

The enclosed proposal contains trade secrets and other confidential information of GTECH Corporation ("GTECH"), as defined by Texas state law. Such information is exempt from public disclosure pursuant to the Texas Public Information Act and Texas State Lottery Act, specifically the Texas Government Code, [Title 5 (Open Government; Ethics), Subtitle A (Open Government), Chapter 552 (Public Information), Subchapter C (Information Excepted from Public Disclosure), in particular, §§ 552.101 (Exception: Confidential Information), 552.102 (Exception: Personnel Information), 552.104 (Exception: Information Related to Competition or Bidding), 552.110 (Exception: Trade Secrets; Certain Commercial or Financial Information)]; and the Texas Administrative Code [Title 16 (Economic Regulation), Part 9 (Texas Lottery Commission), Chapter 401 (Administration of State Lottery Act), Subchapter G, § 401.501 (Lottery Security)]; as well as applicable Texas common law.

Pursuant to RFP Section 1.9, Proposals Subject to Texas Public Information Act, GTECH has clearly marked each instance of confidential information by placing the word "CONFIDENTIAL," on each such page in its proposal, including exhibits and inserts where applicable. In addition, where only part of the information on a page is considered confidential, GTECH has identified the information that is exempt from public disclosure with the following marking: "Confidential material begins here" and "Confidential material ends here." In each instance where confidential information appears in the enclosed proposal, GTECH has included a reference to the statutory exemption(s), which protect(s) this information from public disclosure.

As further required by RFP Section 1.9, a catalog of confidential information (in table format) within GTECH's proposal is included immediately after the Transmittal Letter. The catalog provides a reference to the page and section number within the proposal where the confidential information is located, the statutory exemption(s) that applies, and the specific details as to why each instance of confidential information is exempt from public disclosure, including relevant facts as to how disclosure would cause substantial competitive harm to GTECH.

© GTECH Corporation 2010. All rights reserved.

The trademarks and logos contained in this document are marks owned by or exclusively licensed to GTECH Corporation.

