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

Round 2: Technical Scoring		RFP Reference	Evaluator Notes GTECH
2.1	**Past Performance.** *The quality of the Proposer's past performance in contracting with the agency, with other state entities, or with private sector entities.*		
2.1.1	Contract performance issues, which include, but are not limited to: --contract terminations --sanctions / liquidated damages / goods or services in lieu of sanctions/LDs --significant or material audit findings or compliance issues --disciplinary action for substandard work or unethical practices --pending/past litigation --gaming license status	4.2.5(a), (b), (c), (d), (e), (f), (g)	§552.110 Positive lottery operator contractual history with the TLC.
2.1.2	Reference checks and site visits (to include site visits to other lotteries if applicable)	4.4 and 2.22	Reference Checks reviewed. Oral Presentation and Site Visits were impressive with a mixture of Texas based account team members and the Corporate team as well as the opportunity to view the technology offering. Provided excellent exposure to members on the Texas account team. Impressive presentation of the following: with TX data, Lottery Inside at Stewart's in New York.
2.2	**Personnel.** *The qualifications of the Proposer's personnel.*		
2.2.1	*Executive Management – General Manager/Site Director, Assistant General Manager, and any other officers or key personnel who will provide direction or oversight to the Texas Lottery account.*	4.3.2(a)	General Manager - Joe Lapinski. Joe led the successful on-time conversion for the current TX contract in 2002. As the Asst. GM, he has served as a primary point of contact for TLC staff and has been responsible for the day to day activities supporting retailers. Joe served as project manager for GTECH conversions in GA and TX and recently served as the ADM in Louisiana. Joe has 10 years of industry experience. Currently TX Asst. General Manager. Prior positions include Account Development Manager, Deputy Account General Manager and Finance Director. Strategy Consultant - Ramon Rivera. Full time GTECH employee advising the GM and his management staff. Ramon has 18 years of industry experience. Started with GTECH in 1992 as HR Director. In 1997, he was promoted to Deputy Account Development Manager and, in 2001, to Account Development Manager. Assistant General Manager - Saysha Robinson. Saysha has 6 years of industry experience. Currently the primary contact for maintenance of GTECH's contract with TX with respect to daily operational activities, lottery requests, audits and compliance. Prior positions with GTECH include Senior Business Analyst, Software Project Manager and Project Coordinator. She has been with GTECH since 2004. Per Clarification letter, Saysha will coordinate with management from the Data Center, National Response Center, Field Services and Software Support to ensure that all service levels required by TLC are met. Administrative and audit staff at GTECH will report directly to Saysha. Tom Stanek presented below. Senior Management Support: Jaymin Patel, Alan Eland, Connie Laverty O'Connor, Scott Gunn, Matthew Whalen.

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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)	<u>TX Lottery Liaison/Operations Support Manager - Eric DeFazio</u>. Industry experience of 12 years. His project experience includes performing GTECH's Software QA lead for the Israel, UK, Sweden, New South Wales, France, Mexico, CA and WA lottery conversions. In 2005, he accepted a management role for GTECH as part of the DCA in Austin. He has been with GTECH since 1998 and has served as Sr. Service Support Manager, Service Support Manager, Senior Quality Engineer and Quality Engineer. <u>Data Center Supervisor - Jim Burdick.</u> With GTECH since 2001 as Operations Support Analyst III, Operations Supervisor and Senior Operator. Supports the operations staff with real-time delivery of solutions, guidance and training. He was responsible for the rollout of the Guatemala Lottery systems at the DCA in 2008. <u>Regional Software Lead - Andy Haley.</u> With GTECH since 1994 in numerous technology positions. Most recent position is Regional Technology Lead. <u>Software Development Manager - Jim Brannon.</u> 11 years of GTECH TX/industry experience. While at GTECH, has been involved in software rollouts in Chile, NJ, Jamaica, Massachusetts, Oregon, and Missouri. Experience in software upgrades and developing systems.
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)	<u>Call Center Manager - Sam Franco</u>. 3 years of GTECH TX/industry experience. Since joining GTECH, Sam has overseen the restructuring of the Call Center training program. 31 staff total. Per resume: With GTECH since 2007 serving as Sr. Call Center Manager and Call Center Manager. From 2000-2007 in call center positions with Affiliated Computer Services. <u>Field Services Manager - Hal Walker.</u> Industry experience of 24 years. With GTECH for 10 years responsible for Texas field services and has managed all aspects of normal operations and special field services projects. <u>Retail Support Supervisor, Barbara Broadus</u>. 9 years of GTECH TX/industry experience. Previous positions include: Call Center Supervisor, LSR, Instant Ticket Specialist, Workforce Associate. <u>Dispatch and Supply Inventory Manager, Vachon Colvin.</u> 6 years of GTECH TX/industry experience. Previous positions include: Call Center Supervisor, Team Lead, Workforce Associate. 10 years with Dell.

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2.2.4 *Sales and Marketing – Sales Manager, Marketing Manager, Promotions Manager/Coordinator, District/field Sales Managers, Corporate/Chain Account Manager, New Business Development/Recruitment Manager, Research Associate, and any other staff who will provide sales or marketing input, direction or recommendations for the Texas Lottery account.*	4.3.2(d)	Director of Sales, Marketing and Business Development - Tom Stanek. During conversion Tom will have direct responsibility for sales, marketing, and business development groups in Texas. Prior to his duties in TX, he worked in GTECH's corporate marketing department and in multiple jurisdictions. Tom has 7 years of industry experience. Per resume: He led the launch of GTECH's first mobile solution in TX in 2008. He has been with GTECH since 2003 in the following positions: Director of Sales, Marketing & Bus. Development - GTECH TX, Director of Business Development - GTECH Western Region, Operations Manager - GTECH CA, Marketing Analytic Group Manager - GTECH Corporate, Sr. Statistician - GTECH Corporate. Marketing Manager - Shannon Plum. She has 2 years of industry experience. Per resume; more than 15 years of sales and marketing experience. With GTECH since 2008 as Marketing Manager. Corporate/Chain Account Manager - Mandy Carter. Prior to joining GTECH, Mandy worked with HEB for more than 6 years as an associate with their marketing company, Daymon Worldwide. She has 2 years of industry experience. Per resume: With GTECH since 2008 as Manager, Business Development. Sales Manager North Region - George Sanchez. GTECH TX/industry experience 18 years. Continuing role as Sales Manager. Involved in the previous conversion and numerous sales related positions: LSR, Account Representative, DSM. Sales Manager South Region - Brian Finnigan. GTECH TX/industry experience 18 years. Continuing role as Sales Manager. Involved in the previous conversion and numerous sales related positions: LSR, DSM and Instant Ticket System Warehouse Manager. New Business Development/Recruitment Manager - Arden Reid. Arden has 19 years of industry experience. Per resume: Arden has worked through 3 conversions with no interruptions in service by the sales team including the OH conversion in 1993 and 2 TX conversions. Previous positions at GTECH beginning in 1995 include Director of Corporate Recruitment, Director of Sales, State Sales Manager, Corporate Account Manager. Was with OH Lottery as Regional Mgr. from 1991 - 1995. Research Associate - Gina Dill. GTECH TX/industry experience 15 years. Promotions Manager/Coordinator - TBH. 13 District Sales Managers with one vacant position. Strong team and support from corporate team.
2.2.5 *Warehouse and Distribution – Warehouse Manager.*	4.3.2(e)	Warehouse Manager - Dwayne Tatum. Dwayne has 18 years of experience with GTECH and managed the TX start-up and conversion to the current warehouse. He has supported 9 other lottery start-ups and conversions, including NY, and has supported ongoing operations in 3 other jurisdictions. 30 staff total Per resume: With GTECH since 1992 as the Distribution Svs. Manager. Distribution Manager - Chuck Faulkner. Chuck supervises a group of 11 Instant Ticket Specialists. He works with the TLC Instant Ticket Product Coordinator on game mix and launch schedule, and coordinates new game launch parameters. Per resume: Before becoming ITS manager, Chuck spent more than 10 years in the field as a LSR and District Sales Manager. He has been with GTECH since 1995.

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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)	2 Project Managers w/ a total of 32 years of industry experience. One PM will be permanently based in Texas. The other PM will support TX during conversion. PMP, Project Manager - Michael Thornton. PMP, Texas Project Manager - Barbara Tedrow. TX Systems Engineer - Nick Watts. <u>Project Manager - Barbara Tedrow.</u> Barbara, will be the TX-based project manager. She will oversee project software development, implementation, and acceptance. She has focused on software project management for the past 8 years for GTECH's online lottery systems and worked on the previous TX conversion. Industry experience 17 years. Per resume: Worked as part of the core team for RI and MI conversions. With GTECH since 1993 in the following positions: Project Manager, Lottery Sales Representative, Proposal Production Manager. Project Management Institute PMI and Project Management Professional PMP. <u>Project Manager - Michael Thornton.</u> Will be responsible for all aspects of project delivery. Industry Experience 15 years. Per resume: from 2008 to present he is the President of MT Consulting. Worked for GTECH from 2001-2008 as Director, Project Management Group (2005-2008), Program Manager, Video Program Team and Senior Project Manager. Worked for GTECH from 1992-1999 as Director of (California) Computer Operations, Control Room Manager, Senior Control Operator. Michael delivered the Wisconsin conversion project in 2004 (the first significant upgrade to GTECH's new ES system). Project Management Institute PMP. <u>TX Systems Engineer - Nick Watts.</u> Nick will be responsible for the overall architecture of the TLC system. Nick designed and developed the Industry Experience 11 years. Per resume: With GTECH since 1999 in the following roles: System Engineer, Software Engineer, Infrastructure Engineer, IT Services Architect. **§552.101/§466.022 §552.139** **§552.110**
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	370 positions in Texas. Unfilled positions will be filled at contract award. Noted the LSR ratio is 127:1 with the Promotions and Training Representatives included. The ratio is 136:1 without the Promotions and Training Representatives. During Oral Presentation Q&A discussion about the current staffing level of 138 LSRs (117 LSRs + 14 Swing Reps.) and the decline in resources.
2.3 **Quality.** *The probable quality of the offered goods or services.*		
2.3.1 *ACCOUNT MANAGEMENT AND ADMINISTRATION*		

