] <ul style="list-style-type: none"> • GT notes that the vendor is responsible (whether state fair or designed retailer event) for engaging potential customers and educating them on products and equipment noting there were 40 events and 3,600 retailer promotions conducted in 2009. • GT notes they are aware of the challenges connected with execution: event planning, recruiting, setup and conclusion. • GT acknowledges and accepts. 2. The Proposer must provide a description of the promotional equipment and capabilities to support the promotions plan and describe the Proposer's approach to promotions and how the plan will be developed.

- GT notes that their promotions and sales staff have spent thousands of hours preparing for, executing and analyzing various types of promotional events for TLC.
- GT provides table of average hourly sales at these events from 2002 to 2010 showing increase from \$622.24 per hour to \$1748 per hour over time.
- GT has identified 4 critical factors in executing promotions in Texas—
 1. Collaboration between the TLC and GT promotions team and sales org
 2. Strategic plan to identify the appropriate deployment of the trailers and teams throughout the state
 3. Attractive, approachable and properly maintained equipment
 4. Well trained, experienced and properly staff promotional sales teams
- GT notes ability to call on Texas experience and the experience of their promotions team in NY where they also conduct between 3 and 5 events per month. This creates opportunities to share best practices and bring them to Texas.

Collaboration with TLC—

 - Multiple weekly phone calls, planning meetings, report submissions, and event executions, GTs Promotions Coordinator, DSMs and Swing LSRs work closely with Kaye Taylor, her team and the Products team.
 - GT and TLC, over 18 years, have developed yearly schedules, managed and administered prize inventory, conduct selling events, and evaluated detailed reports of each promotion to determine future implementation.
 - GT notes that the enhancements to their sales promotional team and their advanced inventory and performance tracking tools and tech, GT is poised to support the TLC promo events and retailer promotions now and in the future.
 - GT notes their Texas –based marketing team works with TLC products and advertising. Including the ad vendors to identify retailer selling events that support new game campaign launches. While creative briefs are finalized, GT marketing is working on potential retailers for participation considering logistics (parking, traffic patterns, etc.). noting GT sales. sells in the event at retail. completes the paperwork and prepares the retailer promotions team to execute the event.
 - GT notes that it is important to track and validate ROI on each event due to the resources consumed to conduct promotions. Future will eliminate significant paper tracking. will consolidate and automate much of the planning, tracking and reporting process. GT notes that they will provide detailed written reports to TLC evaluation promotional event.

Strategic Planning—

 - GT suggests continuing to include new selling events and high performance events (sales and attendance) in annual plans.
 - GT proposes targeting events in higher-population districts and participating in events with highest attendance in lower population districts.
 - GT will submit an annual plan to TLC by April 30 each year.
 - The plan will include lottery product kickoff events and annual promotional event, the plan will be robust detailed and will take into account the full scope of TLCs advertising and marketing

efforts to support products statewide. It will include projected staffing requirements, promotional item and ticket quantity distribution, projection, POS signage needs and related equipment needs.

- GT also suggests developing special promotional events in high traffic patterns for larger events (i.e. 15-mile radius of NASCAR events). Promotions would occur before and during these events.
- Multiple Simultaneous Retailer Promotions—GT confirms ability to support these.
- CADs—GT notes that led by the TLC products team they have started to take a new approach to holding enhanced CADs at retailer. This leverages value for the retailer giving them enhanced support at their location. Store testimonials and Powerball CADs cited p. 10 to 12. Noted the coordinated effort between GT and TLC to conduct these events. PB CAD results on p.13. GT also noted the NFL CADs conducted in coordination with retailers p.13
- Second Chance Drawings at retail—GT notes the value of these with players and their efforts to work with retailers to offer these opportunities through the retailer. GT LSRs share best practices for these programs among the retail based examples p.14
- GT suggest reviewing 7.6.3 response related to a web-based second chance drawing solution
- Ask For the Sale—offered in independents and chains, noting chains have been very receptive. Encouraging suggestive selling of lottery. GT cites Edward Barrons effort with Murphy's resulting in a 21% year-over-year increase in sales. GT notes running over 2100 of these during 2009. GT notes having created POS and gaining TLC approval to facilitate account participation. HEB advance Ask for the Sale flyer provided p. 16
- Ambassador Programs—support programs in non-traditional trade styles to launch sales, teach new players and train on self service equipment.
 - Turning Events into Analytical Research opportunities—Gt notes that with a recent technological development, they now have the ability to add another dimension of functionality to promotional events. research capacity.

Attractive Approachable and Well Maintained Equipment—p.17 GT notes having provided this equipment for TLC events for nearly two decades exactly as described in the RFP and will continue to provide these items under a new contract.

- GT notes using a Promotional Event checklist to ensure that all equipment required for the event is taken to the event. See sample p.18
- Trailers—GT notes that they will provide 2 trailer sizes to support selling events. The two largest markets, DFW and Houston, would have two trailers, 1) 14 X 8.5 and 2) 12 X 8 (larger than what TLC currently uses. All other districts would have the 12 X 8 trailer. Trailers further described on p.19 Proposer provided further clarification in letter response indicating that they are proposing a total of 12 promotional trailers.
- GT notes they will work with TLC to ensure that all promo vehicles are customized with the appropriate terminals, signage and any other marketing materials that support current initiatives.

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		<ul style="list-style-type: none">• GT sites their capabilities and Execution with promotions based on their conduct of events like the San Antonio Stock Shows and Rodeo (2-day event) and the State Fair of Texas with more than \$700,000 in sales in 2009. Steps in preparing and conducting the State Fair are detailed on p.21 and 22
<p>§552.110</p>		<ul style="list-style-type: none">• Testimonial from Greg Pyles p.22• GT notes that _____ will further streamline promotion execution.
<p>§552.110</p>		<p>General—Proposer demonstrates depth of experience in conducting promotional activities including real world examples of promotional activities. Proposer shows strategic understanding of promotional event planning both from a high-level perspective in planning an annual event calendar and understanding of critical execution details (procedures, checklists) necessary to make an event occur. Proposer engages technology, _____ to support promotions (e.g. promotional material tracking).</p>
		<p>4. The Proposer may offer an alternative approach and equipment for conducting promotional events and Retailer promotions in support of Lottery Products. The Texas Lottery reserves the sole right to select the approach and equipment to be used for all promotional events.</p> <ul style="list-style-type: none">• GT notes one previously mentioned initiative involving expanding the number of CADs at retail locations in select markets to highlight special events.• Another is <u>proving special in-store promotions around major selling events such as NASCAR or State Fair.</u>• Offered Option—Trailers equipped with flat panel tvs with GT G2 game library where players can play “just for fun” games and register for TLC database.• Offer Option—The Biggest Scratchcard offered under IGI Europrint invited options• Human Bingo—parking lot or football field promotion to announce a new bingo game.• Road Trip Through Texas—TLC sales slower in the summer. Idea to partner with partners whose best time is the summer, like Frito Lays or the Texas Travel and Tourism Department as summer marketing partners. GT marketing and sales would work with retailers to reserve selling days for Lone Star Spins and CADs. GT would wrap select GT vans with marketing messaging. And host special visits to top retailers. Events with co-op promotions with Frito Lay or Pepsi could be conducted. Partnering with Frito Lay noted as possibility to offer codes on Frito products through IGI Europrint Offer Option.• Concert and Sporting Event Promotions—Each attendee gets a uniquely numbered ticket with instruction. The number is posted on Jumbotron, winner photo take and broadcast during half time jumbotron advertising. Non-winners can use their coded ticket to sign up for a second chance drawing on the TLC web site.• Hit the Ticket Promo—Banner (with changing ticket) at minor league games, if not, attendees can go and enter their code on TLC web site for coupon for the promoted instant game.• Rolling for Dough—3 drawn contestants, roll dice for money/tickets• T-shirt Shooter—T-shirt with free scratcher, one shirt can have special prizes

2.3.3.1 6	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	32	<ul style="list-style-type: none"> Happy Dance Event—players submit their videos through TLC site, youtube or social network site, creating fun and excitement, most popular wins a prize. Milestone celebrations—20 year anniversary—leverage this with events. P38 <p>General—Proposer did not present any ideas here for fully remaking the current promotions program. However, proposer presents several ideas for new promotional activities at events and some ideas for new promotion types such as Road Trip through Texas.</p>
	<p>Promotional Events Response DRs—26 and 27</p> <p>3. The Proposer must identify the entire promotions program team whose full-time responsibility will be to develop and run the statewide promotions plan. Proposers must provide detailed job descriptions for all the promotions team members. The Proposer must describe its use of full-time dedicated team members working on the program and must also identify any other staff who will assist with the promotions plan, describing how the team will be coordinated and trained to maximize the benefits of the program.</p> <ul style="list-style-type: none"> GT notes that promotional events are a major initiative for the entire GT Texas sales organization. Primary liaison for TLC will be the GT Promotions Manager/Coordinator. With support from the GT Marketing Manager, this position is responsible for identifying the proper events for TLC participation, processing paperwork, and planning, executing and reporting on the events. Manages material and incentive allocations and ensures all equipment is maintained in good order. Ensures that promo teams and equipment are available for use and trailers/equipment are deployed appropriately. GT notes that they provide specially trained staff and dedicated equipment to conduct promo activities in all regions where an on-site presence is required noting that they will continue to support the event requirements detailed in the RFP. To support promotions, GT has added 9 new full time positions, Training and Promotions LSRs to support the execution of retail and promotional events. Marketing Manager, Shannon Plum, responsible for strategic oversight of promotional event planning and ensuring all product initiatives are folded into the statewide promotions plan. GT notes her ad agency and consumer brands experience. Promotions Manager/Coordinator—coordinates and ensures the delivery of \$10M distributed to retailers for incentives and all elements of promotion coordination including promotion evaluations. Promotions and Training Representative (new position)—individuals responsible for managing the promotional events, will receive proper training. They will also be responsible for managing the districts promotional inventory, stock trailers, ensure adequate supplies for events. Will coordinate with DSMs to schedule LSRs to participate in the events, serve as shift leaders during events and complete the Selling Event Tracking and Evaluation Reports. GT notes that they have identified three current swing reps. (resumes provided) for the position and is looking at candidates for the other six positions 			

- Regional Sales Managers are responsible for strategic oversight of promotional activities
 - DSMS are responsible for overall district sales and for using promo events to make a positive sales impact in their districts. Responsible for training the LSRS and the Training and Promotions LSRS
 - Corporate and Key Account Team—selling in special retail events for corp and key accounts. Key account reps also work at the TLC trailer before during and after events.
 - LSRS-responsible for selling in special retailer events and identifying new selling events in local communities. They work at the TLC trailer before during and after events.
 - Insert—Promotional Event Execution Example details timeline and actions taken to ensure TLC was properly represented at the San Antonio Stock Show and Rodeo event. GT notes this is an accurate representation of their event timeline for most events like this.
 - GT notes that they provide event safety and security for retailer, GT staff, TLC staff and the public.
 - GT notes as specified by TLC, they will provide:
 1. Promotions staff to conduct promotional activities
 2. Coordinate Lottery product sales at single and multiple site locations
 3. Provide technical support for the duration of the event
 4. Ensure retailer is available to participate in the event.
 - GT notes that they try to break up the shifts of the day to protect employees from heat and exhaustion. Overlapping schedules provide opportunity for additional coverage if needed.
 - GT notes that selling events require the following GT team members, along with the TLC Promotions team to be present during the event:
 1. 1 Shift Leader—typically Training and Promotions Representative
 2. 1 to 2 FSTs—to execute satellite installation setup and breakdown
 3. 2 to 4 GT sales employees to work per shift, depending on event size and needs. Typical shifts are 4 hours.
 - GT notes that they provide their staff with Texas branded uniforms for events p.31, samples on p.32
 - GT commits to conduct a Promotional Training Workshop, in coordination with training for Texas Lottery promotional staff. Subject matter of training is detailed on p.32 GT also notes that training will be dedicated to promotions and selling events at the annual State Sales Meeting.
- General—Proposer has created new positions and reporting structure to support the promotions function. The 9 new Rep positions are not solely dedicated to this task (retailer training also) and proposer has not described how these individuals would be moved around to support events in various districts or whether they would be traveling around the state for this purpose. Proposer adds further confusion as to the amount of time that these individuals will be dedicated to the task of promotions by counting these individuals in their LSR ratios. See response to question #49 in proposer's clarification letter. Proposer plans to utilize other staff resources from within the sales organization including LSRS to support events.**