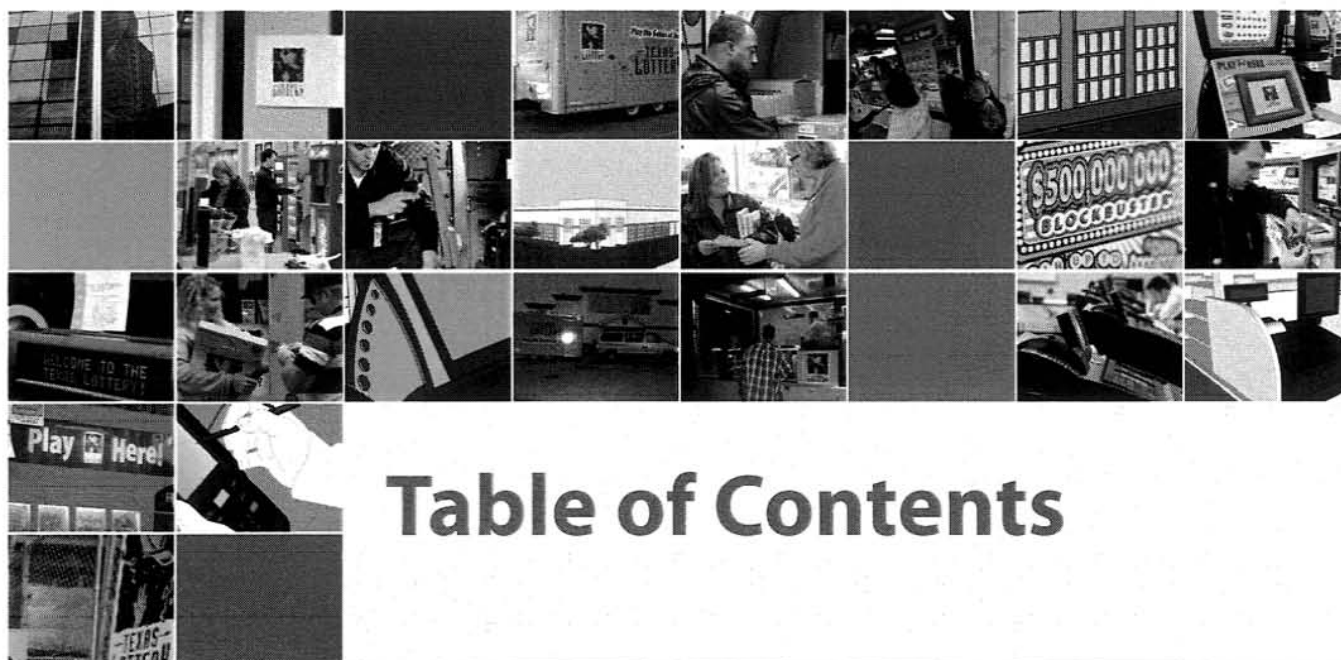


Table of Contents

	Confidential Statement	
2.12	Letter of Transmittal	
	Attachment A	
	Confidential Documentation Table	
2.13	Executive Summary	
Part 1	General Information	
Part 2	Proposal Process	
Part 3	Contractual Terms and Conditions	
3.1	Introduction	Part 3-1
3.2	Governing Law	Part 3-1
3.3	Contract Elements	Part 3-2
3.3.1	Contract Between Texas Lottery and Successful Proposer	Part 3-2
3.3.2	HSP	Part 3-2
3.3.3	Terms and Provisions	Part 3-2
3.4	Amendments	Part 3-2
3.5	Waiver	Part 3-3
3.6	Clarification of Lottery's Intent	Part 3-3
3.7	Lottery's Financial Obligations	Part 3-3
3.8	Relationship of the Parties	Part 3-4
3.9	Payment	Part 3-4
3.9.1	Payment Specifications	Part 3-4
3.9.2	Invoicing Specifications	Part 3-5
3.9.3	Payments Owed to the Successful Proposer	Part 3-5
3.9.4	Performance Specifications	Part 3-5
3.10	Assignments	Part 3-6
3.11	Subcontracting	Part 3-7
3.11.1	Subletting, Conveying, Assigning or Disposing of All or Any Portion of the Contract	Part 3-7
3.11.2	Responsibility and Obligation to Meet Requirements	Part 3-7
3.11.3	Obligations of Successful Proposer	Part 3-7
3.11.4	Indemnification from Claims or Actions of Subcontractors	Part 3-7
3.11.5	Payment of Subcontractors	Part 3-8

3.12	Lottery Approval of Staffing	Part 3-8
3.12.1	Employees, Agents, and Subcontractors	Part 3-8
3.12.2	Personnel Changes	Part 3-8
3.12.3	Organizational Changes	Part 3-9
3.12.4	Removal of Any Person Employed by Successful Proposer	Part 3-9
3.13	Background Investigations	Part 3-9
3.13.1	Background Investigation Specifications	Part 3-9
3.13.2	Obligation to Provide Information	Part 3-10
3.13.3	Objection to an Employee	Part 3-10
3.14	Compliance	Part 3-10
3.15	Term of Contract	Part 3-11
3.15.1	Effective Contract Dates	Part 3-11
3.15.2	Compensation Pending Successful Conversion	Part 3-11
3.15.3	Contract Extensions	Part 3-11
3.15.4	State of Readiness	Part 3-12
3.16	Termination at Will	Part 3-12
3.17 (a-j)	Termination for Cause	Part 3-13
3.18 (a-b)	Termination for Impossibility of Performance	Part 3-14
3.19	Termination Without Penalty	Part 3-15
3.20	No Liability Upon Termination	Part 3-15
3.21 (a-e)	Effect of Termination	Part 3-15
3.22	Warranties	Part 3-16
3.22.1	Lawfully Organized	Part 3-16
3.22.2	Legal Authority	Part 3-16
3.22.3	Duly Authorized to Operate and Do Business	Part 3-17
3.22.4	Conflict of Interest	Part 3-17
3.22.5	Goods and Services	Part 3-17
3.22.6	Tickets, Games, Goods and Services	Part 3-17
3.22.7	Terms, Conditions, Agreements or Covenants	Part 3-18
3.22.8	Sales Agent License	Part 3-18
3.22.9	Misprinted On-Line Tickets	Part 3-18
3.22.10	Equipment in Good Condition	Part 3-18
3.22.11	Proposed Goods	Part 3-19
3.22.12	Code Disabling the Lottery Gaming System	Part 3-19
3.22.13	Clock, Counter, Virus or Other Limiting Design or Routine	Part 3-19
3.22.14	Integrity of Data	Part 3-19
3.22.15	Secure Operation	Part 3-20
3.22.16	Title and License to Lottery Gaming System	Part 3-20
3.22.17	Outstanding Assignments, Grants, Licenses, etc.	Part 3-20
3.23	Licenses and Permits	Part 3-21
3.24	Successful Proposer Site Visits	Part 3-21