Round 2: Technical Scoring		RFP Reference	Evaluator Notes GTECH
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	RR & DRs responded to: Yes, with the exception of providing an example of service level reports as required under RR 4. 6.2 Account Management. Pg. 6.2-3. Mapped solutions and organization to TLC business processes to ensure alignment. Results of analysis: new innovations for TX, improved features and functionality, additional resources, greater visibility and transparency, improved communication. Pg. 6.2-5. Contract Management application will enable enhanced communication and consolidated management of requirements: procedures, reports, requests, HUB activity, data and records. 6.3 Service Level Monitoring & Reporting. Pg. 6.3-2. §552.110 Pg. 6.3-11. automated reporting and adhoc reports available on real-time data. 6.4 Service Management. 6.4.1. Incident & Problem Management Response. Pg. 6.4-2. Dedicated incident management team is housed and managed at the DCA. Managing incidents according to severity charts begin on pg. 6.4-6. Problem management overview provided on pg. 6.4-9. 6.4.2. Capacity Management. Capacity Planning and Monitoring overview provided. 6.4.3. Performance Management. pg. 6.4-17 introduces three new features: Operations Automation, Self-Monitoring & Progress Monitoring of the host system, the GTECH pg. 6.4-18. GTECH recertified as a CMMI-Dev Level 4 Software vendor. Pg. 6.4-19 will monitor performance, capacity, and availability of the entire Lottery Gaming System. Network Monitoring, Management and Reporting tools outlined on pg. 6.4-22. 6.5. Compliance Review. pg. 6.5-1. GTECH has created two positions (Audit & Security Supervisor - Bingham & Field Audits Analyst) dedicated to meeting the contract compliance requirements. Dedicated a single point of contact for contract compliance audits. Noted quarterly compliance reviews that began in 2006. With noted exception, thorough response.
2.3.1.2	*Facilities support services, which includes all facilities and equipment to support the Texas Lottery account.*	6.6	RR & DRs responded to: Yes. Pg. 6.6-3. Administrative Offices at Austin Technology Center. Centralized Distribution Warehouse - 71,000 sq. ft. Pg. 6.6-5 14 secure warehouses. Pg. 6.6-6 In addition to the Centralized Distribution Warehouse, three facilities for servicing the northern & southern retail locations. Pg. 6.6-7. 10 facilities for training & storage. Pg. 6.6-10. DCA in Austin as PDC. Pg. 6.6-15. Backup Data Center in San Antonio. Pg. 6.6-17. Other Services: Will continue to deliver interoffice mail, transport terminals and deliver equipment used for presentations and shows; materials necessary to process and store returns and provide space for staging returns prior to shredding. Additional storage facilities noted on pg. 6.6-18. Central Distribution Warehouse Hours of Operation from 8 - 5, M-F or longer when order volumes require. New office in Waco and 4 new warehouses. Meets requirements.

Vendor: _____

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2.3.1.3	*Business continuity and disaster recovery capabilities which includes primary site system recovery.*	6.7	RR & DRs responded to: <u>Business Continuity and Disaster Recovery</u>. Yes. Pg. 6.7-4. GTECH updates its disaster recovery plans every quarter. Examples of disaster recovery plans in action (tornado, hurricanes) included. Pg. 6.7-10. A redundant system configuration with 4 gaming systems that enable all system and transactional data to be stored in real time. §552.110 The automated balancing process occurs throughout the day at scheduled checkpoints. <u>Data backup and Restore process</u> Pg. 6.7-12. Linux servers will have a complete set of duplicate backup drives that can be used to restore a server failure due to hardware failure. <u>Ticket Delivery</u> Pg. 6.7-13. Secondary carrier available as well as a courier on staff. LSRs and FSTs will also provide support by delivering tickets in their own cars if approved by TLC. Meets requirements.
2.3.1.4	*Training activities which includes training on Lottery Gaming System, various retailer training requirements and LSR training.*	6.8	RR & DR's responded to: Yes. Pg. 8-1. Retailer Training Management Office to ensure that retailers are registered into the most convenient training session. 47 cities have been tentatively scheduled for retailer training. Retailers are located within an average of 19.4 miles from a training venue. Training will be done 2 to 3 weeks prior to the first terminal installation. Pg. 8-1. Methods of training include: Classroom training, On-site training, Terminal-based training, Retailer reference materials. Pg. 8-6. Reference guides provided in hard copy and soft copy PDF. Instructions are also available via online Help within the Pg. 8-36. §552.110 Web based training not reflected in base offering. Thorough response and staffing.
2.3.2	**LOTTERY GAMING SYSTEM**		
	On-Line Games		
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	RR & DRs responded to: Yes. Pg. 7.2-5. §552.110 On-line and licensed content not a strong offering.

Round 2: Technical Scoring		RFP Reference	Evaluator Notes GTECH
2.3.2.2	On-Line game controls which includes development and monitoring of On-Line game control features.	7.2.2	RR & DRs responded to: Yes. Pg. 7.2-68. - web based application for game control and transparent view into Overview of Multidraw, Advanced Wagering, Liability Limits and Advance Play Step-Down features. Notes decades of experience in many large jurisdictions, including TX, executing on every level of On-Line game control features down to the retailer level. Pg. 7.2-74 reflects 5 examples of Step-Downs in TX from 2000-2006. Thorough response.
2.3.2.3	Drawings which includes the Lottery Gaming System's capability to meet the Texas Lottery's drawing requirements. **§552.101/§466.022** **§552.139** **§552.110**	7.2.3	RR & DRs responded to: Yes. Detailed overview of draw process beginning on 7.2-75 including numerous screen shots from Pg. 7.2-88. Overview of Reverse Drawings providing for draw rollback functionality in Pg. 7.2-89. Noted experience of most demanding jurisdictions with respect to security, number of draws, high-volume transactions and large liabilities: TX, NY, CA and FL. Thorough response.
	Instant Ticket Game Management		
2.3.2.4	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. **§552.110** Thorough response including **§552.101/§466.022** **§552.139**	7.3	RR & DRs responded to: Yes. Pg. 7.3-5.
	Claims and Validations		

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2.3.2.6		7.4	RR & DRs responded to:
	§552.110		With noted exception, thorough response.
2.3.2.7	Lottery Gaming System's functionality for a secured method (and equivalent backup method) of applying required signature(s) to the check stock during the check printing process. §552.110	7.4	RR & DR responded to: Yes. Pg. 7.4-43. Meets requirements.
Retailer Management			
2.3.2.8	Integrated Lottery Gaming System to support the Texas Lottery's retailer management functions, which includes retailer maintenance and license application processing, inventory management, accounting and access control. §552.110	7.5	RR & DRs responded to: Yes. Thorough response. Numerous screen shots from with examples.
2.3.2.9	Lottery Gaming System's ability to provide online access to retailer management transactional data.	7.5	RR & DR responded to: Yes. Pg. 7.5.56. provides the ability to view detailed transactional data through the Terminal Activity tab. The data comes directly from the - the The can not be altered once written to. Pg. 7.5-57 notes user can drill down into any transaction displayed on the screen. Meets requirements. **§552.101/§466.022**
Lottery Gaming System General Requirements			**§552.139**

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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.* **§552.110** **§552.110** **§552.101/§466.022** **§552.139**	7.6.1 and 7.6.2	RR & DRs responded to: Yes. Battelle Benchmark: 1-3. Full Size Terminal Other Transactions Time, One-Board Response Time, Multi-Board Response Time: Passed; 4-6. Mid-Size Terminal Other Transactions Time, One-Board Response Time, Multi-Board Response Time: Passed; 7. Management Server Failure: Passed; 8. Primary Transaction Engine Failure: Passed; 9. Near-24 Games Operations Hours: Passed; Games Capacity: Passed; 10. Retailer Network Capacity: Passed; 11. Games Capacity: Passed. Pg. 7.6-4. Open Standards-Based Architecture. Pg. 7.6-11 Four redundant, physically separate, but fully integrated systems will operate full time on all four maintaining operation and data integrity even in the event of a system failure at the PDC or a total failure of both systems at the PDC, requiring failover of operations to the two systems at the BDC. At start up the system proposed by . Pg. 7.6-20. Real-time processing and services 23.5 hours per day, including all functionality; primary site recovery in under 2 minutes, with no loss of transactions. Pg. 7.6-25. Automatic failover without requiring intervention from an operator and without incurring data loss. <u>Detecting and Reporting Fraudulent Transactions.</u> Pg. 7.6-28. supports full research and reporting on sales through its (reports can be created in real-time). Overview of transaction level reports provided beginning on pg. 7.6-30 noting MJF includes detailed records relating to sales, redemptions, validations, canceled on-line tickets, rejected redemption inquiries, system events. Pg. 7.6-31. Transactions are time-stamped to the nearest one-hundredth of a second. Pg. 7.6-33. To display and report anomalous conditions that may indicate operational problems or attempts at fraud, use of a multiple-tool approach: the log reports and error log); the and a system management tool. GTECH has implemented, and will continue to implement, system alerts to warn users about anomalous conditions. Preventive Detection Measures outlined beginning on Pg. 7.6-35. Terminal-Related Consumer Protection Mechanisms, Outstanding Ticket Winners File, Previously Validated Tickets, Retailer "Fishing", Attempts to Cash Missing or Stolen Instant Tickets, Excessive Cancels or Online Credit Requests, Stolen Instant Tickets. <u>Data Exchange</u> Response begins on Pg. 7.6-47 including supported interfaces. Interface implementation will be accomplished with the same processes and procedures used in software development, i.e., the Pg. 7.6-50. B2B for extensible connectivity to the through open interfaces. Pg. 7.6-51. The can provide Meets requirements.
2.3.2.11	*Lottery Gaming System's capability for configuring and executing player and retailer promotions.* **§552.101/§466.022** **§552.139** **§552.110**	7.6.3	RR & DRs responded to: Yes. Pg. 7.6-56. On-Site Marketing Coordinator will assist with promotions-related tasks (analytical information processing, distributing, etc.), Parameters built in thus no software changes required. Pg. 7.6-58. provides the following benefits: 1) It supports both online promotions and co-promotions; 2) Enables TLC users to efficiently build promotions based on Lottery specific criteria; 3) Create promotions that are retailer or chain-store specific. Pg. 7.6-72. Coupons with bar-coded serial numbers. Pg. 7.6-75. Retailer terminal and the can generate a coupon to be used as a cross-promotion, and produce summary reports of such transactions. Pg. 7.6-79. supports the configuration of multiple, simultaneous promotions for the same game with the ability to set priority rules to account for instances where one event could trigger multiple promotions. Thorough response.