2.3.3.1 7	Marketing Materials and Related Equipment	8.7	91	<p>Marketing Materials and Related Equipment Response DRs—4 through 8</p> <p>1. The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section. [NOTE: Applies to all sections where applicable.]</p> <ul style="list-style-type: none"> • GT notes value of a well merchandised store, noting correct mix is different for each store. To address this need, GT notes they are proposing a variety of new marketing materials and related equipment to fit varying retail environments and placement criteria. • GT notes LSRs will work to optimize best practice placement of equipment approved by TLC, based on their experience making millions of visits in Texas. • GT notes their flexible solution and Texas Expertise here. • GT acknowledges and accepts. <p>2. The Proposer must provide an overview of the marketing materials and related equipment that will be used to support sales and marketing activities for all Lottery Products.</p> <p>Permanent Marketing Materials—</p> <ul style="list-style-type: none"> • Signs, instant ticket dispensers and playstations will be new or like new and will be promptly replaced if worn or damaged. • <u>Playstations:</u> <ol style="list-style-type: none"> 1. propose Go Plastics playstations. Same playstation as today 2. Low Profile News Stand Playstation (p.7) GT notes that <u>this stations meets the high needs of DFW retailers that have ordinance restrictions.</u> 4. Offered Option—Would work with TLC to design TLCs own playstation design <ul style="list-style-type: none"> • GT notes that they encourage the TLCs right to approve the design of the playstation, including the colors noting its value as marketing real estate • can take pictures of playstations and LSRs will check them and confirm condition on visits. • <u>Instant Ticket Dispensers—</u> • GT notes that they will enhance facings as they did with 2009 Spotlight game with Fluorescent frames. • GT notes they also offer several options for ticket dispensing equipment • <u>GT proposed dispensers are stackable and configurable in multiple arrangements for retailer versatility. Recommend dispensers:</u> <ol style="list-style-type: none"> 1. Six-inch Modular Mini Dispensers 2. Dual Unit stackable dispensers p.12 3. Dual Snap-Together Bingo Modular Mini Dispenser—same as #2 but sized to better
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- display bingo and cashword games.
- 4. Promoter Dispenser can accommodate 32 games. Tickets wrap around a roller for outer visibility (small visibility footprint). Bins are numbered for efficient customer service.
- 5. Ticket Menu boards for on counter small footprint or over the register systems may work for retailers that can't accommodate the dispensers on counter. P.15
- 6. Offered Option—can work with TLC and instant GT instant ticket dispenser partners on custom TLC dispensers

- Neon Lottery Signs—
 1. Neon-Play Lottery Texas sign (current sign design)
 2. **Offered Options at an additional charge**—4 admart neon signs
 - o See illustrations p. 20 to 22
 3. LED attachments for Neon Signs
 - o 24" starlight prism Display p.23
 - o **Offered Option**—Full Color Starlight Prism Displays
 4. **Offered Option**—Carmanah and Admart and Adaptive Jackpot Signs detailed on p. 24 to 27
 - o benefits detailed p. 27 to 30

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 - GT notes having installed and operated comprehensive set of more than 30 industry proven best practices to help retailers increase sales. Sample best practices p. 29
 - GT sites the Texas-HEB as increasing online game sales by 46% well over the 19% increase in non-pilot stores during the same period.

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 - GT notes no other proposer has deployed and fine-tuned a Lottery dedicated POS ad product in more retail locations.
 - Marketing Execution Guides—To make the sales force more productive and determine the optimal merchandising setup for each retailer, GT will develop and distribute comprehensive merchandise execution guides. Guide communicates strategy goals and techniques. GT notes that monthly guides were implemented in collaboration with TLC in February of 2009. sample p.37
 - Best practice merchandise materials provided to retailers detailed on p.38
 - GT notes that their merchandise strategy maximizes returns by coordinating all components, internal/external POS, LSR selling activities, and retailer training.
 - **Offered Option**—Easy Play Cards p.40 to 42

2.3.3.1 8	Remote wired and wireless signage that is connected to the Retailer Terminals.	8.7	32	<p>\$552.110</p> <ul style="list-style-type: none"> Vehicle Signs—GT is willing and able to provide and install TLC approved signage on fleet vehicles used in Texas GT will provide TLC with a monthly report on all item inventory including condition of items see also sections 9.5 and 9.6 <p>General—Proposer's newsstand playstation option offers needed variety for optimized retailer placement. Nice range of options for instant ticket dispensers and neon signage proposed. Proposer shows demonstrated experience in the deployment of its solution. Best practices and feature demonstrate actionable tools for effective advertising. Example of HEB pilot show positive results from marketing efforts. Marketing Execution Guides are effective tool for ensuring material placement.</p>
2.3.3.1 8	Remote wired and wireless signage that is connected to the Retailer Terminals.	8.7	32	<p>\$552.110</p> <p>Marketing Materials and Related Equipment Response DRs—4</p> <p>3. The Proposer must describe its capability to update signage within the Retailer environment via wired/wireless communication with the Retailer Sales Terminal/Lottery Gaming System.</p> <ul style="list-style-type: none"> Wired-- It is more than equipped for any sign updates TLC would want to execute. Wireless—GT offers the lottery a server/client radio solution for supporting store peripherals. Peripherals will operate with 150 feet of the server radio. Frequencies can be adjusted to avoid conflicts. Proper security is installed at implementation using handshake configuration. GT also notes that many sign companies use their own radio solution to allow for wireless sign updates. Altura 1200 supports Carmanah, Adaptive and Admart. GT would also work with other manufacturers that TLC selects. <p>General—Proposer addresses wireless signage support including discussion of frequency tuning for environments with interference and security of communications. Proposer also notes experience in working with major sign companies and ability to work with others on radio solutions. Terminal offers ability to support a large number of peripherals.</p>
2.3.3.1 9	Research and Lottery Product Development 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	109 43	<p>Research and Game Development Response DRs—7 and 8, 10 through 12 and 14</p> <p>1. The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section. [NOTE: Applies to all sections where applicable.]</p> <ul style="list-style-type: none"> GT notes research and testing new game concepts and game alterations are a vital part of GT's portfolio development process, including player attitudes, participation levels, and play patterns for products. GT's portfolio development philosophy encompasses

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<p>1. Continual analysis of existing portfolio to ensure engagement of broad range of players</p> <p>2. Rejuvenation of the existing game portfolio to capture lapsed players</p> <p>3. Introduction of new games to capture potential players</p> <ul style="list-style-type: none">• GT notes that research findings, best practice concepts, and general strategies must be properly implemented in the real Texas environment, and that is where our knowledge of and experience in the Texas marketplace are critical.• GT acknowledges and accepts <p>2. The Proposer must provide an overview of its research and development process for new games and new game introductions. This must include an overview of all the variety of research methods utilized to develop, gather, analyze and report data.</p>	
<ul style="list-style-type: none">• GT will continue to provide detailed analysis and plan for new lottery products or product modifications upon request. At a minimum, they will include those items detailed in the RFP.• <u>GT notes that in 2009, they conducted 35 studies worldwide, sampling over 20,000 players in 139 cities.</u>• <u>GT notes that they (excluding Lottomatica) spent \$125M on R&D over the last three years.</u>• <u>GT notes their Market Research Group can work with TLC to develop a customized research initiatives, members of the group will be available to consult with TLC staff on best practices. The process. Primary and Secondary research elements are detailed on p.7</u>• <u>GT notes to supplement their own team the access knowledge and expertise of global and local research firms including Milward Brown, Reilly Group, Crestwood Associates, Northstar, Synovate and Infosurv.</u>• <u>GT also purchases access to secondary research databases including those of Worldwide ORC, Media Entertainment Consulting Network and Retail Forward (TNS).</u>• <u>GT uses a host of research methodologies detailed with their benefits to TLC on p. 8 to 10</u>	<p>\$552.110</p>
<ul style="list-style-type: none">• <u>Perception Analyzer—GT notes their consultants use Perception Analyzer and Audience Response System (ARS) for focus groups and group audience testing, measuring group responses in real time. Anonymity ensures honesty, eliminates group member influence, results are tabulated instantly. Fully detailed p.12 to 14 (elimination of group think bias)</u>	<p>\$552.110</p>

- provides LSRs with instant access to research to guide quick decision making.
 - Nielsen Claritas-On Target Game and Player Market Analysis and Prizm—
 - a. Prizm p.16 and 17—consumer segmentation system (66 groupings) used by thousands of fortune 500 companies.marketers. Prizm provides key data required for marketing in today's increasingly diverse and complex marketplace. Allowing for tailored messages or products to specific prospects and customers.
 - b. Prime Location geo-demographic psychographic software tool(p.30)—see response to requirement #3.
 - Lottery Marketing Database—The most comprehensive database in the industry. GT's proprietary tool. Will be used to help TLC analyze industry trends and develop jurisdiction specific best practices. Contains 20 years of sales and jackpot trend data, game parameters and historical information on domestic customers and a majority of international customers. GTs data analytics group uses this repository to support over 100 worldwide lottery customers. Texas-dedicated marketing analyst will have full access to _____ and GT Corporate Marketing to support TLC analysis requirements.
 - Worldwide Marketing Database (WVWMDb)—launched in 2008 is an expanded _____ tool and currently contains information from 9 lotteries including NY and RI.
 - Global Research Initiatives sponsored by GT Market Research Group—p. 20 to
 - a. University Collaboration on social gaming p.20
 - b. Global Gaming Market Research Exchange hosted by GT with market research representatives from lotteries and GT subsidiaries to brainstorm and share ideas
 - c. Research for Innovation—worldwide program funded by GT Corp R&D. Toolkit for product development, capturing new game ideas and equipment concepts and evaluates how games are offered to players. Three phases of research conducted
- §552.110**
- e. 2008 World Player Study—multiple countries, 8000 participants, 2000 16 to 34, fueling GT best practice development
- GT emphasizes the need to research trends, social, demographic, behavioral etc. to ensure lottery is positions for the future
- Monitoring and Evaluating Market Trends (GT process detailed p.24 to 29)—GT and the Lottery will conduct comprehensive study, every two years, to research macro trends that could potentially affect the TLC. GT notes first step is culling through research data from various sources (p.24) and compiling robust list of macro trends. GT notes identifying 32 key macro trends. Remaining steps will focus on a subset of these trends. See macro trends table p.25
Identifying relevant opportunities and threats—Trends above will be evaluated to determine those most relevant to the lottery in the next 5 to 15 years. GT and TLC will work to develop action plans or modifications to existing TLC strategy.

General—Proposer provides a comprehensive response to this requirement. Proposer demonstrates substantial commitment of corporate resources to research initiatives related to products and player attitudes. Response includes in-house research, data collection and database tool development, as well as extensive externally coordinated research activities both on specific game development and

					<p>industry topics involving players and the general environment for lottery. Proposer provides a detailed approach to the game development and research process for new games.</p>
2.3.3.2 0	Methods utilized to obtain and use geographic and psychographic information for making business recommendation to the Texas Lottery.	8.8	22		<p>Research and Game Development Response DRs—9</p> <p>3. The Proposer must describe the methods that will be utilized to obtain and use geographic and psychographic information for making business recommendations to the Texas Lottery.</p> <ul style="list-style-type: none"> • <u>GT will use Prime Location geo-demographic psychographic software tool (p.30) provided by Nielsen the world's top market research firm.</u> • <u>PrimeLocation (PL) enables exception sales, retailer location and game and player market analyses. Software is updated by Nielsen Claritas quarterly and semi-annually. User licenses will include all updates.</u> • <u>GT notes at least quarterly or upon requests, GT will identify up to 2 million households in Texas</u> • <u>GT will provide at least one Texas-specific geographic and psychographic analysis annually. Noting that their analytic team will be looking at PrimeLocation player analysis regularly and making recommendations.</u> • <u>Offer Option included in the base price (proposer in clarification response letter indicated 20 licenses will be provided ...proposer in response to clarification question #53 clarifies that these will be used by the proposer, not by TLC)—PrimeLocation licences--a license that will allow up to 5 people to access and use PrimeLocation as detailed on p. 31</u> • <u>GT will provide a highly predictive sales model which will be refreshed every 2 years</u> • <u>GT will provide their proprietary Retailer Optimization Program focused on optimizing online and instant placement, identify Texas consumers for marketing and advertising messaging and improve existing retailer performance.</u> • <u>Overview of PrimeLocation tool p. 32 to 34</u> • <u>GT used this information from PL to develop two statistical models:</u> <ol style="list-style-type: none"> 1. <u>Predictive Sales Model—assesses performance of existing retailers and targets high potential new retailers.</u> 2. <u>Market Capacity Model—identification of under-penetrated regions to target new retailers for recruitment.</u> <p>Process used for both models discussed p.35 to 38</p> <p>General—Proposer will rely primarily on third-party NielsenClaritas PrimeLocation tools to perform the requested analytical for making business recommendations. Proposer explains how the predictive sales and market capacity models will be utilized and applied to the retail space.</p> <p>Research and Game Development Response DRs—None</p> <p>4. The Proposer must identify the research and development staff whose full-time responsibilities are to conduct research on new selling opportunities and new marketing strategies. Proposers must</p>
2.3.3.2 1	Research and development staff to conduct research on new selling opportunities and new marketing strategies.	8.8	22		