3.25	Intellectual Property Rights.....	Part 3-22
3.25.1	Ownership	Part 3-22
3.25.2	Ownership of Prior Rights by the Texas Lottery	Part 3-22
3.25.3	Ownership of Prior Rights by the Successful Proposer	Part 3-23
3.25.4	Further Actions	Part 3-24
3.25.5	Waiver of Moral Rights	Part 3-24
3.25.6	Confidentiality	Part 3-24
3.25.7	Injunctive Relief	Part 3-25
3.25.8	Return of Works	Part 3-25
3.25.9	Successful Proposer's Name or Logo.....	Part 3-25
3.26	Pre-Existing and Third-Party Rights	Part 3-26
3.26.1	Pre-Existing and Third-Party Rights Provisions	Part 3-26
3.26.2	Written Agreements	Part 3-27
3.27	Remediation	Part 3-27
3.28	Intellectual Property Search.....	Part 3-27
3.29	Accounting Records.....	Part 3-28
3.30	Right to Audit.....	Part 3-28
3.31 (a-d)	Audit Requirements.....	Part 3-29
3.32	Right to Additionally Audit the Successful Proposer's Texas Operations	Part 3-30
3.32.1	Right to Audit Records and Operations.....	Part 3-30
3.32.2	Auditor Agreements	Part 3-31
3.33	Indemnification	Part 3-31
3.33.1	Indemnification Provisions.....	Part 3-31
3.33.2	Liability	Part 3-32
3.34	Bonds and Insurance	Part 3-33
3.35	Self Insurance	Part 3-34
3.36	Performance Bond.....	Part 3-34
3.36.1	Original Performance Bond	Part 3-34
3.36.2	Bond Maintenance	Part 3-34
3.37	General Liability Insurance	Part 3-34
3.38	Property Insurance	Part 3-35
3.39	Errors and Omissions Insurance	Part 3-35
3.40	Crime Insurance.....	Part 3-35
3.41	Automobile Liability Insurance.....	Part 3-36
3.42	Workers' Compensation & Employers Liability Insurance	Part 3-36
3.43	Disclosure of Litigation	Part 3-36
3.44	Disclosure of Sanctions and Liquidated Damages	Part 3-37
3.45	Force Majeure/Delay of Performance	Part 3-38
3.45.1	Delay Provisions	Part 3-38
3.45.2	Delays in Performance	Part 3-38
3.46	Security Requirements.....	Part 3-39
3.46.1	Established Security Program	Part 3-39
3.46.2	Further and Additional Security Measures.....	Part 3-39