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2.3.2.12	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.**	7.6.3 §552.110	RR and DRs responded to: Yes. Second Chance Drawings. Pg. 7.6-80. Pg. 7.6-83 Second Chance Drawings. GTECH's system allows players to enter their nonwinning ticket numbers via mail, web, or text. Multiple game promotions can be supported. Noted NJ example on pg. 7.6-83. Web Based System for Player Registration. Pg. 7.6-85. You can communicate with the player through the website, using RSS, text messaging, etc. Pg. 7.6-86. Player registration requires age verification information that can be checked by a 3rd party verification company. Pg. 7.6-87. Users of can conduct ad hoc inquiries, reporting, and analysis against collected player data. Interfaces and back office functionality available to manage player information, bank accounts, prize claims, prize payments, tax reporting and mail subscriptions. Mail Order Subscription System. Pg. 7.6-87. Players will be given cross-reference numbers to include when sending payments and emailed subscription confirmations, which include information on chosen games, numbers and subscription durations. Pg. 7.6-88. Can accommodate a subscriber downloading a form from the website, completing the form, and mailing it in. GTECH will consider citizen registration, valid TXDL, personal income tax filings, or any other required means of player verification. Checks, money orders, direct EFT, and debit cards are all valid forms of payment in the GTECH system. Pg. 7.6-94. Noted player verification methods for consideration: citizen registration, TDL, personal income tax filings. Pg. 7.6-96. Subscription prizes are processed automatically through the subscription management module. Would have liked to see greater examples from other jurisdictions.
	System Management, System Security and ICS System and Vendor Requirements		
2.3.2.13	Change and release management process, and test environment and access for conducting user acceptance testing. **§552.101/§466.022** **§552.139**	7.7	RR and DRs responded to: Yes. Pg. 7.7-6. GTECH's recent recertification's in CMMI-DEV Maturity Level 4, ISO 9001:2008 Quality Management System and the NASPL Standard Initiative Quality Assurance for Development processes ensures that best practices will be followed to minimize the risks associated with changes during execution. Pg. 7.7-7. Main elements of SDLC: 1) Request for Software Services, 2) Change Advisory Board, 3) Planning and Requirements Definition, 4) Design and Development, 5) Software Quality Assurance, 6) Release Management, 7) Post-Installation Services. Test Environment. Pg. 7.7-28. Extensive testing and QA in an environment as close as possible to the operating environment. Five identical systems that support TLC, 4 support production and 1 is dedicated to testing. Meets Requirements, but would like an additional QA resource.

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2.3.2.14	*Lottery Gaming System's security plan, which includes physical and logical security components and an overview of the policies and practices to prevent, detect, and resolve security breaches.*	7.8	RR and DRs responded to: Yes. Pg. 7.8-4. Pay special attention to the areas most vulnerable in today's world, such as communications network-intrusion prevention and detection. Pg. 7.8-6. Define and implement security policies and procedures for hardware, software, data and physical facilities. Operations Security Plan will assure defense in depth through multiple layers of protection from unauthorized access to or use of games and gaming data. Plan outline provided beginning on pg. 7.8-8. 1. Security Overview & Commitment, 2. Business Impact Analysis, 3. Risk, Threat & Vulnerability Analysis, 4. Security Strategy, 5. Personnel Security Practices, 6. Physical Security, 7. Data Security, 8. Telecommunications Access Security, 9. Network Equipment Security, 10. Incident Response & Resolution, 11. Protection of Software and Other Copyrighted Materials, 12. Plan Evaluation, 13. Security Awareness Training, 14. Plan Maintenance. §552.110 . Noted SAS70 audit results on Pg. 7.8-46. Detailed response. Meets requirements.
2.3.2.15	*Processing transactions from the Lottery Gaming System to the internal control system, which includes handling out-of-balance incidents and accomplishing electronic funds transfers.*	7.10	RR and DRs responded to: Yes. Pg. 7.10-3 to send transaction data to the in as close to can receive them. The will be recognized by all of the Pg. 7.10-4. Balancing between the and can begin once processing is complete on both. The ICS typically uses a continuous balancing §552.110 approach, which audits and balances the against the at each checkpoint. Balancing is automated and follows the checkpoint schedule. Any out-of-balances can be found immediately instead of at draw break, and thus resolved more quickly. EFT on page 7.10-5. Per clarification letter, the typical checkpoint is every 10 minutes. This timeframe can be adjusted. Thorough response. §552.101/§466.022 §552.139
	Reporting		

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2.3.2.16	*Reporting functions which include the ability of the Lottery Gaming System to produce a variety of reports as well as the ability of Texas Lottery staff to create ad-hoc Systems reports using user-friendly graphical tools.* **§552.110** **§552.101/§466.022** **§552.139**	7.9	RR and DRs responded to: Yes. Pg. 7.9-2. Top three benefits: integrated solution, reporting solution is user-friendly and easily customized, provides transparency and seamless reporting capabilities. Pg. 7.9-3. Includes the following data: Asset Management, Detailed Claims & Payments, Detailed Instant Ticket, Comprehensive Retailer information, including incentive analyses, Gaming Sales information, including validations, cancellations, etc., Integrated Field Service information, Complete Call Center info., Detailed transaction-level data, Detailed player information, Pertinent security information details to detect anomalous activities. Pg. 7.9-5. Parameterized report templates (examples provided). Pg. 7.9-6, Training of business users. Pg.7.9-12 Conversion Report Gap analysis - Seven Step process. Examples of how to View Reports, Modify and Create new queries, conduct analyses provided beginning on Pg. 7.9-17. Performance Dashboard overview - Pg. 7.9-29. Pg. 7.9-36 In-House Dashboard Creation package includes one creator license for the Xcelsius dashboard design tool and 25 view licenses to authorize and enable your staff to interact with the dashboards. Pg. 7.9-41. training will include three instructor led course: Basic, Intermediate and Advanced. Noted training experience in Michigan and West Virginia. Demo on Site Visit was impressive. Concerned with limitation on the number of Dashboard licenses.
	System Supported Terminal Functions		
2.3.2.17	*System supported terminal functions, which include the Lottery Gaming System's capability to inquire and log ticket prize inquiries from all sales terminals, including player activated, and communication of winning, non-winning and actual prize amount data.* **§552.110**	7.11	RR & DRs responded to: Yes, with the exception of DR 25, Did not specifically address how local news feed would work. Battelle Benchmark: 19. Terminal Download Bandwidth: Passed. Terminal Functions Pg. 7.11-2. provides for the sales and validation through terminal. Inventory transactions including confirmation, activation, settlement, ordering, and return of all Instant, Integrated supply chain management, Automatic checks of the win status of any Ticket Game packs. Single Ticket accounting. Multiple level of access of control over terminal functions. technology. Pg.7.11-7. Training Mode. The screen will change to a different background color from the active mode. The screen will display the words "Training Mode" behind the buttons. Test tickets are graphically represented on the display screen and will not be printed. Pg.7.11-8. Financial classes may be configured by product type or individual retailer; terminals and clerks can be set to have different thresholds for sales, inquiries, and validations. Pg.7.11-11. System will capture and track the store and clerk ID for every validation attempt, no matter the size of prize (including prizes under $25). Confirmation mode for validation - the value can be set per product. Pg. 7.11-14. For tickets produced during the new contract period, proposed an alternative: a new, two-scan, self-check ticket checking process based on With this new process, the ticket checking process becomes a "validation inquiry" from the software prospective. All ticket checking attempts will be logged to the MJF. Able to check the frequency and sequence of tickets being checked on the Clarification letter notes GTECH will continue to license and print the barcode under the new contract, if required by the TLC. Pg. 7.11-16 With LSRs can collect enhanced survey data. Pg.7.11-17. Terminal Ordering. Will allow retailers to order instant tickets directly from their terminal. Each order is reviewed by a Instant Ticket Specialist before it is released for shipping. Pg. 7.11-18. Per Clarification letter, the pilot included 8 retailers and the tracking of 250 packs in Pg. 7.11-19. Clarification letter notes Pg. 7.11-40. Retailer Bonus information - new software batch to allow retailers to see how they are performing through a terminal report. Interaction with Back-Office Systems. Pg. 7.11-41. Number of solutions, but will vary by retailer structure and interaction. Two primary methods: 1) GTECH developed and maintained application that conforms to the retailer's specified integration standards; 2) Application from the retailer's back-office provider embedded in GTECH's terminal that conforms to their terminal standards. Prize Inquiries and Validations. Pg. 7.11-41. Each and every attempt to validate or inquire on a on-line ticket is logged at the host, along with the corresponding response to the inquiry or validation attempt. Instant tickets - the retailer will scan the bar code, and depending on options chosen by the lottery, the validation/inquiry will either be sent automatically to the or processing or the retailer will need to enter the security digits prior to the transaction being transmitted. Prize Inquiry Communications. Pg.7.11-42. On-Line ticket inquiries- the device can be programmed based on TLC business rules to display the winning amount regardless of dollar value. Instant Ticket. Variety of methods. Current method: Instant Ticket vendor prints a small bar code under the latex on the front of the ticket. Alternative method: Embed the security digits under the latex in a bar code. The player first scans the bar code on
	Sales Terminals and Related System Sales Equipment		