				<p style="text-align: center;">§552.110</p>	<p>also identify any staff who may assist with these activities, but will not be assigned to the Texas Lottery account on a full-time basis.</p> <ul style="list-style-type: none"> GT notes their team has more than 85 years of combined market research management experience. <p><u>Texas—</u></p> <ul style="list-style-type: none"> Gina Dill, Research Associate—manages all research activities. Analyzes and interprets data, formulates reports, and makes recommendations. <p><u>Corp—</u></p> <ul style="list-style-type: none"> Gerard Caro, Market Research Senior Director Audrey Pate, Market Research Senior Manager—will work with TLC on research needs and appropriate research approaches Kathy Lavigne, Senior Marketing Analyst—derived the TLC retail network information. Todd Bauman, Senior Market Research Manager—will assist TLC with instant game research and game plan development Sarah Simpkins, Senior Marketing Analyst—Assisted Lavigne with the TLC retail network analysis Chris McVay, Market Research Analyst—develops sales forecasts, market analysis and sales reporting related to <p>General—Proposer provides a dedicated staff member in Texas and a depth of corporate level staffing support related to these activities.</p>
<p>2.3.3.2 2</p>	<p>Research and/or data analyst staff to respond to special reporting requests, develop / respond to requests for specialized sales analysis, etc.</p>	<p>8.8</p>	<p>22</p>		<p>Research and Game Development Response DRs—13</p> <p>5. The Proposer must identify the research and/or data analyst staff whose full-time responsibilities are to respond to special reporting requests, develop / respond to requests for specialized sales analysis, etc. Proposers must also identify any staff who may assist with these requirements, but will not be assigned to the Texas Lottery account on a full-time basis.</p> <ul style="list-style-type: none"> Dan Morales, Senior Market Research Analyst—performs research data analysis, creates presentations and other research functions. Dan is listed as assigned to Texas but profile indicates that he supports GT worldwide research efforts for GT customers. 100% Texas committed staff member per GT clarification response. Robert McGovern, Market Research Analyst—provides GT and TLC with relevant data and sales reports including responses to Open Records. Analyzes lottery funded promotions and provides decision making reports related to instant ticket inventory. LSR and retailer contest and recruitment tracking are among his responsibilities. Amendment 8 Self Service Equipment Deployment Analysis undertaken is detailed on p.42 to 44. GT notes result was a recommended deployment strategy to TLC GT notes they are committed to providing the TLC with the best-sales-analysis system and service available. <p>General—Proposer identifies and provide additional Texas-based staffing resources dedicated to the requirements of this section separate from the previous section. Proposer has clearly delineated research-related job responsibilities for supporting RFP requirements.</p>

2.3.4	WAREHOUSE AND DISTRIBUTION SERVICES	520	
	New Instant Ticket Delivery and Storage	114	
2.3.4.1	Automation for managing, fulfilling, and storing instant ticket orders.	46	<p>9.2</p> <p>9.1</p> <ul style="list-style-type: none"> • GT notes that they provide warehousing and distribution services to more than 25 lotteries world wide-14 in the US including Texas <p>9.2 New Instant Ticket Delivery and Storage Response DRs--None</p> <ol style="list-style-type: none"> 1. The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section. [NOTE: Applies to all sections where applicable.] <ul style="list-style-type: none"> • GT notes, as 75% of sales, vendors can't just provide delivery, but also insight into sales trends, buying patterns delivering products to the right retailers at the right time. • <u>GT notes that their Pick Pack process is a proven model noting that 25+ of its lottery customers rely on it.</u> • <u>GT notes that in US alone in 2009 they supported 58,000+ retailers and generated more than \$10B in sales.</u> • GT also notes that they provide the Instant Ticket Management System for four of the five largest instant ticket programs in the US in terms of sales. • <u>GT notes customers of comparable size and complexity on p.2 chart</u> • GT notes that with 60 live instant games and 40 games that can be redistributed to almost 17,000 retailers, accurate replenishment has a significant impact on sales • GT notes their new tech allows them to fulfill 7,500 average replenishment orders accurately each week • GT ensures that retailers always have 2 to 3 week inventory, noting "just in time" inventory is really to late • Initial distribution—Noting that nearly 100 games are launched annually, initial distribution calculations must be accurate or potential sales will not be realized. Missing first week inventories can affect the entire life of the game, noting that 70 percent of the sales occur in the first 12 weeks. • GT acknowledges and accepts. 2. The Proposer must describe the level of automation to be used in managing, fulfilling, and storing Instant Ticket orders. <ul style="list-style-type: none"> • <u>GT notes that they are refining their already rigorous processes by pairing analytical technology with human expertise and critical decision-making skills. GT details their level of automation v human interaction with instant ticket management in chart on p.6</u> • <u>GT notes is built on many of the already automated processes used today to manage, fulfill and assist in storing Instant Ticket orders. Features and benefits:</u> <ol style="list-style-type: none"> 1. Carrier Manifest Report—orders can be packed over multiple days or a single day and will allow the generation of carrier manifest report for all packages being turned

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- over to the carrier.
2. Expedited Loading and Verification of Instant Tickets (game load)—GT notes that they will be loaded with 3 days of TLC notification. They are loaded by FTP or CD ROM form the ITMs. GT notes that game loads can be made at any time of the day w/o restrictions.
 3. Removal of Rejected game files—can be removed from system at any time and will be removed within 1 business day of TLC notification
 4. Security Grid (Automated Management through System Status)—rules based security grids dictate life and movements of pack/ticket statuses over their life.
6. Order Fulfillment—GT notes that all orders placed on a given day automatically display on the warehouse Pick Pack screen before 5 a.m. the next morning. Warehouse staff can view initial distribution or replenishment orders, sorted by geographical area, oldest order, or a number of other criteria.
7. —report capabilities detailed p.12
 8. **§552.110** —gives LSRs timely actionable information about retailer inventory. sample reporting tools detailed p.13 to 16
 9. for Return tracking—p.16 to 18
 10. Return Auto Scan—GT will introduce a return convey belt with scan capabilities creating expedited sorting of return packs. partial packs will be manually processed. Less than 1% of packs will not be sorted for either closure or return availability. Same conveyor used by GT printing for omit pack capture. Gt notes packs are scanned 3X on the conveyor for efficiency
 11. Pick Pack Conveyor—GT is adding an automated conveyor to the distribution trucks, noting this will significantly decrease time and labor required for replenishment.
 12. GT notes that they used Trifactor, a recognized warehouse and distribution consultant to evaluate the appropriate level of automation for efficiencies.
 13. GT notes that their Pick Pack staff avg accuracy rates of more than 99% while avg. 23,400 orders per week.

2.3.4.2	Staging and distribution plan for simultaneous Instant Ticket game sales launches.	9.2	34	<p>9.2 New Instant Ticket Delivery and Storage Response DRs—11 and 12</p> <p>3. The Proposer must describe the proposed staging and distribution plan for simultaneous Instant Ticket game sales launches.</p> <ul style="list-style-type: none"> • GT notes critical nature of first shipment in ensuring the success of an instant game. • <u>GT notes that since 1992, they have launched 1062 games for Texas with a 100% accuracy rate</u> • <u>GT notes their process and people are well equipped to handle volume associated with multiple simultaneous initial distributions consistent with the instant game plan.</u> • <u>Gt notes in the warehouse operation that initial distribution orders occur in conjunction with processing of approx. 1500 replenishment orders daily.</u> • <u>In 2009, GT processed 650,000+ initial orders w/over 2.87M packs and an additional 384,001 replenishment orders with 5.7M packs.</u> • <u>Sample calendar for Nov./Dec. 2009 depicting order quantities provided p.23 depicting 11 total new game shipments plus replenishment orders in 2009.</u> • <u>GT notes that they have evolved their process for initial distributions over time and gone from receiving 200 to 300 return orders to now no more than 50.</u> • <u>GT discusses the need for warehousing staff to know the game plan, games to be releases on the horizon, schedule for release and the volume of the releases. This is important for planning and staging processes.</u> • <u>GT notes that it has optimized storage for Texas—noting that some warehouses use push-back racking, which is not well suited to high volume lottery warehouses due to increase in time to offload pallets and organize storage space. GT notes that the volume in Texas is much different than other jurisdictions.</u> • <u>GT notes that they pre-stage inventory in support of the next day's orders. GT details their initial distribution Friday preparations on p. 27 and 28</u> • <u>GT notes they have the capability to operate 7 pick pack lines. Lines are assigned, opened and closed throughout the week by the Warehouse Manager based on need</u> <p>\$552.110</p> <ul style="list-style-type: none"> • <u>GT notes that they have the capacity to launch multiple instant games simultaneously.</u> • <u>Packer statistics can be pulled right from each pick pack workstation aiding the distribution manager in planning.</u> • <u>Shipping Labels and manifests are automatically generated when the full order is filled.</u> • <u>GT breaks the state into zones for shipping purposes. Orders for the furthest zones are packed first and placed for shipment first.</u> • <u>GT notes that replenishment orders are filled with 40 games readily available at the line stations. Games are accessible in order of most popular, hot sellers, recent releases, closing</u>
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				\$552.110	<p>games then slow sellers. This hierarchy places the most active games in the front for packers.</p> <ul style="list-style-type: none"> Replenishment orders go on the conveyor to the delivery truck and are packed by zip code. The orders are presorted for carriers, guaranteeing efficient distribution. <p>General—Proposer highlights a significant level of experience in conducting the launch of instant ticket games, including simultaneous launches.</p>
2.3.4.3	Warehousing and distribution methodology and staffing plan, which includes any automated functions.	9.2	34		<p>9.2 New Instant Ticket Delivery and Storage Response DRs—10, 11 and 13 through 16</p> <p>4. The Proposer must describe in detail its warehousing and distribution methodology and staffing plan, including any automated functions.</p> <ul style="list-style-type: none"> Methodology is comprised of three elements: <ol style="list-style-type: none"> People—notes that their services are only as good as their people noting their employees have 18 years of Texas experience. <ul style="list-style-type: none"> Warehouse team is led by Dwayne Tatum and has 18 staff members with combined 225 years of experience. Tatum is noted as industry expert speaking at conferences and role in 10 GT instant ticket warehouses detailed on p. 37. Tatum's role in 38 day launch of NC instant ticket warehouse detailed p.38 Staffing Plan—combination of cross training and flexibility. Allowing staff to flow between jobs/functions related to packing initial orders and daily orders. Redundancy in staffing positions and technology is noted as essential. GT notes warehouse headcount will remain the same as it is today. Training—all staff are trained on warehouse equipment from forklifts to return autoscan. Detailed list of required training on p.40. Specialized training also detailed Process— <ul style="list-style-type: none"> Knowledge has allowed GT to develop effective and streamlined processes Key components of these processes are detailed on p.40 to 42: Security and Accountability, Staging, Inventory Workflow and Quality Assurance. Technology— <ul style="list-style-type: none"> Pick Pack Conveyor Return Auto-Scan <p style="text-align: right;">\$552.110</p>

			104		<p>General—Proposer details an experienced team of warehouse staff with emphasis on cross-training on different warehouse activities for flexibility. Warehouse automation is also detailed in this section and discussed earlier in this section. See also 2.3.4.1.</p>
	Instant Ticket Delivery				
2.3.4.4	Plan for processing and shipping all ticket orders, including on weekends, holidays, and other times based on ticket ordering activity, delivery to Retailers in geographically remote areas, and under special circumstances as required by the Texas Lottery.	9.3	36	<p>§552.110</p>	<p>Instant Ticket Delivery Response DRs—6 through 8</p> <p>1. The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section. [NOTE: Applies to all sections where applicable.]</p>
				<p>§552.110</p>	<ul style="list-style-type: none"> • GT acknowledges and accepts
				<p>§552.110</p>	<p>2. The Proposer must describe its plan for processing and shipping ticket orders on weekends, holidays, and other times based on ticket ordering activity and under special circumstances as required by the Texas Lottery.</p> <ul style="list-style-type: none"> • GT notes their process for ensuring that all orders, no matter how generated, follow the same process for proper distribution • GT team remains available and flexible above and beyond standard work hours.
				<p>§552.110</p>	<ul style="list-style-type: none"> • GT standard operating hours will be from 8 to 5, Monday to Friday, noting the team will work beyond normal hours on those days and on weekends and holidays to ensure that all deliveries are made to retailers on schedule. • GT notes that retailers will always find order support on weekends and holidays. When is unavailable, retailers can contact NRC staff with their orders. reviews and processes the orders when they return. GT notes that ADIS will limit situations where retailers need to place such calls by providing 2 to 3 weeks of inventory.
				<p>§552.110</p>	<ul style="list-style-type: none"> • The Proposer must describe its proposed ticket order delivery plan for Retailers in geographically remote areas.
				<p>§552.110</p>	<ul style="list-style-type: none"> • Ticket orders are packed, staged and prioritized based on geographic delivery zones, general shipping rule is "farthest first" • Remote shipments for Initial Distribution orders are color-coded for each zone to alert warehouse staff • GT notes that they meet RFP requirements for 36 hour delivery of order receipt Mon to Thursday and 72 hours for Fridays.
				<p>§552.110</p>	<p>General—Propose commits to providing warehouse shipping support as needed by TLC while emphasizing that its</p>