3.47	Taxes, Fees and Assessments	Part 3-39
3.47.1	Payment of Any Taxes	Part 3-39
3.47.2	Tax Payment Responsibilities	Part 3-39
3.48	News Releases	Part 3-40
3.49	Advertising	Part 3-40
3.49.1	Name, Logos, Images, Etc.	Part 3-40
3.49.2	Pre-Approval by the Lottery	Part 3-40
3.50	Hiring of Texas Lottery Personnel	Part 3-41
3.50.1	Employment Officers or Business Arrangements	Part 3-41
3.50.2	Engaging Services of Any Texas Employee	Part 3-41
3.51	Hiring of Lobbyist, Consultant and/or Advisor; Supplemental Information	Part 3-41
3.52	Notices	Part 3-43
3.53	Non-Disclosure	Part 3-43
3.54	Usufruct	Part 3-44
3.55	Ticket Purchase	Part 3-44
3.56	End of Contract Conversion	Part 3-45
3.56.1	Conversion Identification and Time	Part 3-45
3.56.2	Removal of All Equipment	Part 3-45
3.56.3	Cooperation with Texas Lottery	Part 3-45
3.56.4	Experienced Personnel, Resources and Facilities	Part 3-46
3.57	Equipment	Part 3-46
3.58	Programs	Part 3-47
3.58.1	Systems Analysis, Design and Programming	Part 3-47
3.58.2	Maintainable and Reusable Software	Part 3-47
3.58.3	Supportable Programming Languages, Tools and Methodologies	Part 3-48
3.58.4	Delivery of Copies of Works	Part 3-48
3.58.5	Source Code Escrow Agreement	Part 3-48
3.59	Lottery Purchase Option	Part 3-49
3.60	Sanctions and Remedies Schedule	Part 3-50
3.60.1	General	Part 3-50
3.60.2	Assessment of Sanctions	Part 3-50
3.60.3	Failure to Assess Sanctions	Part 3-50
3.60.4	Severability of Individual Sanctions Clause	Part 3-50
3.60.5	Sanction Schedule	Part 3-51
3.60.6	Failure to Permit an Audit or Examination	Part 3-51
3.60.7	Failure to Produce Accurate Records or Provide Accurate Information	Part 3-51
3.60.8	Failure to Produce Timely Records and/or Information	Part 3-51
3.60.9	Failure to Disclose Litigation	Part 3-51
3.60.10	Failure to Obtain Prior Written Approval Before Issuing News Release	Part 3-51
3.60.11	Failure to Notify the Texas Lottery of Changes of Lobbyist, Consultant and/or Advisor Information	Part 3-51
3.60.12	Failure to Comply with Non-Disclosure Terms	Part 3-51
3.60.13	Unauthorized Purchase of Texas Lottery Tickets	Part 3-52

3.60.14	Failure to Report Significant Incidents and Anomalies.....	Part 3-52
3.60.15	Failure to Timely Notify the Texas Lottery of a Change in Financial Condition, Change in Key Management, or Change of Ownership	Part 3-52
3.60.16	Failure to Provide Information and/or Cooperate Fully with Contract Compliance Review	Part 3-52
3.60.17	Failure to Correct Audit and/or Compliance Finding	Part 3-52
3.60.18	Failure to Receive Texas Lottery Written Approval at Least Twenty-Four (24) Hours in Advance for Visitors to the Central Distribution Warehouse.....	Part 3-52
3.60.19	Failure to Comply with Title 1 TAC 202 Information Security Standards.....	Part 3-52
3.60.20	Failure to Backup and Restore Data in a Manner and/or Format for Business Processing.....	Part 3-52
3.60.21	Failure to Perform Retailer Training	Part 3-53
3.60.22	Failure to Perform Retailer Retraining	Part 3-53
3.60.23	Failure to Implement New On-Line Games.....	Part 3-53
3.60.24	Failure to Conduct Intellectual Property Search	Part 3-53
3.60.25	Failure to Update Jackpot Amount	Part 3-53
3.60.26	Inability to Cash Winning Tickets at a Retailer Location (All On-Line or All Instant Ticket Games).....	Part 3-53
3.60.27	Inability to Cash Winning Tickets at a Retailer Location (Specific On-Line Game or One or More Instant Ticket Games)	Part 3-53
3.60.28	Inability to Cash Winning Tickets at a Texas Lottery Claim Center	Part 3-53
3.60.29	Inability to Conduct Retailer, Licensing, Inventory, Accounting, or Other Management Functions.....	Part 3-54
3.60.30	Performance Degradation.....	Part 3-54
3.60.31	Failure to Test Backup Lottery Gaming System	Part 3-54
3.60.32	Failure to Execute Planned On-Line Promotion	Part 3-54
3.60.33	Failure to Provide Software Fixes and/or Enhancements	Part 3-54
3.60.34	Failure to Implement Change or Release Management Without Incident.....	Part 3-54
3.60.35	Failure to Comply with Title 1 TAC 202 Resulting in a Security Incident	Part 3-54
3.60.36	Failure to Provide New Reports and/or to Modify Existing Reports.....	Part 3-54
3.60.37	Inability of ICS to Update Lottery Applications.....	Part 3-55
3.60.38	Out-of-Balance Condition Between ICS and Lottery Gaming Systems	Part 3-55
3.60.39	Failure to Load Debit, Credit, and/or New Retailer Files.....	Part 3-55
3.60.40	Inability to Confirm or Activate Instant Ticket Packs (All Retailers)	Part 3-55
3.60.41	Inability to Confirm or Activate Instant Ticket Packs (Single Retailer).....	Part 3-55
3.60.42	Inability to Produce Accurate Terminal Reports or Make Terminal Reports Available	Part 3-55