Round 2: Technical Scoring		RFP Reference	Evaluator Notes GTECH
2.3.2.18	*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.*	7.12 §552.110	RR and DRs responded to: Yes. Battelle Benchmark: 12. Vending Machine Capability: Passed; 13. Vending Machine Shutoff: Passed; 14. Go-Live Retailer Support Level: Passed; 15. Thermal Paper Stability: Passed. 16. Terminal Aural Tones: Passed; 17. Bar Code Reader First Read Rate: Passed. (Noted the ticket checker requires more finesse to read) 18. Print Quality for Bar Code Read: Passed. Notes below on Terminals, Player Activated Sales Terminals, Player-Activated Self Check Terminal and Pg. 7.12-63. Customer Oriented Display - 17" LCD flat panel monitors. Pg. 7.12-65. Player Advertising Display - Starlight - 24" LED Starlight. <u>Specified Option - In-Lane Solution.</u> Pg. 7.12-165. Clerks scan a bar coded Easy Play card or press a Quick Pick button on their cash register. Other transactions, such as validations, are performed at the full-function Lottery terminal. Of. 7.12-169. Lottery Inside is based on a set of software modules that reside on GTECH's Business-to-Business (B2B) gateway platform. This platform will interface with the Lottery's central system and share a secure interaction, over the retailer's private network, with a software module that is installed on the store's existing POS. <u>Invited Option - Specialty Terminals and Equipment -</u> N/A - none in base price. Broad solutions of hardware offered. Impressive number of Altura's deployed. SAW offering on Retailer Terminal of question. Player Activated Terminal one touch and are positive features. Smart Load. Ticket checkers are not wireless. Strength in deployed.

Round 2: Technical Scoring		RFP Reference	Evaluator Notes GTECH
		§552.110	Standard and Mid-Range Retailer Sales Terminals. 17,000 Altura GT 1200 Standard terminals and 500 Altura GT 1200 . Pg.7.12-5 Both the Altura GT1200 Standard and FST print and validate on-line tickets, validate instant tickets, perform Instant Ticket pack management, perform accounting and reporting functions. Both terminals are based on the same software application base. Pg. 7.12-9. 7.5" paper roll with "drop and sell" feature of changing paper. Translucent cover. Pg. 7.12-11. Altura GT1200 - 8.5" reader. Open system architecture for both terminals. Pg. 7.12-13. The Altura GT1200 and play-slip scanner support thermal branding of printed receipts. Pg. 7.12-14. - separate printer. Key Features on Pg. 7.12-15. Altura GT1200: 15.09" H x 12.47" W x 18.93" D, footprint = 236.06 sq. in.; 12.1" Retailer Display, Surface Acoustic Wave, 8.5" reader, External 2D bar code reader, Printer: AccuTherm Ultra. 16.8" H x 7.6" W x 13.6" D, footprint = 103.36 sq. in.; 8.4" Retailer Display, Resistive 5 Wire, 4.5" reader, External 2D bar code reader, Printer: AccuTherm Ultra. Pg. 7.12-19. Altura GT1200 delivered in July 2009. There are currently approximately 17,000 GT1200s installed in NY. Pg. 7.12-35. Altura GT1200 terminals will support Inside. was created to reduce or even eliminate interruptions to a retailer's business. The combination of two distinct communications technologies (VSAT and 3G fixed wireless). The solution is fully integrated with the Altura GT1200 without retailer's input.Pg. 7.12-36. Easy to use touch screen GUIs. Overview of Step-by-step approach to GUI design beginning on Pg. 7.12-44. Pg. 7.12-50 Play It Again - by scanning the original wager's bar code. Pg. 7.12-55 Retailers liked the placement of the integrated CIS document reader, which allows them to drop a document into the top of the reader and have it empty in front of them. Pg. 7.12-71. The Altura GT1200 bar code reader is movable and removable and can safely reach 12' when the coiled cord is extended. Pg. 7.12-73 with ation
			Player-Activated Sales Terminals. Pg. 7.12-6. Both devices print On-line tickets, sell Instant Tickets, perform Instant Ticket pack management, perform accounting and reporting functions. Slimline's width and compact dimensions used where a traditional, full-sized vending machine would be too large. The Slimline allows for 12 Instant Game choices and 4 On-Line Quick Pick game buttons. Pg. 7.12-10. Player display screen on the front of the becomes a touch screen for retailers when they open the front door of the machine - game loading and report printing. Pg. 7.12-115. Integrated display, large instant ticket push buttons with integrated price display, Intelligent Quad Burster that accepts firmware downloads from the central system (not a single unit), 2D bar code reader. Pg. 7.12-122. can be equipped to sell 8 to 24 Instant Games and you can choose to include 4,5 or 6 Quick Pick push buttons. On-Line games can be purchased with play slips also. Per clarification letter, the failure of any one component will not interrupt the functionality of other components.
		§552.110	Player-Activated Self-Check Terminals. 17,000 player-activated self-check terminals. Pg.7.12-149 Deployed in numerous US jurisdictions. Not wireless.
2.3.2.19	Functionality or capability of all online devices to interact with the back office systems of Retailers.	7.12 §552.110	RR responded to: Yes. Pg. 7.12-157. Through Commercial Services functionality can be provided. Support integration with back-office systems of retailers via the retailer sales terminal using an alternate interface on the terminal and running either: 1) a GTECH developed and maintained application that conforms to the retailer's integration standards or 2) an application embedded in GTECH's terminal that conforms to their terminal Software Developer's Kit (SDK) standards. Meets requirement.

Round 2: Technical Scoring		RFP Reference	Evaluator Notes GTECH
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 §552.110	RR and DR responded to: Yes. Pg. 7.12-158. Sample training materials provided in English and Spanish. Overview of Altura GT1200 training mode provided. Pg. 7.12-159. Another security feature of the training mode is that all serial numbers printing on training mode tickets contain a special 2 digit checksum that is calculated differently than normal tickets. Pg. 7.12-160 overview noting interactive training. Noted additional security feature. Meets requirement.
	Installation, Relocation and Removal and Maintenance and Repair		
2.3.2.21	*Plan and procedures for handling equipment installation, relocation and/or removal requirements.*	7.12.1 §552.110	RR and DRs responded to: Yes. Pg. 7.12.1-1. Client Services Management Application (CSMA) manages and monitors retailer calls, performing analysis, and dispatching FSTs. NRC Associates use CSMA to review each retailer's case history and to capture pertinent case information. Pg. 7.12.1-2. The Dispatch Engine (DE) assigns the appropriate FST each case using: 1) proactively drives, manages, and monitors cases and FSTs. 2) is driven by decision factors, including equipment status and travel distance; 3) utilizes sales impact analysis; 4) integrates TLC business rules; 5) reschedules in real time. Requests for equipment and services for installation are created using the Installation Work Order form. Pg. 7.12.1-5. After the equipment is installed and operational, and retailer training requirements are met, the retailer signs the digital capture area on Pg. 7.12.1-7. Reporting can be captured in real time via Relocation and Removal tasks will be automated for the FST and accountability will be handled by the CSMA. The Asset Management module of will capture and record activity such as equipment installation, removal or swaps. Example of radio tower issue described on Pg. 7.12.1-9. Noted training and reporting of
2.3.2.22	*Plan and procedures for the maintenance and repair of all terminals and related Sales Equipment, which includes a preventative maintenance schedule and procedures for resolution of chronic problems.* §552.101/§466.022 §552.139	7.12.2 §552.110	RR and DRs responded to: Yes, with the exception of RR 2, regarding PM schedule. Pg. 7.12.2-2. Plan includes: 1) Design equipment that reduces, if not eliminates downtime; 2) Retailer visit procedure; 3) Preventative Maintenance; 4) Shortest path to resolution; 5) Proactive monitoring for chronic retailers; 6) Proper staffing support. Pg. 7.12.2-4. Retailer Visit Procedure. When a FST is dispatched, first job is to address call problem. Once resolved, the FST undertakes a full service visit by performing PM procedures for all sales equipment at the location. Pg. 7.12.2-5. Cross Training and PM. LSRs are cross trained to recognize equipment problems. An LSR visits each retailer every 2 weeks and, while there, ensures all equipment is working properly. For any equipment that requires attention, the LSR calls the NRC and places a service request. The FST will troubleshoot and then undertake a "full service" PM visit on all sales equipment. FST will close the case with resolution notes included. Pg.7.12.2-7. Texas trained Call Center associates use the GTECH News Information Expertise (GNIE) knowledge management system. In 2009, NRC associates resolved 67.57% of all retailer service calls without the need to dispatch an FST. Chronic Problems. Pg. 7.12.2-18. GTECH will establish a more stringent threshold of three calls in a 90 day period to begin monitoring and escalate emerging chronic problems for prompt resolution and followup. Pg. 7.12.2-19. NRC's process for dealing with chronic retailers. The NRC associate will identify how many calls for the reason/issue in a 30 day period and include in case notes. Regardless of whether the case is dispatched, if it is the 3rd call for the same reason code, the call is also forwarded to the Technical Call Center Associates for escalation. As part of every dispatch through CSMA, FSTs will be alerted if the retailer has been designated as a "chronic retailer". Pg. 7.12.2-21. LSRs will have access to retailer specific call history and detail for designated chronic retailers via Access by LSRs to specific call history a plus, but lack of specific PM schedule.
2.3.2.23	*Staffing levels to cover repair functions and the planned location of staff.*	7.12.2	RR responded to: Yes. Pg.7.12.2-11. 14 locations (Clarification Question #40) and 75 staff. Pg.7.12.12-13. Texas Depot Repair Facility. FSTs will send all swapped equipment to the closest TX depot/screening facility, where it will be examined to verify the reported problem. Defective components requiring repairs that are more extensive will be sent to the Regional Repair Facility or back to the Original Equipment Manufacturer for repair. Rhode Island is the Regional Repair Facility. Meets requirement.