2.3.4.5	Process (including security features) to be used to document the delivery of tickets and obtaining proof of signed delivery receipts from individual Retailers.	9.3	22		<p>Proposer also notes that retailers will always have order support on weekends and holidays through its NRC even when operations are closed. Proposer describes how it packs and ships by zones, furthest first, with color coded packaging to ensure compliance with RFP shipping requirements for geographically remote areas.</p> <p>Instant Ticket Delivery Response DRs—10 and 11</p> <p>3. The Proposer must describe the process (including security features) to be used to document the delivery of tickets and obtain proof of signed delivery receipts from individual Retailers.</p> <ul style="list-style-type: none"> • GT notes that they processed 5.7M replenishment orders for 2.87M packs in 2009, delivering ticket with precision and attention to detail from order pickup by carrier to confirmation of receipt on the terminal by the retailer. • • <u>GT notes that each order is checked into the carrier's tracking system, allowing TLC to track movements and verify signatures for receipt.</u> • <u>Security Grid—Automated management through System Statuses—GT notes enforcing pack status movement rules to ensure security and integrity. Noting that many pack status changes require human intervention, some are triggered by system event or time. Examples. 7</u> • <u>allows LSRs to pull retailer orders and status and show the retailer the order status on the carrier web site in their store.</u> • <u>GT notes that they exceed the four hour requirement of the RFP for confirmation of order delivery through the immediate accessibility of this information on the carrier web site.</u> • <u>GT LSRs and Management have access to Unconfirmed Orders exception reports including on For LSRs this allows them to track down these orders (often in the store) and resolve the issues during their visits. GT notes this real time access provides greater accountability and security for ticket orders</u> <p><u>General—Proposer highlights both its system security grid for pack status movements for tracking of deliveries and the level of tracking available on its shipper's web sites for package shipping statuses and retailer signature acceptance. Proposer also highlights the benefits that provides to LSRs and other proposer staff in assisting in tracking down unconfirmed orders.</u></p> <p>Instant Ticket Delivery Response DRs—9 and 12</p> <p>5. The Proposer must describe the procedures and materials that will be used to package Instant Tickets for delivery to Retailers</p> <ul style="list-style-type: none"> • <u>Materials are pre-staged for the next day's orders to ensure efficiency, assembling shipping boxes and making sure packing tape (color coded) is ready</u> • <u>Materials used are:</u>
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	10	<p>\$552.110</p> <p>\$552.110</p> <p>\$552.110</p> <p>\$552.110</p>	

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					<ol style="list-style-type: none"> 1. Right sized boxes 2. Tamper-proof secure bags 3. Color-coded packing tape 4. Ready to print labels for delivery and tracking <ul style="list-style-type: none"> • GT notes HUB relationship with the company that provides their shipping materials • <u>Invoice/Ticket Order Document Preparation—automation used allows one person to do all of the picking and Packing for the order using the one-touch-packing procedure. Shipping Manifests and carrier labels are printed automatically.</u> GT notes that manifests are subject to TLC approval • GT notes that they will continue to support Texas operations by packing communication and/or marketing pieces with ticket orders as required by the TLC. Discussed in dept in section 9.5 and 9.6 <p>6.The Proposer must describe the process that will be used to prevent Instant Ticket Manufacturer omitted packs or other defective packs from being shipped to Retailers.</p> <ul style="list-style-type: none"> • GT notes that typically ITMs include a file of omitted packs. <u>With the _____ system, preventing omitted packs from being shipped is a simple as loading this file in the system.</u> <u>As orders are processed, packs are cross referenced against this file, which includes, but is not limited to, inappropriately wrapped packs, miscut packs, or other defective packs and will not allow these packs to be included in an order. Ensuring that packs that should not have been delivered are pulled and not shipped.</u> • <u>GT Defective Pack Process—This process relies on an inspection by a thoroughly trained eye, relying on strong individuals, with critical thinking and know-how. Each pack is visually inspected during the packing process. Due to the team members experience and training, they know what signs to look for in defective packs. GT notes that approximately 14,000 packs were shipped in a defective status to the field representing .16% of the 8.6M packs shipped.</u> <p>General—Proposer describes the materials and staging process to support packing of orders. Proposer describes the automated system generation of shipping manifests and carrier labels when orders are picked. Proposer details how its _____ system will not allow vendor omit packs to be added to orders and the scrutiny that their trained staff apply to visually inspecting all packs.</p> <p>Instant Ticket Delivery Response DRs—None</p> <p>7. The Proposer must describe the methods, procedures, hardware and software to be used to monitor Instant Ticket inventory and ensure that optimum inventory levels are maintained at each Retailer location.</p> <ul style="list-style-type: none"> • GT monitors inventory using procedures that make use of hardware and software.
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	36		<p style="text-align: right;">§552.110</p>

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				<p>\$552.110</p>	<ul style="list-style-type: none"> GT notes they will continue to provide other useful reports previously provided, such as, Da Vinci and Market Penetration Reports GT provides and extensive list of hardware and software instrumental in optimizing instant sales on p.19 (from terminals, warehouse pick pack conveyor, etc.) GT notes that TLC can monitor all pack movements in the field by LSRs <p>General—Proposer provides an extensive list of hardware and software that will be used to monitor and report on inventory data to ensure optimum inventory levels. Proposer provides actual system reporting examples that can be used by TLC and LSRs (via to effectively manage and monitor inventory.</p>
			<p>52</p>		
<p>2.3.4.8</p>	<p>Warehouse Instant Ticket Return Verification</p> <p>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.</p>	<p>9.3.1</p>	<p>26</p>	<p>\$552.110</p>	<p>Warehouse Instant Ticket Return Verification Response</p> <p>DRs—7, 9 through 11 and 16</p> <p>1. The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section. [NOTE: Applies to all sections where applicable.]</p> <ul style="list-style-type: none"> will be used to process manual pack returns including recording of retailer signature. P. 20 GT notes that manual returns involve risks associated with live tickets and must be treated with utmost care and security. Manual pack return process on p.21 is detailed on

				<p>\$552.110</p>	<ul style="list-style-type: none"> GT notes that packs identified as warehouse return that are not recorded and accounted for in Return Auto Scan are identified through reporting and will be sorted out for resolution. Partial Pack Returns—follow similar process to full pack returns, except that they are manually processed at the warehouse for verification of ticket ranges. They are then turned over to the lottery for handling. They are stored in the warehouse in the returned goods cage pending reconciliation after closing and they can never be reassigned after being recorded as partial by the system. GT acknowledges and accepts <p>2. The Proposer must describe the process and procedure (including security features) that will be used to document and store partial packs of Instant Tickets returned from Retailers and the tracking system that will be used to follow the packs returned to the warehouse.</p> <ul style="list-style-type: none"> GT notes as provided in section 8.4.2 and 9.3.1, GT follows a rigorous procedure to document and track returned tickets. GT notes that through TLC can verify that all partial packs received and manually scanned have been relinquished for storage and reconciliation GT again notes that the detailed the process to track and store partial packs in Section 9.3.1 detailing their tracking and security procedures to ensure partial packs make a clear line back to the warehouse and associated statuses are changed along the transit. In accordance with TLC requirements, following manual verification by GT warehouse staff, these packs are handed over to TLC supervision and will be held in the Returned goods cage pending reconciliation after game closure. Only TLC has access to this area. GT confirms that they will comply with all return timelines detailed in this section of the RFP and refers to section 9.3.1 for detailed on each of the specific return topics. <p>TLC for secure storage. Proposer details the partial packs receiving/verification process and release to</p>
<p>2.3.4.9</p>	<p>Procedures for locating Instant Tickets that are in a "Hold," "Lost Warehouse," "Lost Retailer," or "In Transit" status longer than the permitted time limit.</p>	<p>9.3.1</p>	<p>26</p>	<p>\$552.110</p>	<p>Warehouse Instant Ticket Return Verification Response DRs—8 and 12 through 15</p> <p>3. The Proposer must describe the procedures for locating Instant Tickets that are in a "Hold," "Lost Warehouse," "Lost Retailer," or "In Transit" status longer than the permitted time limit.</p> <ul style="list-style-type: none"> GT notes that their commitment to locating missing packs speaks for itself. In 2009, 2001

				<p>packs in <u>Lost Retailer status were recovered. That's 87%.</u></p> <ul style="list-style-type: none"> GT agrees to make all of the status changes on the timelines identified in the RFP and meet the requirements for responsibility. <p>General—Proposer individually details their process for addressing packs in each of the identified statuses associated with this requirement. Proposer also details their past level of success with regard to locating lost retailer packs as evidence of their commitment to addressing these packs.</p>
2.3.4.10	Stolen and Damaged Instant Ticket Reporting	52		<p>Stolen and Damaged Instant Ticket Reporting Response DRs—5 and 6</p> <ol style="list-style-type: none"> The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section. [NOTE: Applies to all sections where applicable.] <ul style="list-style-type: none"> GT notes these tickets pose a serious threat to the TLCs brand image, indicating the need to handle these cases quickly, consistently and professionally to mitigate risk GT acknowledges and accepts The Proposer must describe how damaged and stolen tickets will be processed. <ul style="list-style-type: none"> GT notes having a thorough process in for handling packs and tickets within packs that take a different path from the standard life cycle. GT also notes that their staff are trained to handle these situations <p><u>Damaged Tickets</u>—</p> <ul style="list-style-type: none"> GT notes that as detailed in Section 109.3, Instant Tickets in Various Statuses earlier in the section that they propose a secure, traceable solution to process and track damaged instant tickets through their manual return process. GT notes that by processing damaged tickets (including TLC authorization) the same as other manual returns, GT ensures transparency and security for TLC. s electronic return form will allow the entry of as much information as possible about the damaged packs being returned. Once received at the warehouse, damaged packs are immediately relinquished to TLC personnel for processing and reconciliation. GT notes that will allow the creation of an exceptions reports to damaged tickets throughout the process for tracking purposes. <p><u>Stolen Ticket Processing</u>-</p> <ul style="list-style-type: none"> NRC is available 24x7x365 to intake stolen ticket reports and the documentation of stolen and/or damaged tickets. NRC staff have a set procedure to gather all of the appropriate information, contact GT operations staff and have the ticket status changed in the system to stolen. NRC staff even look up the inventory to review and determine which tickets from a pack or range have been stolen. NRC procedural process detailed on p.29 and 30 GT notes that all attempts to cash tickets in recorded stolen ranges are logged on the Event Log (ELOG) and are provided to lottery security.
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<p>2.3.4.1 1</p>	<p>Ticket and On-Line Ticket Stock Destruction</p> <p>Security process and/or procedures for the destruction of tickets, On-Line Ticket stock and other materials.</p>	<p>42</p>	<p>\$552.110</p>	<p>Instant Ticket and On-Line Ticket Stock Destruction Response DRs—5 through 7</p> <ol style="list-style-type: none"> The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section. [NOTE: Applies to all sections where applicable.] <ul style="list-style-type: none"> GT ensures the integrity of TLC every day, including ensuring the proper destruction of instant tickets and online stock to make certain they do not become accessible to the public. 2009—GT worked with TLC to ensure the destruction of more than 380,000 pounds of material. Initiated only by TLC and conducted with full transparency, destruction occurs several times per year. GT acknowledges and accepts. The Proposer must describe the process and/or procedures to ensure the destruction of Instant Tickets, On-Line Ticket stock and other materials will be performed only with permission of the Texas Lottery and under the direct supervision of Texas Lottery personnel. <ul style="list-style-type: none"> GT will strictly abide by TLCs requirements for destruction of the RFP noted items. GT notes providing the service of destruction while TLC makes all decisions, requests and approvals. Games and stock held by TLC prior to destruction include partials, which are secured until game close and unissued and normal returns held by GT at the warehouse. Partial online roll stock is also held in the locked, secured area, and is released for destruction by TLC. Once games are closed and reconciled, TLC provides GT with the destruction information such as games and pallets to be shredded and pack ranges. GT sets a date and time for destruction based on TLC schedule. Both sign a form that tracks all items for destruction. TLC is present for loading of all materials released for destruction on trucks for delivery to the destruction site. TLC and GT staff follow the truck to monitor the transfer. Following destruction a certificate is signed by all parties The Proposer must describe its process for the destruction of Instant Tickets, On-Line Ticket stock and/or other materials.

				<ul style="list-style-type: none"> • GT notes using an independent vendor for the destruction of all materials to maintain integrity, security and avoid conflicts (including perceived) of interest. • GT again notes destroying approximately 380,000 pounds of material at an average cost of \$.26 per pound during 2009. The 7 destructions and their weigh are detailed on p.3 • Items pending destruction held by GT (full packs of closed games, etc.) are maintained in a secure area of the warehouse to ensure they are not accessible. TLC reconciles and stores partial packs and rolls in TLC protected area. • <u>TLC and GT destruction process detailed on p.4 sample log form for item released for destruction p.5</u> • <u>Steps in process:</u> <ol style="list-style-type: none"> 1. Receive notification from TLC—GT organizes the process and both parties agree on the items for destruction (size of destruction) 2. Schedule destruction—GT schedules a pickup and a Destruction Report is generated within 3. Materials pickup and transportation—GT and TLC monitor the loading of all inventoried materials and monitor transport 4. Destruction—GT groups like materials to allow them to all be destroyed at the same time (i.e. instants, roll stock, etc. 5. Destruction equipment—equipment is secure and capable of cross cutting and double shredding in a single pass. GT notes this is the only machine in Texas offering a proven process that TLC has already validated. This machine, one of 3 with this capability is used specifically to meet TLC needs. Once completed certificate of destruction is drawn up and signed.(Security, Warehouse and GT rep) • Iron Mountain certificate of destruction depicted on p.7 • GT ensures strict security by keeping the process transparent and following the lottery's destruction requirements. <p>General—Proposer provides a detailed procedural process for conduct of destruction activities in coordination with TLC. Proposer contracts for separate third-party destruction services.</p>
	<p>Promotional Item and Point of Sale (POS) Verification and Receiving</p>	52		
2.3.4.1 3	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	\$552.110	<p>Promotional Item and POS Verification and Receiving Response DRs—7 and 9</p> <ol style="list-style-type: none"> 1. The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section. [NOTE: Applies to all sections where applicable.] <ul style="list-style-type: none"> • GT acknowledges and accepts 2. The Proposer must describe how and where promotional items and POS will be received, stored and distributed to meet Texas Lottery requirements.

				<p>§552.110</p>	<ul style="list-style-type: none"> Promotion Analysis Tool will provide the ability over time to evaluate promotions based on items distributed compared to retailer sales to evaluate effectiveness. <p>General—Proposer illustrates that they will use the same tracking and inventory processes for promotional and POS item inventory applied to instant tickets and online roll stock highlighting the benefits of a consistent supply chain management process. Proposer notes the use of in this process.</p>
<p>2.3.4.1 4</p>	<p>Process for the verification, receiving and ongoing inventory of promotional items and POS materials.</p>	<p>9.5</p>	<p>26</p>		<p>Promotional Item and POS Verification and Receiving Response DRs—8</p> <p>3. The Proposer must describe the process for the verification, receiving, and ongoing inventory of promotional items.</p> <ul style="list-style-type: none"> GT begins the process by verifying all incoming inventory quantities against TLCs order quantities System will track where the items are shipped.

				<ul style="list-style-type: none"> • GT notes they will reconcile their tracking records quarterly and verify the inventory of promotional items • Receiving process detailed further on p.9 • GT notes these items will be maintained in secure storage. Access is limited to the DSM and Swing Representative. The will access this area for storage when items are received and for allocating items to LSRs for promotions or other functions. Control and distribution of all promotional materials is the responsibility of the GT Promotions Coordinator • GT identifies Shannon Plum, Marketing Manager and the Promotions/Manager Coordinator position on p.10 and 11 • GT notes the Promotions Coordinator will assist in coordinating annual Texas Lottery audits of promo items at district warehouses • GT notes they will provide a direct feed to the TLC Sage MIP accounting system enhancing reporting annual inventory. Detail of information to be provided on p.12 <p>General—Proposer provides dedicated staffing to support inventory management, monitoring and auditing of promotional items. Proposer details process for accountability at central warehouse and tracking of field shipments in and out. Proposer references use of the device here for inventory tracking.</p>
2.3.4.1 5	<p>Promotional Merchandise Inventory</p> <p>Process for handling an ongoing inventory of Texas Lottery promotional merchandise.</p>	52	<p>\$552.110</p>	<p>Promotional Merchandise Inventory Response</p> <p>DRs—3 through 5</p> <ol style="list-style-type: none"> 1. The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section. <ul style="list-style-type: none"> • GT acknowledges and accepts. <ol style="list-style-type: none"> 2. The Proposer must describe the process for handling incoming and ongoing inventory of all Texas Lottery promotional merchandise. <ul style="list-style-type: none"> • GT notes that with all promotional items are organized and tracked in categories for enhanced traceability: <ol style="list-style-type: none"> 1. Asset Management: Terminals 2. Permanent POS: Curb signs, neon signs, etc 3. Promotional POS: Tents, Trailers, Pump Toppers, etc. 4. Promotional Merchandise: T-shirts, coupons, etc.
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- GT notes that their Marketing Manager is responsible for all promo merchandise allocations (working in coordination with the TLC staff) including: facilitation allocations, event allocation and prize package allocations
-

With tracking enhancements, GT notes that it may be possible to use bundled promotional packages for specific accounts of multiple items and be able to track their effectiveness against promotions in the future.

- GT will also perform physical inventory counts and reconcile against recorded balances on a monthly basis or as requested. This will include a summary of the condition of items and will be available in
- GT notes their system is fully capable of interfacing with TLCs inventory/financial management system noting they will provide a direct feed of inventory results to Sage MIP.
- Additional inventory reports available are detailed on p.9
- GT summarizes the benefits of their integrated supply chain management system on p.10

General—Proposer presents a strong commitment to automation to enhance promotional merchandise inventory tracking throughout the distribution process. Proposer demonstrates a thoughtful approach to categorization and tracking of product in and implementation of inventory assignment and signature release process to retail via Proposer supports automation emphasis through physical count inventory verification processes.

	Warehouse and Distribution General Requirements	52		
2.3.4.1 6	Process utilized to accomplish ticket order processing and packing at the Central Distribution Warehouse.	26	9.7	<p>Warehouse and Distribution General Response DRs—6 through 10</p> <ol style="list-style-type: none"> The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section. <ul style="list-style-type: none"> GT acknowledges and accepts. The Proposer must describe the processes that will be utilized to accomplish Instant Ticket order processing and packing at the central distribution warehouse. <ul style="list-style-type: none"> GT notes their greater than 99% average accuracy rate in processing of warehouse orders by their staff Insert, Instant Ticket Order Process, details steps of process after p.1 <u>Order Generation—Orders are generated by _____ whether for new game or replenishment orders and are sent to the warehouse for fulfillment the next morning.</u> <u>Order fulfillment—all orders are displayed on pick pack screens the next day. Fulfillment screen provides all required order information. Order formers are generated for packers automatically. To eliminate errors, GT uses automated One Touch Packing procedure allowing only one person to complete all of the picking and packing per order minimizing human error.</u> GT commits to notify TLC within 1 hour of any inventory conditions that may result in inability to process retailer orders for a particular game or other general inventory issues. <u>Pick Pack Conveyor—will automate movement of orders down the line to shipment trucks, significantly reducing time and manpower needs.</u> GTs pre sorting process and integration with shipping label generation expedites the shipping process
2.3.4.1 7	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.	26	9.7	<p>Warehouse and Distribution General Response DRs—None</p> <ol style="list-style-type: none"> The Proposer must describe the process that will be utilized to prevent the theft of Instant Tickets and rolls of On-Line Ticket stock being returned to and stored at the central distribution warehouse. <ul style="list-style-type: none"> <u>GT bases their security practices on the best practices of both the lottery and computer industries.</u> <ol style="list-style-type: none"> Lottery—WLA, MUSL, NASPL Computer Industry—ISO 27001, SAS70 and PCI standards

					<ul style="list-style-type: none">• <u>Security focus is broken into three areas: prevention, physical security and detection</u>•
					<p>3. Partial Pack return Process-- return process including controls and tracking is discussed earlier is detailed p. 6 and 7</p>
					<ul style="list-style-type: none">• GT notes reconciliation process between processed returns and the Auto Sort Scan process discussed earlier in the response.• Annual Instant Ticket Inventory and Audit Reports—GT commits to provide all required reports in accordance with the RFP.• Online Ticket Roll Stock return Process—will be handled in accordance with MUSL rule 2 requirements. Roll stock can be tracked from time it leaves the retailer until relinquished to TLC• Full rolls tracked on a form by the bar code number and are returned to the district office within 5 days, except with change of ownerships, scanned upon receipt and later reissued.• Partial Rolls—are tracked on the form by the first visible serial number on the back of the roll.• Partial or non-bar coded rolls will be verified by the DSM and sent to the central warehouse with documentation. DSM will verify all full rolls. All partials will be verified at the central warehouse upon receipt.• GT staff training requirements detailed on p.8 and 9 noting that GT ensures that staff receive training that will aid in prevention and detection of unauthorized, suspicious or fraudulent activity• GT will cooperate with all physical inventories conducted by TLC auditors or authorized designees.• TLC staff will continue to be present during the activities currently in place at the warehouse as added protection. See list p.9• Physical security—all warehouses follow strict security procedures. Security guards are in place in central warehouse. Remote monitoring of the warehouse by TLC at HQ and designated area is supported. See full details section 6.6• Field offices will comply with MUSL rule 2 including access control devices at all entrances and intrusion detection alarms, enclosed cages with double locking system to secure stock. This requires the two-man rule for access. Security cameras capture all activity• Instant Ticket Storage—all games are store in a secure area. Games are segregated in the warehouse depending on game status. Partial packs and roll stock are held by TLC within warehouse in a secure area. Video cameras cover all operational areas and access points.• GT will not allow filming or pictures of the interior of the warehouse without prior TLC approval along with 24 hour notice and approval of warehouse visitors.• GT will maintain a TLC digital CCTV system with camera capacity to monitor all systems,

				<p>storage, pick pack and return ticket operations and other areas identified by TLC security. System will include video storage and retention capabilities in accordance with 3.74.</p> <ul style="list-style-type: none"> • GT will maintain infrared color cameras for the outside of the building. 90 days of images will be maintained. TLC staff have browser view access. • Detection—GT notes being on the cutting edge of prevention and fraud detection for years. GT notes that with SAP BusinessObjects allows TLC access to create reports and view data independently for auditing or any other purpose. • GT also notes that log reports and error logs monitor system and issue alerts of issues and anomalous conditions. GT continues to enhance these processes. GT notes their anomalous pack settlement behavior report as an example of their efforts. See also 7.6 <p>General—Proposer reports incorporation of best practices from within the lottery and computer industry to prevent ticket and roll stock theft. Proposer follows MUSL Rule 2 requirements for managing roll stock security. Proposer provides a comprehensive overview of its physical warehouse storage facility security approach.</p>
2.3.5	CONVERSION	260		
	Integration and Testing	52		
2.3.5.4	Integration and testing process, which includes the test plan and acceptance criteria.	26	10.2	<p>Integration and Testing Response DRs—28 through 37</p> <ol style="list-style-type: none"> 1. The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section. <ul style="list-style-type: none"> • GT notes that their conversion plan offers a huge advantage, as they began converting Texas' system more than 18 months ago, allowing a test environment to be available upon contract award. • Testing site will be located at GT DCA and will provide the ability to test from the TLC HQ. • GT acknowledges and accepts. 2. The Proposer must provide an overview of its proposed integration and testing process. <ul style="list-style-type: none"> • GT notes their conversion team will leverage CMMI best practices and the Project Management Body of Knowledge (PMBOK) for Project Quality Management and International Organization for Standardization (ISO) 9001 and 9126. GT also notes certification to Level 4 of the Capability Maturity Model Integration (CMMI-DEV). • GT notes that they benchmark not just against lottery industry but against some of the best companies, such as Accenture, Daewoo, Lockheed Martin, Ricoh, etc. • Overview of the Steps in GTs integration and testing process: <u>Planning, Requirements, Build-Test-Correct (BTC), Functional System Testing, Non-Functional System Testing, Acceptance Testing</u> • GT governs the process through transparency, verification and sign-off of vital artifacts created by the process itself (plans, specs, test cases, etc.). Sample processes and artifacts related to

- GTs Integration and Test Process detailed on p.3 and 4
 - GT notes that at the heart of their integration and test process is the BTC approach, iterative process of software creation and verification against TLC business requirements to ensure that defects are corrected as early as possible.
 - GT release note process description p.5 and 6
 - Quality Management Process—GT uses the PMBOK mode comprise of three main process areas: Quality planning, Quality Assurance (QA) and Quality Control (QC) detailed p. 6 to 10
 - GT notes that their QA process applies a structured approach to management information and status reporting during a project providing appropriate QA transparency to GT and TLC personnel.
 - GT notes that their QC approach and testing methodology is designed from acceptance and drives backward through the different phases of the conversion project life cycle.
 - GT notes that their test design process is built around industry best practices and adheres to CMMI-DEV framework.
 - Test design process detailed in chart on p.10
 - Tools—GT uses DOORS (requirement tool), used to capture business processes at the technical requirement level. DOORS serves as the main input for test coverage analysis and construction.
 - GT notes that any changes to requirements will go through their Change Management process.
 - GT notes that they will provided their Texas-experienced technical resources to support the QA testing programming indicating that they will be assigned to TLC on a full-time basis during acceptance testing.
 - GT Test Case Design and Construction detailed on p.12 to 14.
 - GT notes that test engineers are encouraged to design a series of tests that will have a high likelihood of finding errors. The test methods (black box and white box plus others are discussed in further detail on p.14
 - Test Automation—GT notes that they have made significant investments in the use of technology for test automation. GT notes that test automation expands test coverage and decreases test time by limiting manual labor. Noting that in NY and NJ GT was able to increase coverage of transaction permutations by 10X while decreasing the time to accomplish this coverage by more than 50%.
3. The Proposer must provide its proposed acceptance testing process and provide its standard acceptance testing criteria.
- GT notes that as described in the previous section they will perform and document extensive self-testing, debugging, security testing and quality assurance on all software prior to submitting it to TLC for acceptance testing. GT asserts that all software delivered for test will be fully operational and principally ready for production use and will be identical to the gaming system.
 - GT indicates that they feel they make effective use of validation and verification techniques widely accepted in the technology industry and that are consistent with lottery industry best practices NASPL Standards Initiative (NSI) Best Practice for Quality Assurance of Product