Vendor: _____

Round 2: Technical Scoring		RFP Reference	Evaluator Notes GTECH
2.3.2.24	*Lottery Gaming System capability to remotely monitor all deployed equipment for proper operational functionality and identification of equipment malfunctions or failure.* **§552.110**	7.12.2	RR responded to: Yes. Pg. 7.12.2-21. Equipment fault and diagnostic information is logged in the MJF, appropriate alerts are generated, and using the comprehensive reporting capabilities within , GTECH and TLC are able to take action based on a variety of faults and other statistics. Critical faults will be reported on the Event Log enabling automation software to send fault notifications to appropriate GTECH and TLC personnel. Pg.7.12.2-22. Advanced analytics are possible because the data is delivered to the Data Warehouse, which allows monitoring of the entire retailer network. Meets requirement.
	Call Center Support		
2.3.2.25	*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.* **§552.110**	7.13	RR and DRs responded to: Yes. Pg. 7.13-1. GTECH is proposing its National Response Center (NRC). The NRC comprises two call centers, located in Austin and Providence, RI. The Austin facility will act as the primary call center and Providence as the secondary call center. Pg. 7.13-2. Client Service Management Application (CSMA) full cycle of the case, from initial input to case closure. The system utilizes advanced case management, dispatch, and scheduling, including Skills-based routing is determined by GTECH's call center network system. Pg. 7.13-3. Distributed system provides redundancy and disaster recovery capability. Capability to send retailer service call appointments directly to FST. Supply orders can be routed for delivery through TX Supply Queue. Pg. 7.13-4. Impact 360, call center workload-scheduling software to forecast call volume and the appropriate resources. Pg. 7.13-9. GNIE Knowledge Management System - provides call center associates with immediate access to the latest information. Pg. 7.13-11. CSMA utilizes case management processes, dispatch scheduling and unctionality to send FSTs into the field. Pg. 7.13-17. Once a FST is dispatched, Pg. 7.13-22. Call recording are generated from the Verint Ultra Intelliportal, which contains all inbound and outbound call recordings. Call Center Staffing and Management. Pg. 7.13-24. Senior Director - Ian Hyatt. Director, Call Center - Steven Kay. Call Center Manager - Sam Franco. Overview of Associate Training, Texas-Specific Training, NRC Help System Course, Tools, Call Evaluation, Trainers, Ensuring Quality. Pg. 7.13-29. The NRC QA team does a quality review of random calls each month and provides feedback to the call center associates on how well they handled the calls. Call Center Staffing & Management Support - Retailer-Licensee Base. Pg. 7.13-32. Currently have 104 call center associates trained to respond to TLC retailers, 18 of whom are fluent in Spanish as well as 7 other languages. When non-English speaking retailers call in, a "Language Line" is provided - 170 languages available 24/7/365. Call Center Performance Levels. Pg. 7.13-33. Cisco VoIP phone system provides reports for each day's calls received. Workforce Management team focuses on balancing associate staffing, managing service level forecasting, participating in scheduling and making real-time adjustments to meet changes in service levels. Pg. 7.13-34 Use of Impact 360 as workforce optimization software. Chronic Problems. Pg. 7.13-34. GTECH will establish a more stringent threshold of 3 calls in a 90-day period to monitor and escalate emerging chronic problems for prompt resolution and follow-up. Impressive number of staff (104) between TX and RI trained and qualified to handle TX calls. **§552.101/§466.022** **§552.139**
	Ticket Inventory Supply and Management		
2.3.2.26	*Innovative solutions to enhance inventory order and distribution beyond the noted requirements of the RFP.*	7.13	RR responded to: Yes. Pg. 7.13-37. Pg. 7.13-39. Pg. 7.13-46. Thorough response.

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Round 2: Technical Scoring	RFP Reference	Evaluator Notes GTECH
2.3.2.27	*Staffing and management of the ticket inventory and supply management functions to support the Texas Lottery's diverse Retailer base. Procedures to process special, out of cycle, express, expedited or emergency orders.* §552.110	7.13	RR and DRs responded to: Yes. <u>Inventory & Supply Management Functions</u>. Pg. 7.13-46. Chuck Faulkner, Distribution Manager. Nearly 1/2 of all ITS staff are bilingual. Pg. 7.13-47. Enhanced Instant Ticket Specialists will assist the 10-15% of non ___ retailer orders with inventory ordering; however, the suggested orders will be based on ___ calculated orders. Overview of ___ data provided on pg. 7.13-48. <u>Special, Out of Cycle, Express, Expedited or Emergency Orders</u>. Pg. 7.13-50. review of retailers in-store inventory on daily basis.
2.3.2.28	*Ability to allow Retailers to order at anytime through an automated system, rather than ordering in response to a telemarketing call, which includes the ability to manage and place proper controls on this ordering process.* §552.110	7.13	RR and DR responded to: Yes. Pg. 7.13-51. ___ 85 - 90%. ___ Generated Orders: placed on a predefined call schedule but will review against ___ Pg. 7.13-52 Retailer Call Orders - ___ epresentative will review the ___ calculated order. Terminal Orders. ITS representative will review the order against defined parameters: retailer status, financial restrictions ___ Pg. 7.13-53. Web Orders. ___ representative will review prior to being sent to warehouse. . Thorough response.
	Communications Network		
2.3.2.29	*Communications network, which includes information and diagrams to support the performance capabilities of the Lottery Gaming System and the Texas Lottery.* §552.110	7.14	RR and DRs responded to: Yes. Battelle Benchmark: 19. Terminal Download Bandwidth: Passed. Pg. 7.14-2. ___ provides redundant communications paths from the retailer to the central system for highest-volume retailers. The secondary path takes over automatically if the primary path is disrupted. Deployed in NY, Michigan and RI. By equipping 30% of retailers with ___ redundant communications to cover more than 50% of revenue. Pg. 7.14-3. Communication network includes: 1) ___); 2) (___ s); 3) ___ 4) ___ Pg. 7.14-4. Seek to balance cost (redundancy) and benefit (availability). Pg. 7.14-5. . ___ Pg. 7.14-16. Steps taken to eliminate single points of failure: 1) 3 Satellites; 2) ___ 3) ___ 4) ___ Communications Network Monitoring overview beginning on Pg. 7.14-17. router positive feature. 30% covering more than 50% of revenue.
2.3.3	***SALES AND MARKETING***		
	Sales Management and Business Development and Marketing		
2.3.3.1	*Route sales component to support Retailer locations.*	8.2	RR and DR responded to: Yes. Pg. 8.2-65. GTECH developed an internal route management process. Pg. 8.2-66. The route management structure is set up such that GTECH will provide a sales force team member to visit the retail location based on a predetermined cycle of visits. The GTECH associate will be responsible for managing all Instant Ticket inventory, consumables, cash reconciliation, accounting reports, and equipment maintenance. Poised to create a new division within Sales organization. Created a Texas specific retailer application process. ALCO Route Sales Management Pilot example details outlined and cited Walgreen's pilot. Strong response, noted the detailed outline for Route Sales call visit.

Round 2: Technical Scoring		RFP Reference	Evaluator Notes GTECH
2.3.3.2	*Sales management staff responsible for identifying new selling and business development opportunities.*	8.2	RR and DR responded to: Yes. Pg. 8.2-5. <u>Full-Time Texas Sales Management Staff</u>: Tom Stanek, Director of Sales, Marketing, and Business Development. 7 years of industry experience, Tom makes sure all sales force efforts maximize retailer sales and develops tactics for expansion into new retail environments. Arden Reid, New Business Development/Recruitment Manager. Arden is responsible for key, corporate and chain account recruitment. 15 years of industry experience. Brian Finnigan and George Sanchez, Regional Sales Managers. 35 years of combined industry experience. Brian and George are each involved in day-to-day operations. TBH, Senior Sales, Merchandising, and Business Development Managers. Adding 2 new management positions to the sales organization structure. The Managers will plan and direct all sales, merchandising, and recruiting programs and activities. Mandy Carter, Corporate/Chain Account Manager. Manages 4 Key Account Representatives. 12 years of experience in the grocery and telecommunications industries. Shannon Plum, Marketing Manager. She directs the data analytics that identifies expansion opportunities. 15 years of retail and marketing experience. <u>Corporate Sales and Marketing Support.</u> Connie Laverty O'Conner, Senior VP and Chief Marketing Officer; Larry King, VP Strategic Sales; Susan Strouse, Sr. Director, Retail Development; Jim Breindel, Sr. Manager, Retail Strategy. Strong staffing and noted commitment from Corporate on retailer recruitment activities. Exposure to many of the Texas and Corporate team members during Oral presentation and Site Visit.
2.3.3.3	*Marketing staff responsible for identifying new product and marketing strategies.*	8.3	RR responded to: Yes. <u>Full Time Texas Marketing Staff.</u> Tom Stanek, Director of Sales, Marketing, and Business Development. Shannon Plum, Marketing Manager. Gina Dill, Research Associate. Dan Morales, Senior Market Research Analyst. Robert McGovern, Market Research Analyst. Brian Finnigan, Sales Manager, South Region. George Sanchez, Sales Manager, North Region, Chuck Faulkner, Distribution Manager. Dwayne Tatum, Warehouse Manager. Mandy Carter, Corporate/Chain Account Manager. TBH, Promotions Manager/Coordinator. Jane Penalver, Trainer. <u>Corporate Marketing Staff.</u> Connie Laverty O'Conner, Senior VP and Chief Marketing Officer. Michelle Carney, VP of Marketing and Game Portfolio, Nat Worley, Regional Marketing Director. Walter Gaddy, Senior Sales Manager. Gerard Caro, Senior Director, Market Research. Audrey Pate, Senior Market Research Manager. Amir Sadri, Senior Director, Content Design & Market Analytics. Todd Bauman, Senior Market Research Manager, Sarah Simpkins, Senior Marketing Analyst, Kathy Lavigne, Senior Marketing Analyst. Aaron Koll, Senior Manager, Porfolio Development, Chris McVay, Market Research Analyst. Thorough presentation by Sales and Marketing team of Stanek, Plum, O'Conner and Carney during Oral presentation. Strong staffing response.