2.3.5.7	Lottery Gaming System backup, recovery, failover process and test Plan.	10.2	26	§552.110	<p>Development in the Lottery Industry. NSI has defined the scope as the following: Requirements Definition, Development Process and Acceptance Testing p.17 GT notes being NSI –certified for QA Best Practices for Requirements Definition and Development Process</p> <ul style="list-style-type: none"> GT notes that they provides acceptance testing support ranges from operation support of the system while the customer conducts testing to actual conducting of acceptance testing test cases and reviewing results with the customer. The GT Acceptance Testing Verification Method is detail on p.18 to 21 <p>4. The Proposer must provide its proposed integration and test Plan.</p> <p>General—Proposer illustrates usage of industry best practices for development and conduct of its integration and testing plans. Proposer highlights its iterative process for working with the TLC to confirm its efforts against business rules. Proposer notes its investment and emphasis on automated testing efforts to significantly increase the level of systems testing while reducing the time necessary for testing efforts. Proposer follows IT industry and NASPL NSI standards for its acceptance testing processes and requirements definition.</p> <p>Integration and Testing Response DRs—38</p> <p>5. The Proposer must describe its Lottery Gaming System backup, recovery, failover process and test plan.</p> <ul style="list-style-type: none"> GT notes that they will test the ability of their backup gaming system to take over total operation of all systems, functions products, etc. GT notes that with their system this happens automatically and transparently to system users. GT has identified a series of tests, for backup, recovery and failover testing, that have proven to reduce the risks associate with the introduction of new hardware systems and software into production: <ol style="list-style-type: none"> Anomaly Test—addresses the system’s reaction to and recovery from various abnormal conditions (e.g. power and hardware failures) Reprocessing and Recovery Tests: Four forms of this test: Takeover (Redundancy) Test—crucial test of anomaly testing that consists of several machines in an These tests verify the redundancy of the systems and their ability to service disasters and anomalies.
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					<p>General—Proposer details their tests used to reduce risks during systems conversions related to section requirement, noting that they have provided beneficial during other systems conversions.</p>
	Implementation and Migration		52		
2.3.5.8	Implementation and migration strategy and processes.	10.3	52		<p>Implementation and Migration Response DRs—12 through 14</p> <ol style="list-style-type: none"> The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section. <ul style="list-style-type: none"> GT notes that their proposal calls for <u>Go Live on all communications devices, retailer terminals and peripherals under the current production system as soon as they are installed. This is between March 1 and August 25</u> GT notes that migration to the new system will take place on August 28, 2011 under their plan. GT notes that they have recently used this same strategy in NY, one of the few lotteries that compares to the TLC in size and scope. GT notes while central system is built and installed and terminals and comm. are being installed upgrades will take place at PDC ant the DCA and the BDC will be built and installed. GT notes that all of these tasks are detailed in the overall conversion plan. GT acknowledges and accepts. The Proposer must provide a description of its proposed implementation and migration strategy and processes. <ul style="list-style-type: none"> GT compares the <u>“Big Bang” approach to their proposed strategy. GT notes that other proposers may propose a high-risk “Big Bang” approach.</u> GTs approach starts with development of new terminal application software called emulation, which allows new terminals and equipment to communicate with the existing system. Once develop and tested, new terminals can be installed and go immediately into production. GT highlights the convenience to retailers here. GT notes that this provides TLC benefits of the new contract prior to Go Live and significantly reduces Go Live risks. GT highlights their Sunday, August 28 go live proposal based on limited drawings, low sales volume and beginning of the invoice cycle GT supports this approach with a list of lotteries where they have used a similar strategy, more than a dozen including NY, MI, Ca and GA. See list p.5 GT noted concerns with Big Bang Approach: <ol style="list-style-type: none"> Retailers required to keep and store off-line terminals impacting ability to serve customers Sales at risk if there are issues with the new system, terminals or comm.. Players inconvenience and inability to play games. GT notes recent issues with Big Bang approach in OH. 10% of retailers did not have equipment connected. Multidraw tickets could not be purchased or validated because the terminals could not recognize the bar code.

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- GT notes that on the system conversion date on their plan, there will be no problems with ticket validations or sale of multi-draw and exchange tickets and that the transition will be seamless to the retailer
- GT notes that new retailers and change of ownerships will be able to be handled without blackout dates throughout the implementation and migration. (Battelle notes that vendors typically ask for 2 weeks at a minimum or more)
- Retailer Convenience—GT notes that they will provide training in 47 convenient locations around Texas, before locations receive their equipment. GT notes the inconvenience and the inability in some circumstances for retailers to place 2 sales terminals on the counter due to space.
- GT notes that they will perform site visits, if necessary, at retail locations deemed to require additional technical enhancements or services in order to receive new equipment. GT invites TLC participation.

Planning the Implementation and Migration—

- Process will begin with a plan that will include a schedule for all system components and terminals (including network components, peripheral devices and any self-service vending machines). The plan will have two Implementation and Migration strategies: one for new gaming system components and one for the equipment to be installed at retail. The Texas based team that will coordinate the creation of the plan is detailed on p.13
- New Gaming System—I and M plan, will include the pre-contract conversion of required functionality and early testing of converted data on allowing greater QA and UAT time.
- The I and M is comprised of many interdependent tasks. Milestone tasks are summarized on p. 14
- GT notes that they believe their strategy for I and M of gaming system components, offers a strategy with the highest probability of success with the least potential for risk and the least disruption for players and retailers. GT again notes that the terminal conversion strategy proposed was conducted in NY in 16,600 locations with no disruptions to sales.

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Planning Tracking and Transparency, TLCs Assurance—

- GT notes the complexity of the Texas conversion and the size of the retail network as reason for proposing both a team and a set of processes that will effectively track equipment implementation and migration. NRO will serve this purpose.
- NRO—responsible for all phases of the retailer network and terminal delivery. Specific areas of responsibility detailed on p.16
- NRO Project Manager will be Hal Walker (point of contact) with support from Dustin Larson, Senior Project Manager. GT notes that for the NY and NJ conversions they had 22 operators working on the installations (terminals and comm.). The staff coordinate with installers and respond to questions.
- NRO offers operational and war room management through the Rhode Island-based NRO OPCEN. OPCEN provides contractors, core teams and customers with one central office for escalation and problem resolution. Dedicated 800#. OPCEN is multi-jurisdictional, fractionalizing staffing costs. The office staffed based on the number of active deployments ongoing at any time. Currently supports a staff of up to 8 operators.

			<ul style="list-style-type: none"> • Operator rolls involve tracking of contractors, installations and serial numbers of equipment. Verification occurs before installer is released from location • GT notes that it is anticipated that a typical wireless communications deployment would manage an average of 300 calls per day, assuming there are multiple deployments. • GT notes success of the implementation and transition of retailer network will depend on interdependencies between NRO, the War Room and the GT NRCs in Austin and Providence. • <u>GT notes TLCs desire for transparency related to the oversight and management of the rollout project. GT will provide the NRO website tool in response. Provides real time access to the NRO tracking database for TLC and GT staff.</u> • GT notes War Room will be in RI under oversight of corporate NRO staff, Hal Walker will be on the ground in Texas • GT commits to provide any reports required by TLC on the progress of the implementation and migration. • GT notes that coordination of training and scheduling of equipment installation must be coordinated to meet requirements and ensure that retailers are capable of using new equipment to sell tickets. • <u>GT also notes the importance of testing related to new system hardware and software installations. Noting that all interdependencies and coordinated schedules will be included in the implementation and migration plan and thus the overall conversion plan.</u> • GT confirms that they will use Deloitte and Touche an independent third party related to accounting reports as required in the RFP. <p>General—Proposer indicates that it will conduct a two-phased implementation (used in NY) and migration strategy (terminals and comm., separate from system cutover) to reduce overall project risks. Proposer discusses risks of a big bang conversion and the problems associated with it. Proposer highlights that emulation software is used to allow terminals and comm. upgrades to be installed on the existing system prior to system cutover limiting retailer disruption and the risk associated with all conversion elements occurring simultaneously. Proposer will use an NRO office to coordinate the terminal installations and notes that efforts will be closely coordinated between its NRO, War Room and NRC organizations to ensure that retailer training and terminal installations are coordinated. See proposer clarification letter response related to NRO office location and joint operation. Proposer also notes that it will provide TLC with all required monitoring reports and give TLC web-based access to its NRO monitoring tools to tracking implementation progress. Proposer confirms that it will acquire third-party CPA support for system accounting reports.</p>
	Conversion Plan and General Requirements	104	

<p>2.3.5.9</p>	<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>10.1 and 10.4</p>	<p>62</p>	<p>Conversion Plan Response Table 123 DRs—3 and 11 through 18</p> <p>1. The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section. [NOTE: Applies to all sections where applicable.]</p> <ul style="list-style-type: none"> GT notes that by the time of their proposal submission they will have completed 100,000 hours of work (11-man years) on the conversion of TLCs system to their proposed new solution. GT notes that a seamless conversion is important and that they took the extraordinary step of converting the majority (80%) of the TLCs system in advance. GT notes that the lottery has 7,000 discrete business rules and 120 business processes, representing thousands of customizations made to the system GT illustrates the benefits of this effort compared to a normal system conversion on p.3, noting their approach gives the TLC more time for testing and suggested changes prior to go live. GT notes that as a result of this effort they have removed significant risks from the project. GT acknowledges and accepts. <p>2. The Proposer must provide an overview of its proposed Conversion Plan and process.</p> <ul style="list-style-type: none"> GT notes that a one size fits all conversion solution will not suffice, as TLC depends on interdependencies of human resources, sales and technology. GT details benefits of their early conversion effort on p.4 including early capture of “as is” functionality on the new system, immediate Go Live for communications and retailer equipment, beginning 7 months before conversion. GT notes that they know of no other instance in which the majority of a system conversion was completed prior to proposal submission. GT notes the building blocks of their conversion plan: relevant experience, the process, highlights, and resourcing Relevant Experience—GT notes that only a handful of US and international lotteries can be compared to Texas in size and scope indicating their experience in converting NY, MI, CA, UK and Poland. All jurisdictions were measured based on terminal count. (all were GT to GT conversions). GT notes that first hand Texas experience also adds a meaningful dimension to TLCs conversion process and GT has incorporated this into their plan GT notes thousands of individual tasks will need to be completed with active participation from GT and TLC. First step after contract award is Kick-off meeting to start process that will lead to the finalization of the TLC approval of the conversion plan GT notes RFP requirement for detailed conversion plan within 45 days of contract award and indicates that one is provided now in Exhibit 10 Detailed Conversion Plan and Timeline Plan Overview—see also 10.4 and 10.5 as noted on p. 6 (begins on p.6) GT notes that other proposers will conduct a requirement phase to learn about TLCs system and plan the customization of their baseline system. GT notes they will provide an test system at contract award already loaded with current Texas functionality. GT notes testing of base functionality can begin while enhanced functionality can be developed. <p>§552.110</p>
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- GT test system developed from extensive “as is” system analysis which has already been completed, preserving business rules, business processes, and historical data not expected to change.
- GT notes that all equipment installation will be well-planned and expertly tracked by their Network Rollout Organization (NRO) described in 10.3
- GT highlights their world class trainers p.9
- GT notes that following data conversion they will conduct approximately (2 weeks) of Parallel Processing ensuring data synchronization. P.10
- GT conversion plan highlights—
 1. Early Requirements Validation—Test system will be loaded with converted TLC data
 2. Equipment Live on Installation—communications devices and retailer terminals will be installed and go live on installation early in the conversion process. Existing equipment will be removed immediately.
- GT comparison of their proposed conversion process to a standard conversion process table p.12
- GT notes that their process will allow TLC to focus on system enhancements at contract award. Noting that with a standard conversion, those discussions would not be able to take place for months or even years after the new system goes live.
- Equipment (terminals, etc.)—GT notes that a major advantage of their plan is that this equipment will go live on the existing system as soon as it is installed using emulation. GT notes that this eliminates wondering whether another proposers network connections, terminals and new system will work on go live.
- GT notes that they recommend the actual conversion occur on _____ in the early hours, as it is low volume time, instead of a mid-week conversion.
- 3. The Proposer must provide its proposed Conversion Plan project management process.
 - GT’s project management organization operates with one major goal in mind—ensure timely and seamless conversions with no interruption to sales or services.
 - GT notes that this process has been perfected over 20+ years.
 - GT notes that their expertise in this area is derived from :
 1. Overall and relevant experience—GT notes that they have completed over 150 system, product and service projects since 2000 chart p. 18
 2. Mature organization—GT Project Management Office consists of more than 2,500 product, project delivery and service personnel who are allocated across 8 GT regions, noting that regionalization gives customers critical continuity of and access to specific resources, from project start through the contract period. Chart p.20
- PMO Benefits and Responsibilities detailed on p.21 and 22
- Sound and proven processes-- GT notes their conversion plan is built around the Integrated Delivery Model (IDM) with 5 distinct phases (initiating, planning, executing, controlling and closing) detailed on p.23 further information on IDM in section 10.4.
- Project Condition Reporting (ProCon)—oversight and escalation procedure to ensure successful functioning of all systems and software at go live. See also section 10.4

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3. Tools—for effective project planning and management, GT uses a set of tools to plan, schedule, and manage project activities. Shared tools: MS Project noted, Internal GT tools detailed on p.24 GT highlights their use of Clarity, an application integrated in MS Project that manages and maintains all project implementations related to forecasting projected hours per resource. Assuring GT will successfully manage its conversion on time.
- GT notes that all of the Project Managers are required to achieve PMP certification from the PMI. GT notes that the high number of PMP-certified professionals at GT demonstrates the value they place on project management experience, education and continual quality improvement.
4. The Proposer must identify, including names and resumes, the conversion staff whose full-time responsibilities are to convert the Texas Lottery to the Proposer’s System. Proposers must also identify any staff who may assist with these activities, but will not be assigned to the Texas Lottery account on a full-time basis (e.g., corporate technical staff).
- GT notes that the following two individuals, Tedrow and Thornton, were selected from over 100 certified Project Management Professions and 13 Certified Associate Project Management professionals in their organization
 - Barb Tedrow, Conversion Plan Project Manager—will be the full time conversion manager and GT notes she will remain an integral member of the Texas leadership team long after the project is done
 - Michael Thornton, Corporate Conversion Plan Project Manager—GT notes his wealth of prior large-scale, global project conversion delivery exp (Camelot Interactive, Wisconsin-first ever conversion to
 - GT notes that no other proposer can provide the level of experience needed to achieve a successful conversion of a Texas-sized system, noting their team detailed in section 4.3.2.f. Transition Team. GT highlights that their team is already based in Texas and is Texas-experienced and is paired with a corporate counterpart to support the project.
 - GT notes that corporate staff identified compromise the “other staff” that may be assigned to the conversion project of a full time basis.
- General—Proposer reports having converted its proposed system to include all current TLC baseline functionality and business rules. Proposer highlights that this effort would allow TLC to begin system testing for baseline functionality immediately upon contract award avoiding a requirements development phase for the baseline system. Proposer further notes that this will allow TLC to begin requirements development for new functionality to occur immediately. Proposer also highlights its two-phased approach to system conversion and that terminals will “go live” immediately upon installation. Proposer details extensive experience, depth of resources and tools used in conducting system conversions and corporate emphasis on PMP certifications for its project managers. Proposer provides an overview of the Project Managers and transition team that it proposes for the Texas conversion including Texas-based and corporate resources.