Round 2: Technical Scoring		RFP Reference	Evaluator Notes GTECH
2.3.3.4	*Sales and marketing organization structure to support and optimize Lottery sales.* **§552.101/§466.022** **§552.139** §552.110	8.2 and 8.3	RR and DRs responded to: Yes. <u>Sales Organization Structure</u>. Pg. 8.2-14. Services focusing on the following: 1) Recruiting Retailers and 2) Optimizing current retailer's performance. 1: Dedicated Recruiters to develop retailer relationships, expanding current demographic and regional penetration and recruiting retailers in new trade styles. Pg. 8.2-16. Market Analysis including Retailer Density and Sales Analysis, Predictive Sales Analysis. Pg. 8.2-21 Opportunity Identification including Regional Expansion, New Independent Retailers, National Corporate Accounts, Corporate Chain Expansion in Texas, Expansion into new trade styles. Pg. 8.2-45. Sales team members will track and update the entire recruitment process in real time using . 2: Optimizing current retailer's performance. Pg. 8.2-49. Identify current retailer growth opportunities, Execute, Represent the Texas Lottery brand properly. In-Store execution, Corporate Account Strategy, Promotions. <u>Meeting Coordination.</u> Pg. 8.2-71. Coordinate face-to-face meetings among the Lottery, GTECH and retailers through 1) Retailer communication (Links, In-Field meetings, Key, corporate and chain accounting meetings, Daily sales calls); 2) Tx Lottery (Sr. management strategy meetings, Top-to-Top meetings,etc.); 3) Sales Organization Communication (Annual State Sales meeting, Quarterly Sales Manager meeting, Biweekly District meeting, etc.) <u>Marketing Organization Structure</u>. Pg. 8.3-11. . on. Thorough response.
	Lottery Sales Representatives		
2.3.3.5	*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.* **§552.101/§466.022** **§552.139** §552.110	8.4	RR and DRs responded to: Yes. Pg. 8.4-3. Texas retailer service work will be divided by region (North and South). Each region will have 7 sales districts. North: Dallas North, Dallas South, Ft. Worth, Tyler, Lubbock, Waco and El Paso, approximately 7,800 retailers. South: Austin, Houston East, Houston Southwest, Houston Northwest, McAllen, San Antonio, Victoria, approximately 8,900 retailers. Waco is a new sales district. Pg. 8.4-4. Adding 2 Senior Sales, Merchandising and Business Development Managers to the traditional sales structure. Focus on increasing sales and executing marketing activities. Adding Sales and Merchandising Representative positions to the structure. Will concentrate on increasing sales and executing marketing activities. These team members will not have defined territories. Pg. 8.4-13. LSR Staff to Retailer Ratio of 127:1. Calculation: 108 LSRs + 14 Swing Representatives + 9 Promotional and Training Representatives = 131 Reps. 16,648/131 = 127. Pg. 8.4-16. Created 9 new positions, including Promotions and Training Representatives, for delivering training sessions and promotional activities. Noted the LSR ratio is 127:1 with the Promotions and Training Representatives included. The ratio is 136:1 without the Promotions and Training Representatives. During Oral Presentation Q&A discussion about the current staffing level of 138 LSRs (117 LSRs + 14 Swing Reps.) and the decline in resources. GTECH responded that greater effectiveness from the New Route Management Study and functionality of Pg. 8.4-13 of the proposal notes a subset of retailers will received enhanced services through visits made by new Sales, Merchandising, and Business Development team members, Promotions & Training Reps, and District and Regional Sales Managers.
2.3.3.6	*Incentive plan for LSRs.*	8.4	RR and DRs responded to: Yes. Pg. 8.4-18. Incentive programs are aligned to TLC's product, promotion, and advertising initiatives to ensure that team is positioned to maximize returns to the Foundation School Fund. Pg. 8.4-19. Developed an incentive plan that includes above-median incentives and compensation and aligns closely to the top 75th percentile as compared to similar industries. Included Sales Force Compensation Mix/Incentive Mix and Tailored Compensation and Incentive Plan. Pg. 8.4-22. Incentive weights are evaluated on a quarterly basis. Supplemental incentive plans are rewarded for staff members who perform beyond their traditional job duties. Well thought out Incentive Plan. Noted alignment to TLC's product, promotion and advertising initiatives.

Vendor: _____

Round 2: Technical Scoring		RFP Reference	Evaluator Notes GTECH
2.3.3.7	Sales services customized to strategically optimize sales performance. §552.110	8.4	RR and DR responded to: Yes. Pg. 8.4-23. Thorough response with specifics regarding retailers that have potential to increase Instant Ticket sales vs. retailers that have potential to increase On-line ticket sales.
	Retailer Visit		
2.3.3.8	Retailer visits and support.	8.4.1	RR and DRs responded to: Yes. Pg. 8.4-44. Sales force will visit each TLC retailer, regardless of sales level or geographic region, at least once during each two week sales cycle. Pg. 8.4-45 Five step process: 1) Plan, 2) Survey, 3) Meet, 4) Execute, 5) Report. Meets requirements.
2.3.3.9	Monitor and manage LSR performance to ensure that all LSR visit standards are being met. §552.110	8.4.1	RR and DRs responded to: Yes. Pg. 8.4-74. Monitored and managed through: 1) Professional management and thorough training; 2) In-depth field audits; 3) Effective use of Pg. 8.4-75. In-Depth Field Audits. New position of Field Audits Analyst will coordinate with TLC to ensure sales force compliance and design audit automation programs for measuring the efficiency of controls related to the use of . Pg. 8.4-77. Pg. 8.4-84 Dedicated recourse to ensure sales force compliance and monitoring available through Meets requirement.
2.3.3.10	Enhanced schedule for Retailer visits that exceeds the minimum required visits for general support and sales activity that emphasizes sales optimization. Overview of the methodology and strategy that will be used to enhance sales.	8.4.1	RR and DR responded to: Yes. Pg. 8.4-54. 14 District Managers will be tasked with building relationships with retailers. This will include periodically visiting their top 10 retailers which could potentially equate to an additional 3,000 calls per year. Pg. 8.4-62. Retailer Optimization Program - two areas for growth opportunity: existing TLC retailers that are underperforming yet have high potential and non-traditional retailers with high potential. (New Sales, Merchandising, and Business Development staff) Pg. 8.4-64. GTECH will supplement traditional LSR activities, staffing levels, and two-week visit cycles with Sales, Merchandising, and Business Development team member visits to high-potential retailers as identified under the Retailer Optimization Program. Strength in Retailer Optimization Program but defined role of Sales, Merchandising, and Merchandising positions not clear.
	LSR Ticket Retrieval, Transfers and Returns		
2.3.3.11	Perform ticket retrieval, transfers and returns to optimize the inventory mix at retail locations in coordination with Retailers. §552.110	8.4.2	RR and DRs responded to: Yes. Pg. 8.4-93. Pg. 8.4-94. LSRs will be able to process returns of both full and partial packs at retailer terminals (or and may reissue full packs in their possession to retailers with an immediate need. Pg. 8.4-99. LSRs will be able to quickly determine if a return transaction is warranted from the game inventory report. Positive response with the use of for inventory functions.

Round 2: Technical Scoring		RFP Reference	Evaluator Notes GTECH
2.3.3.12	*Retailer-to-Retailer pack transfers utilized to optimize inventory availability, which includes the methods for carrying out these transfers and the security and control measures that will be put in place and how system records will be maintained.* **§552.101/§466.022** **§552.139**	8.4.2 **§552.110**	RR and DR responded to: Yes. Pg. 8.4-105. LSRs can transfer full packs of tickets in their possession to a retailer through 1) retailer's sales terminal; 2) Pg. 8.4-106. LSRs can transfer returned Instant Tickets to another retailer. Pg. 8.4-108. Transfers of full packs can be made under two scenarios: 1) the retailer needing the additional packs visits a retailer to pick up the packs; 2) the retailer transferring the packs visits the retailer needing the packs. Pg. 8.4-109. Security controls will reflect a permanent record of each transfer, including who performed it, in the MJF. Overview of LSR Transactions by Authorized staff and On-Line Roll Stock Transfers on Pg. 8.4-110. Positive response with the use of for inventory functions.
	Instant Ticket Game Close		
2.3.3.12	*Process for handling Instant Ticket game close.*	8.4.3	RR and DRs responded to: Yes. Detailed overview provided of Pre-Call Period, Call Period, Close Period and End of Validation. Technology solutions and overview of Notification of Retailers and Collection of End of Game Returns noted on Pg. 8.4-117. Pg. 8.4-118 outlines use of in return process. Ticket destruction overview on Pg. 8.4-122. Detailed overview. Meets requirements.
	Retailer Contests and Retailer-based Player Promotions		
2.3.3.13	*Retailer contests and promotions to increase Instant and On-Line Ticket Sales.*	8.5 **§552.110**	RR and DRs responded to: Yes. Pg. 8.5-3. Strategy includes: 1) Preserving current players' interest; 2) Generating interest among potential new players; 3) Rewarding and Motivating current retailers; 4) Attracting new retailers. system with point and click functionality for executing promotions quicker. Pg. 8.5-4. Support provided through: Promotional Planning. Staying in the Know - shared knowledge of lottery promotions via Lottery Promotions Update published by corporate marketing. Sales Analysis via the PRIZM demographic information software. Promotion Tracking & Assessments. Coupons. Corporation Specific Promotions. Co-Op Promotions. Cross-Product Promotions. Retailer Promotions and Contests. Meets requirements.
2.3.3.14	*Incentive programs for Retailers, which includes when such programs should be initiated and the benefits of such programs in maximizing revenue to the State from the sale of Texas Lottery Products.*	8.5	RR and DRs responded to: Yes. Pg. 8.5-40. . Meets requirements.
	Promotional Events and Retailer Promotions		
2.3.3.15	*Promotional equipment and capabilities to support the Promotions Plan, which also includes approach to promotions and how the plan is developed.*	8.6	RR and DRs responded to: Yes. Promotional Equipment and Capabilities. Pg.8.6-19. 12 promotional trailers DFW and Houston would each have 2 trailers, a 14' x 8.5' and a 12' x 8' all other districts would have the 12' x 8' trailer. Detailed examples of events provided. Checklist for Texas State Fair. Alternative Approaches. Pg. 8.6-33. Expanding the number of Customer Appreciation Days at retailer locations and providing in-store promotions around major selling events such as NASCAR races or the State Fair. Numerous examples of going beyond the requirements.