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<p>10.4 Table 130</p>	<p>DRs—2 through 11</p> <p>1. The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section.</p> <ul style="list-style-type: none">• GT notes that the Texas conversion will be one of the most complicated conversions ever done in the industry.• GT notes that their conversion plan is highly customized for TLC. Helping achieve seamless conversion with minimal risk, minimal disruption to retailers and maximum returns to the FSF.• GT notes this requires precision scheduling of thousands of individual tasks with the 12-Month conversion period allotted by the TLC.• GT notes already completed system conversion work, early installation of new comm. and equipment and immediate removal of existing equipment (exceeding 14 day terminal removal requirement)• GT acknowledges and accepts. <p>2. The Proposer must provide a proposed high-level Conversion Plan that would be appropriate for the size and complexity of the Texas Lottery's needs as described in this RFP. The Conversion Plan must include an information sharing and communication plan and expected participation from the Texas Lottery and the level and duration of involvement from the current vendor.</p> <ul style="list-style-type: none">• <u>GT notes that their high-level proposed conversion plan includes those tasks that they have already completed, enabling the TLC to go live with a new system that exceeds basic required functionality.</u>• <u>GT notes applying lessons learned from previous large scale, complex conversions in NY, UK and CA.</u> <p>System Conversion Elements—</p> <ul style="list-style-type: none">• Preservation of Business Rules—GT notes that the TLC has 18 years invested in customizations, rules and reports to run daily business. <u>GT notes that any successful proposer will have to preserve your business rules, starting after contract award, with requirements gathering. With GT's conversion plan, that task is already done.</u>• Emulation Period—Emulation software will enable the new retailer sales terminals to communicate with the existing gaming system as soon as they are installed.• Conversion-Free Call Center Upgrade—GT indicates that they are upgrading their call center solution to a new service management tool and it will be completed by <u>for engine,</u> for demonstration to TLC. GT concludes no conversion necessary in this area due to the planned upgrade.• Migration of Data—GT notes that the migration of data is complete and will be demonstrated during the site visit, preserving 36 months of data.• Software Requirements Specifications (SRS)—GT notes having already created 30 SRS that will be available for review upon award. GT notes other vendors would need to begin development of these after award.• <u>§552.110</u> will be available at award
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<ul style="list-style-type: none"> • GT notes that they contracted with D&T in of April 2010 to begin testing the converted system. <u>Testing results will be made available to the TLC. P.6</u> • GT notes that the conversion plan will include an information sharing and communication plan, as well as expected participation from the TLC. It will be further detailed later under heading Identifying and Defining Roles for all Involved Parties, and in subsection 130.4.d and 130.4.h • GT summarizes the benefits of their head start on conversion on p.7 	
<p><u>Major Conversion Tasks—</u></p> <ul style="list-style-type: none"> • System Conversion—GT has begun developing a new for TLC, built from established based line and customized for Texas-specific requirements. GT uses Build-Test-Correct (BTC) methodology increasing testing efficiency and providing a more proven product to TLC. List of required data migration provided on p.9 • Retail Terminal Conversion—Terminals and peripherals will approach approximately 100,000 pieces of equipment. Terminal installs will align with new communications infrastructure to ensure on-site testing of both. Terminals will go live on current system through emulation. Terminal development and deployment process detailed p.10. Plan calls for a six month install window with more than 700 installs per week. Installs will be based on well-planned, expertly tracked process developed by our NRO. Schedule to be provided. 	<p>§552.110</p>
<ul style="list-style-type: none"> • Infrastructure Conversion—GT will finalize specs for computer hardware and software on the duplexed PDC and Duplexed BDC central system following tasks detailed on p.12 • Deployment/Transition—After parallel processing, comm. network and retailer terminal install are in place on the current system and all other components are in place: System cutover plan is executed as detailed on p.12 One week prior GT will put in place their ProCon procedure ensuring “all eyes” are on the project. • Conversion Plan will include staffing, failover procedures, acceptance testing and a security plan. 	<p>§552.110</p>
<p><u>Interdependent Milestones and Tasks—</u></p> <ul style="list-style-type: none"> • Requirements—GT will be able to begin test immediately after contract award. GT notes there will be a significant number of SRS documents for TLC to review and approve noting that GT has already identified 30. See p. 13 and 14 	<p>§552.110</p>
<ul style="list-style-type: none"> • DOORS: Requirements Management Tool—automated tool designed for requirements management and development to achieve requirements maturity. DOORS features p.15 • Facilities—GT notes that they have less facilities requirements than other vendors due to their planned use of some existing facilities such as PDC and DCA. Facilities tasks are detailed. • Testing and Simulation—internal QA testing prior to TLC acceptance testing is completed. See 10.2 	

<p>§552.110</p>	<ul style="list-style-type: none">• Development of Reporting—GT notes TLCs dependence on many custom reports that analyze data to make the best business decisions. GT notes will provide data and reporting access (discussed previously). GT will build a repository of required reports, organize the data warehouse to support TLC ad hoc reporting, develop reports TLC needs, and train TLC staff on the application and report creation <p><u>Staffing Requirements and Commitments—</u></p> <ul style="list-style-type: none">• <u>GT notes that proper staffing will be impact planning and management of the TLC conversion and is every bit as critical as any component of the system.</u> GT notes that they call on their worldwide staff of 4,500 to provide teams of professionals who are dedicated to the project for the periods of time where their roles are critical. Staffing tasks are detailed on p.18• All project work plans are managed through GTs new conversion tool, Clarity.• <u>Lottery Retailer and Internal Training—GT details highlights info from their previously discussed training plan here.</u> GT notes that out of nearly 17,000 retailers only six would have to travel more than an hour to reach their training location. TLC training is also discussed. P.19 and 20• <u>Parallel Processing—successful conversion requires accurate data. GT will perform parallel processing (2 invoice periods) to ensure data is synchronized with the existing system.</u>• <u>Validation Tickets During and After Conversion—GT notes there will be no issues with validations during conversion regardless of which system ticket were generated on.</u> GT notes that they can provide an Advance Draw Report, reports for draws on the last day of the current contract, and draws for Day One—all on day one.• <u>Reading of Bar Codes—GT notes terminal can read optical marks and bar codes for all existing TLC online tickets, play slips and instant games. Bar code can read linear and stacked-linear bar codes, including 12 of 5, and bar codes that conform to NASPL standards. Additional readable bar codes p.22</u> <p><u>Identifying and Defining Roles for All Involved Parties—</u></p> <ul style="list-style-type: none">• GT notes that TLC management team will be closely involved in the conversion project. Parties and their roles are described.• TLC—Lottery will work with successful proposer to expand and agree upon the conversion plan. GT notes that TLC will designate a time frame for contract award and contract signing that enables GT to meet the deadlines in the conversion plan. p.24 <p>TLC will monitor conversion, participate in project meetings to provide input and perform reviews of major milestones and deliverables in the development process. GT notes that IT security and other TLC personnel will be involved in defining your gaming requirements for software development, customization of software, acceptance testing, security and disaster recovery, training, facilities plans, and approval of consumables supplies. TLC will also be responsible for timely approval of requirements to not impact the schedule.</p> <ul style="list-style-type: none">• TLC Contractors and Third-Party Vendors—<ol style="list-style-type: none">1. ITMs—responsible for working with GT to produce tickets that will be a part of the game mix at the time of conversion and into the contract period and ensuring ticket samples are available for testing during conversion.2. —will need to provide software and maintain equipment for duration of contract.
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2.3.5.1 1	Project Management methodology for the transition, which includes at a minimum: a) Project Management; b) Business Change Management; c) Issue Management; d) Risk Management and Mitigation; and e) Transition Reporting (Type and Frequency).	10.4	10	<ul style="list-style-type: none"> • <u>Retailers—GT will ask as little as possible from retailers during conversion. Minimal disruptions for equipment installs will occur and retailers will not be asked to hold new or old equipment. Only requirement is to attend training and ensure their clerks are trained.</u> • <u>GT Responsibilities—will work with TLC designees to plan and manage the project.</u> <p>Interim Facilities and Processes—will not be required under the GT conversion plan. Procedures will be required related to staffing and business procedures during conversion.</p> <ul style="list-style-type: none"> • <u>Interim Staffing—war room may require additional temporary staffing.</u> • <u>Interim Processes—Disaster recovery plans will be included in the Implementation Plan. Plan will ensure that disruptions will not delay delivery of systems.</u> <p>3. The Proposer must describe the structure and content of its process documentation and explain how the documentation will be customized to fit Texas Lottery needs.</p> <ul style="list-style-type: none"> • <u>GT notes that this information was provided in sections 10.1, 10.2 and 10.3 responses. See p.28 for summary of PMO process documentation</u> • <u>P.29 items point to responses on 10.2 and 10.3</u> <p><u>General—Proposer again highlights the benefits of its baseline system conversion efforts of its proposed system and its emulation approach to terminal installations. Proposer provides a high level conversion plan overview including major conversion tasks, details of interdependent tasks between TLC and the proposer, details of its dedicated staffing that will conduct and oversee the conversion activities and important operational elements of conversion including retailer training efforts, ability to validate tickets at conversion (confirmation of bar code readability) and ability to conduct normal business activities (change of ownerships and new retailer installations) at and around system conversion without disruption. Proposer notes that retailer strategy is focused on asking as little as possible from retailers during conversion.</u></p> <p>10.4 Table 30 DRs--13</p> <p>4. The Proposer must describe the project management methodology that will be employed during the transition, which will address the following at a minimum:</p> <ol style="list-style-type: none"> a) Project Management—see section 10.1 Project Management Process discussion. <ul style="list-style-type: none"> • <u>Project Team Process detailed on p.31 including review of gaps, finalize the conversion plan and schedule weekly reviews, Conversion stages and activities by discipline are detailed in the chart on p.32</u> • <u>PMO conducts a monthly in-house program review to ensure that each project in the conversion plan is on track, discussed p. 33.</u> • <u>Monthly process compliance reviews are also completed.</u> • <u>GT project management approach takes into account unpredictable nature of lottery implementations focusing on risk identification and management. GT cites examples of challenges overcome in other jurisdictions to complete conversions on p.34 including several natural disasters.</u> • <u>GT employs a structure change control process discussed on p.35 ProCon oversight and escalation procedure discussed on p.36</u>
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		<ul style="list-style-type: none">• Discussion of enhance tasking (resource assignments, allocation planning and scheduling of tasks) with the introduction of Clarity tool to GT PMO process. <p>b) Business Change Management</p> <ul style="list-style-type: none">• <u>GT notes change control commences with contract signing with the customer. Exception is for hardware and software configuration requirements which will enter the Change Control Process when the requirements document is internally approved or formally baselined.</u>• <u>GT discusses its Change Control Board and Change Advisory Board processes along with change control expectations p.37 and 38—PMO role in change requests detailed on p.39</u> <p>c) Issue Management</p> <ul style="list-style-type: none">• Items that are already beginning to effect project objectives or deliverables and require immediate action. PMO has a standard issue tracking process and all issues are shared with the customer. <p>d) Communication Strategy</p> <p>e) Knowledge Transfer</p> <ul style="list-style-type: none">• GT notes that training is one area of the plan that is independent of other tasks and that all users must be successfully trained in advance. GT notes that training schedules are tracked on the conversion plan, reviewed regularly and documented in status reports. See also section 6.8 Training. <p>f) Relationship Management</p> <ul style="list-style-type: none">• GT notes that they have structure resources for conversion in a way to position familiar full time, Texas-based staff as TLCs direct contacts for the project. These Texas-based Managers are supported by corporate project resources and the GT-Texas account management team who in turn have access to the Western Regional Leadership of the PMO. See also Communication strategy and regular meeting plans <p>g) Risk Management and Mitigation</p> <ul style="list-style-type: none">• GTs primary project manager works with the project discipline leads to regularly identify, review, evaluate and communication project risks on a regular basis (typically every two weeks) using a risk management process as detailed on p.43• GT notes that their risk management system is a cornerstone of their proposal to the lottery because it protects every aspect of the Lottery's operations...• GTs risk assessment approach risk management methodology are discussed on p.44 and 45• GT notes that less experienced proposers with less expertise will have difficulty in the following areas as detailed on p.46 to 49 Project Management, Requirements, Infrastructure, Communications Network, Software and Quality Testing, Retailer Training, Data Conversion and Parallel Processing, Final Preparation for Go Live
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\$552.110

\$552.110

				\$552.110	<p>h) Transition Reporting (Type and Frequency)—</p> <ul style="list-style-type: none"> GT highlights their excellent and open working relationship with TLC here and notes the many customizations and upgrades including the ISYS conversion that they have performed for TLC. GT details weekly meeting, weekly project reports and additional reporting capabilities beginning on p.50 <p>GT notes having a mature, professional project management organization to plan and manage the TLC conversion.</p> <p>General—Proposers project management methodology emphasizes two important areas of the conversion effort: a focus on risk identification and mitigation (including gap analysis, change control processes, issue management, etc.) and emphasis on customer communication and transparency related to the conversion process.</p>
2.3.5.1 2	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.	10.4	16	\$552.110	<p>10.4 Table 30 DRs—3</p> <p>5. The Proposer shall provide a detailed initial distribution plan for Instant Tickets, On-Line Ticket stock, Retailer Sales 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 should be included in this plan.</p> <ul style="list-style-type: none"> GT notes that with them as the vendor there will be no need for an initial distribution plan for this. Instant Tickets—There will be no changes to distribution. Online Ticket Stock—Stock will be delivered along with the new terminals. Both types of stock will be supplied until all are converted. Retailer Sales Terminal and Associated Sales Equipment—Terminals and equipment will go live and into production as soon as they are installed. POS equipment—LSRs will carry both types of supplies for old and new terminal support during conversion for stocking of supplies Remaining Items—Will be carried out during the conversion and old and new support will be available through final conversion. Quality Control Procedures—for storing, distributing, tracking and reporting on these items are built into the current distribution plan. Discussion of LSR sampling inspections of installation for quality as well as DSM checks and the work of the field audit analyst whose findings will be compared to those of the NRO staff. <p>General—Proposer provides thorough response to this section. Proposer notes that they plan to use their existing warehouse and distribution methods for instant tickets and anticipate no disruptions as there would be no conversion or transition activities. Proposer notes that it will stock both types of online stock and sales support materials up to and through transition as terminals and equipment are converted.</p>

2.3.5.1 3	Validation of winning tickets sold prior to the conversion.	10.4	16	<p>10.4 Table 30 DRs—12</p> <p>1. The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section. [NOTE: Applies to all sections where applicable.]</p> <p>Detail Requirements #12 (10.4)</p> <p><i>The Successful Proposer must accommodate and provide validation of winning tickets that have been sold prior to the conversion, either by reading the bar code or by accepting manual entry of the “old” winning ticket’s serial number into the new system. The goal, during conversion and after, is to minimize confusion and effort for the players and Retailers.</i></p> <p>General—Proposer confirms in response to this section that there will be no disruptions in their ability to process and validate tickets including the reading of bar codes.</p>
2.3.5.1 4	<p>Conversion Milestones</p> <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	26	<p>Conversion Milestones Response</p> <p>DRs—None</p> <p>1. The Proposer must provide a Conversion Plan and time chart (Gantt, PERT, or similar format) 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. The Proposer must also provide the dates (expressed as the number of Days from Contract Award) for the described milestones in the Conversion Milestone table above (Table 131) as part of the Proposal. The detailed Conversion Plan must include acceptance testing and security plan milestones.</p> <p style="color: red; text-align: right;">\$552.110</p>

				<p>General—Proposer provided a conversion plan including all of the requirements of this section.</p>
	<p>Conversion Plan</p> <p>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.</p>	<p>10.6</p>	<p>26</p>	<p>End of Contract Conversion Plan Response DRs—12 through 13</p> <p>The Proposer must acknowledge and accept the roles and responsibilities and detail requirements indicated in this section.</p> <ul style="list-style-type: none"> • GT commits to work with the TLC or any other parties to ensure a smooth transfer of operations to the TLC or the successful proposer. • GT acknowledges and accepts. <p>2. The Proposer shall describe the following processes and factors related to End of Contract Conversion with the Texas Lottery:</p> <ul style="list-style-type: none"> • <u>GT notes that the conversion plan will be cooperative and iterative process. GT recommends the planning begin within the last 12 months of the current contract and details initial planning steps on p.2 and 3</u> • <u>GT notes major end of contract conversion plan tasks on p. 3</u> <p>a) <u>People Processes:</u></p> <ol style="list-style-type: none"> 1. <u>Knowledge transfer to the Texas Lottery or replacement provider</u> <ul style="list-style-type: none"> • GT notes responsibility to their employees here (320 including DCA, NRC and ATC) GT tries to keep their employees that they invest in through training, but would aid in their transition to another employer. • GT would provide access to any of their Texas-based or corporate resources required for the role of the transition • GT will provide whatever personnel resources are necessary at the end-of-contract conversion tasks, including knowledge transfer. Two areas of support as detailed on P.5 “Required Technical Assistance for Gaming System Development” and “Technical Assistance for Transferring and Converting Files” • Removal of old equipment—GT will perform removal of all equipment in accordance with TLCs stated guidelines. • Retention of Records—will work with TLC related to Records Retention and Texas Law <p>b) <u>Management Processes:</u></p> <ol style="list-style-type: none"> 1. <u>Issue Management</u> 2. <u>Risk Management and Mitigation</u> 3. <u>Exit Reporting (Type and Frequency)</u> <ul style="list-style-type: none"> • GT notes this area will be the responsibility of the GM or their designee. • Issue management—handled the same as under the conversion of during the contracting period. Examples might be to provide conversion expertise will provide issue tracking documents if replacement provider documentation is not sufficient.

				<ul style="list-style-type: none"> Risk Management and Mitigation—GT notes that their participation would be to uphold the integrity of the TLC, noting one of the greatest risks is delay. GT will support TLC efforts to achieve cutover that does not interrupt games. Keys are advanced planning and agreement of the involved parties about specific responsibilities. Exit Reporting—Will provide all required exit reports to TLC. GT will work with the TLC regarding decision about holding post-live data. <p>c) <u>Technology—will remove and dispose of GT owned retailer devices (terminals, peripherals) and comm. equipment.</u></p> <ol style="list-style-type: none"> Handover Procedures—GT notes key is advanced planning including documents listed on p.9 Tools, Software, Network Connections and Data Transfer—GT details the tasks necessary to complete these handover procedures. <p>d) <u>License Transfer (Indicate Where This Would Be Required)—GT notes that they will hand over appropriate licenses, especially those paid for during the previous contract by TLC.</u></p> <p>General—Proposer's response addresses the requirements of this section.</p>
Total Points				

2.4	Experience. The experience of the Proposer in providing the requested goods or services.	550		
2.4.1	Past 10 years of experience providing the services as specified in the RFP for engagements of comparable complexity and scale.	275	4.2.1 and 4.2.4	<ul style="list-style-type: none"> 4.2.1 - Years of Experience. The Proposer must indicate the number of years' experience the Proposer has in providing the services as specified in this RFP and shall include detailed descriptions documenting its experience for all engagements of comparable complexity and scale for the past ten (10) years. <p>Notes—4.2 Experience of Responding Firm and Product</p> <ul style="list-style-type: none"> GT has provided full-service solutions to lotteries for 30 years and 740 accumulated contract years. Three customers with similar terminal profiles noted. <u>California 21,000 terminals, NY 18,500 points of access and UK 50,000 points of access</u> More than 50 deployments of the ES series on six continents. 150 system, product, service deliveries since 2000. GTECH Texas Management Team has 270 combined years of Texas experience and 630 years of combined industry experience Figure 4-1. Sales Force Services provided in Nebraska, Texas and WV. <u>Warehousing and Distribution Texas, Michigan, Nebraska, NJ, NY, WV</u>

				<ul style="list-style-type: none"> • <u>Figure 4-2.8 of the Top 10 Lotteries use GTECH p.4</u> <p>4.2.4 - The description of experience shall be detailed and cover all contracts the Proposer and any subcontractors have or have had that provided experience similar to this Contract which qualifies the Proposer to meet the requirements of this Contract, including but not limited to:</p> <ul style="list-style-type: none"> (a) Size of contract. (b) Reason for contract termination/expiration, if contract is no longer in effect. (c) Types of services directly provided by the Proposer and whether the Proposer was the proposer or subcontractor. (d) Term and type of contract, including effective dates. (e) Any problems encountered. <ul style="list-style-type: none"> • See chart for further contract details. <p>General—Proposer details substantial experience in providing the systems and services requested in the RFP. Proposer notes operational experience operating 8 of the top 10 largest US lotteries and 3 examples of equipment deployments on a scale equivalent to Texas or larger. Warehousing and Distribution experience including direct experience in Texas. Sales force management experience in 3 jurisdictions including Texas. Proposer also notes extensive experience in deploying its offered computer system and equipment.</p>
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	\$552.110	<p>4.2.2 - Proposers must indicate any previous lottery experience or other relevant experience providing similar services, as noted in Section 1.1.4, to governmental or private entities, including name of the entity, type of work performed, and duration of project.</p> <ul style="list-style-type: none"> • <u>Based on online sales, GTECH's customers make up 75% of the US Market. 25 online contracts in US, plus 100 contracts in more than 50 countries. See insert of contracts.</u> • <u>50 solutions deployed or underway worldwide.</u> • <u>Summary of Points of Access (terminals, devices) p.5</u> • <u>GTECH Systems process nearly 75% of the world's instant ticket transactions based on volume</u> <p>4.2.4 - The description of experience shall be detailed and cover all contracts the Proposer and any subcontractors have or have had that provided experience similar to this Contract which qualifies the Proposer to meet the requirements of this Contract, including but not limited to:</p>

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	110	<p>(a) Size of contract.</p> <p>(b) Reason for contract termination/expiration, if contract is no longer in effect.</p> <p>(c) Types of services directly provided by the Proposer and whether the Proposer was the proposer or subcontractor.</p> <p>(d) Term and type of contract, including effective dates.</p> <p>(e) Any problems encountered.</p> <ul style="list-style-type: none"> See Chart for contract details <p>General—Proposer demonstrates substantial footprint in providing services in the lottery industry including system management of 75% of world wide instant ticket transactions. Proposer also notes 25 US online system contracts and 100 worldwide. Proposer illustrates substantial experience in the deployment of its terminals and equipment.</p>
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	110	<p>4.2.3 - Proposers must indicate any previous experience in transition activities between vendors when providing similar services, in scope and size, as noted in Section 1.1.4. Proposers must include the name of the entity, type of transition/conversion work performed, duration of the project and any service interruptions encountered.</p> <ul style="list-style-type: none"> <u>180 implementations over 20 years</u> <u>More than 12 conversions with greater than 8,000 terminals</u> <u>Only vendor to convert US Lotteries with over 10,000 terminals</u> <u>Most conversion experience is noted as being from GTECH system to GTECH system</u> <u>Chile, FL and WV involved conversions from other vendor.</u> <p>4.2.4 - The description of experience shall be detailed and cover all contracts the Proposer and any subcontractors have or have had that provided experience similar to this Contract which qualifies the Proposer to meet the requirements of this Contract, including but not limited to:</p> <p>(a) Size of contract.</p> <p>(b) Reason for contract termination/expiration, if contract is no longer in effect.</p> <p>(c) Types of services directly provided by the Proposer and whether the Proposer was the proposer or subcontractor.</p> <p>(d) Term and type of contract, including effective dates.</p> <p>(e) Any problems encountered.</p> <ul style="list-style-type: none"> See Chart for Contract Details. <p>General—Proposer notes substantial experience in conducting system implementations including large terminal deployments. Proposer notes that most of its conversions have been from its own systems. Proposer notes vendor-to-vendor conversion experience in three jurisdictions noting that WV, while</p>

								smaller than Texas involved sales force management services.
								Total Points

TECHNICAL SCORING SUMMARY

Past Performance. <i>The quality of the Proposer's past performance in contracting with the agency, with other state entities, or with private sector entities.</i>	550
Personnel. <i>The qualifications of the Proposer's personnel.</i>	800
Quality. <i>The probable quality of the offered goods or services.</i>	2,600
Experience. <i>The experience of the Proposer in providing the requested goods or services.</i>	550
Total Possible Points	4,500

COST SCORING SUMMARY

The following formula will be used in scoring cost proposals:
 Lowest Cost Proposal Amount / Other Cost Proposal Amount = % of total points available for the Cost Proposal.

Total Possible Points 500

TOTAL POINTS AWARDED

Total Possible Points 5,000