Round 2: Technical Scoring		RFP Reference	Evaluator Notes GTECH
2.3.3.16	*Promotions program team to run the statewide Promotions Plan, which includes how the team will be coordinated and trained to maximize the benefits of the program.*	8.6	RR and DRs responded to: Yes. Pg. 8.6-25. Expect every level within the sales team to plan and participate at events held through Texas. The primary liaison between the TLC and GTECH's sales organization is the full time GTECH Promotions Manager/Coordinator. With support from the GTECH Marketing Manager, the Promotions Manager/Coordinator is responsible for identifying the proper events for TLC participation, processing paperwork, and planning, executing and reporting on the events. GTECH has created 9 full-time positions, Training and Promotions LSRs to support the execution of retail and promotional events. Pg. 8.6-26. Shannon Plum, Marketing Manager will oversee the Promotions Manager/Coordinator. Pg. 8.6-28. 2 Regional Sales Managers are responsible for the strategic oversight of all promotional activities. Pg. 8.6-29. Corporate & Key Account team is responsible for selling in special retailer events focusing on key and corporate accounts. Lottery Sales Reps are responsible for selling in special retailer events and identifying new selling events within the communities they live. 8.6-32. Promotional Training workshop each year. Strong staffing commitment, but extent of their other Training and Promotions LSR assignments requires clarity.
	Marketing Materials and Related Equipment		
2.3.3.17	*Marketing materials and related equipment used to support sales and marketing activities for all Lottery Products.*	8.7	RR and DRs responded to: Yes. Pg.8.7-6. Playstation offerings. Current TLC Playstation and Low-Profile Playstation. Pg. 8.7-11. Several options for ticket dispensing equipment. Pg. 8.7-19. Neon Lottery Sign - "Play Lottery" Pg. 8.7-23. 24" LED Starlight Prism. Pg. 8.7-27. using 17" monitors. Pg. 8.7-32. Pg. 8.7-35. Marketing Execution Guides. Pg. 8.7-39. Pg. 8.7-43. Fleet Vehicle Signage. Meets requirements.
2.3.3.18	*Remote wired and wireless signage that is connected to the Retailer Terminals.*	8.7 §552.110	RR and DR responded to: Yes. Pg. 8.7-44. The Altura GT1200 has 8 additional, unoccupied ports that can be used to update signs through wired communication. By placing a server radio on the Altura GT1200 terminal and client radios on the peripherals, like signage, the peripherals will operate wirelessly within 150 feet of the server radio. Meets requirement.
	Research and Lottery Product Development		
2.3.3.19	*Research and development process for new games and new game introductions, which includes the research methods utilized to develop, gather, analyze and report data.*	8.8	RR and DRs responded to: Yes. Pg. 8.8-4. Thorough response.
2.3.3.20	*Methods utilized to obtain and use geographic and psychographic information for making business recommendation to the Texas Lottery.*	8.8 §552.110	RR and DR responded to: Yes. Pg. 8.8-30 GTECH uses a Nielsen Claritas geo-demographic and psychographic software application called enables exceptional sales, retailer location, and game and player market analyses. GTECH will provide at least one Texas specific geographic and psychographic analysis annually, though, in fact, the analytic team will be looking at player analysis on a regular basis and making recommendations throughout the year. GTECH will use in concert with and tools. Pg. 8.8-31. TLC Specific Predictive Sales Model Development. Retail Optimization Program. Thorough Response.

Vendor: _____

Round 2: Technical Scoring		RFP Reference	Evaluator Notes GTECH
2.3.3.21	*Research and development staff to conduct research on new selling opportunities and new marketing strategies.*	8.8	RR responded to: Yes. <u>Full Time Texas Research and Development Staff.</u> Pg. 8.8-39. Gina Dill, Research Associate. 15 years of lottery experience. <u>Corporate Marketing Research Staff.</u> Pg. 8.8-39. Caro, Pate, Lavigne, Bauman, Simpkins, McVay. Meets requirements.
2.3.3.22	*Research and/or data analyst staff to respond to special reporting requests, develop / respond to requests for specialized sales analysis, etc.*	8.8	RR and DR responded to: Yes. Full Time Texas Analytics Team. Pg. 8.8-42. Dan Morales, Senior Marketing Research Analyst. Robert McGovern, Market Research Analyst. Example of Amendment No. 8 analysis. Meets requirement.
2.3.4	***WAREHOUSE AND DISTRIBUTION SERVICES***		
	New Instant Ticket Delivery and Storage		
2.3.4.1	*Automation for managing, fulfilling, and storing instant ticket orders.* §552.110	9.2	RR responded to: Yes. Pg. 9.2-7. Features and benefits of Carrier Manifest reports, Expedited loading and verifying of instant tickets (game load), Expedited Deletion of rejected game files (game load). Pg. 9.2-10. Features and benefits of Pg. 9.2-11. Order Fulfillment - Pick Pack order module. All orders on a given day automatically display on the warehouse Pick Pack screen before 5 a.m. the next morning. Pick Pack order module automatically displays orders in a and gives warehouse staff the flexibility to modify this sequence. Pg. 9.2-12. Automated Reporting through Pg. 9.2-13. Pg. 9.2-13. 9.2-16 Pg. 9.2-18 Return Auto-Scan. Pg. 9.2-20. Pick Pack Conveyor automates the movement of packages down the pack line directly to the distribution truck. Utilized TriFactor, a warehouse and distribution consultant, for any opportunities for improvements or efficiencies through automation. Noted one day delay between order and display on the warehouse Pick Pack screen.
2.3.4.2	*Staging and distribution plan for simultaneous Instant Ticket game sales launches.* §552.110	9.2	RR and DRs volume lottery warehouses and can actually increase the time it takes to offload pallets and organize storage space. Pg. 9.2-27. Preparation includes: Pre-Staging and Staging, Assigning Lines. Labels and manifests are automatically printed at each Pick Pack. The state is broken down in zones, and orders are packed and staged based on the locations of those zones and their respective carrier routes. Noted racking comment.
2.3.4.3	*Warehousing and distribution methodology and staffing plan, which includes any automated functions.*	9.2	RR and DRs responded to: Yes. Pg. 9.2-34 Warehouse team led by Dwayne Tatum. Pg. 9.2-37. Dwayne's experience in setting up warehouses in various jurisdictions (GA, NY, LA, TN, NC, AZ). Pg. 9.2-39. Staffing Plan - 18 staff members with a combined 225 years of experience. Training overview on Pg. 9.2.39. Process: Security and Accountability, Staging, Inventory Workflow, QU and Technology. Automated functions on Pg. 9.2-42: Pick Pack Conveyor, Return Auto-Scan, Thorough response.
	Instant Ticket Delivery		

Round 2: Technical Scoring		RFP Reference	Evaluator Notes GTECH
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.* §552.110	9.3	RR and DRs responded to: Yes. Pg. 9.3-4. Standard operating hours are 8 - 5, M - F In the event that demands require the team to work beyond normal hours, they can and will operate overtime. Retailers can call their orders into the NRC when are unavailable. Geographically Remote Retailers. Pg. 9.3-9. Ticket orders are packed, staged and prioritized based on geographical delivery zones. Orders received for processing at Warehouse M-The are delivered to retailers within 36 hours of order receipt. Friday orders are delivered to the retailer within 72 hours of order receipt. Meets requirements.
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	RR and DRs responded to: Yes. Pg. 9.3-6. Track the movement of each order using the ID tracking number on the carrier's website. Each retailer must sign the carrier's electronic pad upon delivery. The retailer's signature is available in electronic format online on the carrier's website immediately for any order. Pg. 9.3-8. Use of Technology. Meets requirements.
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.* §552.110	9.3	RR and DRs responded to: Yes. Pg. 9.3-10. Procedures or Materials. Pre-stage the materials needed for the next day's orders. Materials used are: Right-sized boxes for proper ticket replacement, tamper-proof secure bags, packing tape color-coded for easy recognition, ready to print labels for delivery and tracking. Pg. 9.3-12. One touch packing procedure. Omitted or Other Defective Packs. Pg. 9.3-13. cross-references every pack against the Omitted Pack file. Defective packs require visual inspection by trained eyes. Meets requirement.
2.3.4.7	*Methods, procedures, hardware and software used to monitor inventory and ensure optimum inventory levels are maintained at each Retailer location.*	9.3	RR responded to: Yes. Pg. 9.3-14. Monitoring software and reports will be accomplished through and reports will be available for the LSRs through Reports available to the TLC through as well as standard reports: Da Vince and Market Penetration Reports. Pg. 9.3-17. Pg. 9.3-19. Use of Technology. Meets requirements.
	Warehouse Instant Ticket Return Verification		
2.3.4.8	*Process and procedure (including security features) used to document and store partial packs of Instant Tickets returned from Retailers, which includes the tracking system that will be used to follow the packs returned to the warehouse.* §552.110	9.3.1	RR and DRs responded to: Yes. Description of use of in return process and Pg. 9.3-24. Once partial packs are manually verified in range and count and scanned as returned, they are returned to TLC's supervision. Any and all partial packs will be held in the Returned Goods cage. Overview of Manual, Full Pack and Partial returns. Reports can be created in to verify that all partial packs received and manually scanned into the Gaming System have been relinquished for storage and reconciliation. Use of and Meets requirements.
2.3.4.9	*Procedures for locating Instant Tickets that are in a "Hold," "Lost Warehouse," "Lost Retailer," or "In Transit" status longer than the permitted time limit.*	9.3.1	RR and DRs responded to: Yes. Pg. 9.3-25. and outlined on Pg. 9.3-26. Use of Meets requirements.
	Stolen and Damaged Instant Ticket Reporting		
2.3.4.10	*Damaged or stolen tickets processing.* §552.101/§466.022 §552.110 §552.139	9.3.2	RR and DRs responded to: Yes. Pg. 9.3-28. has been designed to manage in a clear, consistent manner. Pg. 9.3-29. Damaged tickets will be processed in the same manner as other manual returns (TLC approval exception noted). reports can be created to assist with the tracking and reporting. Pg. 9.3-29. Stolen tickets. NRC is available 24/7/365 for the intake of reports and the documenting of stolen and/or damaged tickets. Procedure outlined. Pg. 9.3-30. Using authorized staff will mark full and/or partial packs of tickets as either Stolen or Missing, as appropriate. Pg. 9.3-31. For retailers using Single Ticket Accounting, identifying the specific missing tickets is not as critical as all of the tickets in the store are in Inactive status until sold. Thorough response.

Round 2: Technical Scoring		RFP Reference	Evaluator Notes GTECH
	Ticket and On-Line Ticket Stock Destruction		
2.3.4.11	*Security process and/or procedures for the destruction of tickets, On-Line Ticket stock and other materials.*	9.4	RR and DRs responded to: Yes. Pg. 9.4-2. Detailed overview of Ticket Destruction. Pg. 9.4-2. <u>Destruction of Instant and On-Line Ticket Stock</u>. Step by step procedure provided of Secured destruction. Meets requirements.
	Promotional Item and Point of Sale (POS) Verification and Receiving		
2.3.4.13	*Receipt of promotional items and POS, which includes how and where the items will be received, stored and distributed to meet Texas Lottery requirements.* §552.110	9.5	RR and DRs responded to: Yes. Pg. 9.5-2. Overview of Integrated Supply Chain Management with details on managing promotional items and POS material. Pg. 9.5-6. Transparency into every action and inventory item available through and Reporting and Analytics capability via Pg. 9.5-8. Promotions/POS item database. Meets requirements.
2.3.4.14	*Process for the verification, receiving and ongoing inventory of promotional items and POS materials.*	9.5	RR and DR responded to: Yes. Pg. 9.5-8. Audit of incoming promotional inventory and logged into central warehouse database. Pg. 9.5-9. GTECH will provide a monthly, perpetual promotional inventory. Promotional inventory is stored in a separate caged area with limited access by the District Sales Manager and Swing Representative. Pg. 9.5-11. Each LSR will document the release of promotional materials from the warehouse to their possession on the Meets requirements.
	Promotional Merchandise Inventory		
2.3.4.15	*Process for handling an ongoing inventory of Texas Lottery promotional merchandise.* §552.110	9.6	RR and DRs responded to: Yes. Pg. 9.6-3 Inspection of promotional merchandise and logged into the Central Distribution Warehouse Inventory Management database. Pg. 9.6-4. Discussion of option. Pg. 9.6-5. Inventory tracking by location. Pg. 9.6-7. Overseeing the placement of promotional merchandise is handled by the Marketing Manager. Pg. 9.6-8. As merchandise is accepted by LSRs, it is logged in their device. Monthly inventory and interface with the TLC financial system overview on Pg. 9.6-8, 9. Meets requirements.
	Warehouse and Distribution General Requirements		
2.3.4.16	*Process utilized to accomplish ticket order processing and packing at the Central Distribution Warehouse.* §552.110	9.7	RR and DRs responded to: Yes. Pg. 9.7-1. Average accuracy rate of greater than 99%. Order Generation: Pg. 9.7-3. To eliminate errors and expedite packing process, automated One Touch Packing procedure allows only one person to complete all of the picking and packing per order, minimizing the potential for human error. At the same time, the Pick Pack manifests are printed, and a carrier shipping label is automatically printed with the delivery address and tracking ID number. Pick Pack Conveyor automates packages down the pack line all the way to the distributing truck. Noted one day delay between order and display on the warehouse Pick Pack screen.
2.3.4.17	*Process utilized to prevent the theft of returned Instant Tickets and rolls of On-Line Ticket stock being returned to and stored at the Central Distribution Warehouse.* **§552.101/§466.022** **§552.139** §552.110	9.7	RR responded to: Yes. Pg. 9.7-4. Pg. 9.7-7. Annual Instant Ticket Inventory and Audit Reports. Ticket Stock return process in accordance with stringent security standards, such as MUSL Rule 2. Pg. 9.7-8. Full and Partial roll return process. Staff training for warehouse employees. Pg. 9.7-9. Verification via assisting with physical inventories. Pg. 9.7.10. Physical security of warehouse. Pg. 9.7-11. Storage of Instant Tickets and segregation standards. Use of Meets requirements.
2.3.5	**CONVERSION**		
	Integration and Testing		
2.3.5.4	*Integration and testing process, which includes the test plan and acceptance criteria.*	10.2	RR and DRs responded to: Yes. Pg. 10.2-1. Meets requirements.
2.3.5.7	*Lottery Gaming System backup, recovery, failover process and test Plan.*	10.2	RR and DR responded to: Yes. Detailed response beginning on Pg. 10.2-27 Meets requirements.
	Implementation and Migration		

Round 2: Technical Scoring		RFP Reference	Evaluator Notes GTECH
2.3.5.8	Implementation and migration strategy and processes.	10.3	RR and DRs responded to: Yes. Pg. 10.3-1. Propose to use the same implementation strategy that was successful in New York. Pg. 10.3-7. Implementation model in which GTECH first develops a new terminal application to work with the existing central system. The new terminals and communications networks are filled out incrementally, swapping out the old for the new, and then converting the central system later during delivery. Pg. 10.3-2. Seamless and low-risk conversion for one communications network and retailer terminal to another, with no disruption to retailers or sales. A retailer base that is ready to operate their new equipment when it arrives, because they have already been trained. Meets requirements.
	Conversion Plan and General Requirements		
2.3.5.9	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.	10.1 and 10.4	RR and DRs responded to: Yes. Pg. 10.1-4.
2.3.5.11	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	RR and DR responded to: Yes. Detailed overview provided on Pg. 10.4-30. Meets requirement.
2.3.5.12	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	RR and DR responded to: Yes. Pg. 10.4-52. There will be no need for an initial distribution plan as GTECH has preserved all existing stock in the field. Instant Tickets - no change. On-Line Ticket Stock - delivered with new terminal. Sales Terminals and associated equipment - installed gradually. POS Equipment - installed gradually. Meets requirement.
2.3.5.13	Validation of winning tickets sold prior to the conversion.	10.4	DR responded to: Yes. Pg. 10.4-22. The new retailer terminals will be pre-programmed to read optical marks and bar codes for all existing on-line tickets, plays slips and instant games. Meets requirement.
	Conversion Milestones		

Round 2: Technical Scoring		RFP Reference	Evaluator Notes GTECH
2.3.5.14	*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.* §552.110	10.5	RR responded to: Yes. August 28, 2011. Meets requirement.
	Conversion Plan		
2.3.5.15	*Processes and factors related to End of Contract Conversion, which includes knowledge transfer to the Texas Lottery or Replacement Provider, risk management and mitigation, exit reporting, handover procedures, license transfers, etc.*	10.6	DRs responded to: Yes. Pg. 10.6-2. Meets requirement.
2.4	**Experience.** *The experience of the Proposer in providing the requested goods or services.*		
2.4.1	*Past 10 years of experience providing the services as specified in the RFP for engagements of comparable complexity and scale.* **§552.101/§466.022** **§552.139** §552.110	4.2.1 and 4.2.4	Chart, Part 4-3 provides experience supporting customers with either comparable terminal counts, sales, and services, or comparable scales of complexity. Five of the state's have Sales over $3 billion (CA, FL, GA, MA, NY). Two of the state's have a sales force (NE & WV). Two state's have more terminals than TX: CA and NY. Deployment in NY reflects Altura GT1200 terminals. Eight of the top 10 US lotteries employ GTECH. More than 150 system, product, and service deliveries since 2000 and more than 50 deployed on six continents.
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	Based on online sales, GTECH's customer listing makes up approx. 75% of the US market. GTECH serves 25 online lottery contracts in the US and an addl' 100 contracts in more than 50 countries. More US lotteries rely upon GTECH for their Instant Ticket system than any other vendor. Based on sales volume, GTECH systems process nearly 75% of the world's Instant Ticket transactions.
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	GTECH has completed more than 180 implementations and conversions in the last 20 years, with more than 12 conversions in jurisdictions with greater than 8,000 terminals. GTECH is the only vendor that has converted every US lottery with 10,000 or more retailers, including Texas. Noted 3 conversions from other vendors (Chile, Florida, and West Virginia) in which GTECH provides services similar in scope and size. While West Virginia does not compare to TX relative to size, GTECH does provide the sales force. No service interruptions were encountered during these conversions.