3.60.43	Failure to Install, Relocate or Remove Lottery Sales and/or Validation Equipment.....	Part 3-55
3.60.44	Failure to Install, Relocate or Remove Lottery Non-Sales and/or Validation Equipment.....	Part 3-55
3.60.45	Failure to Resolve a Lottery Non-Sales and/or Validation Equipment Problem within the Specified Timeframe.....	Part 3-56
3.60.46	Call Center Answer Time.....	Part 3-56
3.60.47	Call Center Busy Signal Time.....	Part 3-56
3.60.48	Call Center Abandonment Rate.....	Part 3-56
3.60.49	Call Center Hold Time.....	Part 3-56
3.60.50	Call Center Availability.....	Part 3-56
3.60.51	LSR Visits.....	Part 3-56
3.60.52	Retailer Satisfaction.....	Part 3-56
3.60.53	Failure to Properly Process or Assign On-Line Ticket Stock..	Part 3-56
3.60.54	Improperly Processed Packs of Instant Tickets.....	Part 3-57
3.60.55	Failure to Support a Promotional Event.....	Part 3-57
3.60.56	Inability to Program the Programmable Signs.....	Part 3-57
3.60.57	Inability of the Programmable Signs to Communicate.....	Part 3-57
3.60.58	Failure to Load Instant Game Files within Specified Timeframe.....	Part 3-57
3.60.59	Instant Ticket Packs not Delivered to Texas Lottery Retailers	Part 3-57
3.60.60	Instant Ticket Packs not Returned to the Warehouse.....	Part 3-57
3.60.61	Warehouse Instant Ticket Return Verification.....	Part 3-57
3.60.62	Failure to Timely Provide Accurate Annual Instant Ticket Inventory Report.....	Part 3-57
3.60.63	Failure to Cooperate Fully and in Good Faith in the Conversion to any New System.....	Part 3-58
3.60.64	Failure to Provide a Detailed Conversion Plan within 45 Days of Contract Execution.....	Part 3-58
3.60.65	Failure to Deliver According to the Final Approved Detailed Conversion Plan.....	Part 3-58
3.61	Liquidated Damages.....	Part 3-58
3.61.1	Liquidated Damages Schedule.....	Part 3-58
3.61.2	General.....	Part 3-59
3.61.3	Liquidated Damages Assessment.....	Part 3-59
3.61.4	Severability of Individual Liquidated Damages Clauses.....	Part 3-60
3.61.5	On-Line Game Unavailability.....	Part 3-60
3.61.6	Inability of the Texas Lottery Retailer Terminals to Communicate with the Lottery Gaming System.....	Part 3-60
3.61.7	Failure to Resolve Terminal and Related Sales Equipment Problems.....	Part 3-60
3.61.8	Unassigned Packs of Instant Tickets Missing from the Warehouse.....	Part 3-60
3.62	Dispute Resolution.....	Part 3-60

3.63	Certifications.....	Part 3-61
3.63.1	Sales Agent License Specifications.....	Part 3-61
3.63.2	Section 231.006 of Texas Family Code.....	Part 3-61
3.63.3	Section 2261.053 of Texas Government Code	Part 3-61
3.63.4	Submitted Proposal	Part 3-62
3.63.5	Section 669.003 of Government Code.....	Part 3-62
3.63.6	Texas Resident Bidder	Part 3-62
3.63.7	President's Executive Order (EO) 13224	Part 3-62
3.63.8	Section 2155.004 of Texas Government Code	Part 3-63
3.64	Preferences	Part 3-63
3.65	Deceptive Trade Practices; Unfair Business Practices.....	Part 3-63
3.66	Immigration	Part 3-64
3.66.1	State of Texas Accessibility Requirements	Part 3-64
3.66.2	Voluntary Product Accessibility Template (VPAT)	Part 3-64
3.67	Electronic and Information Resources	
	Accessibility Standards.....	Part 3-64
3.67.1	State of Texas Accessibility Requirements	Part 3-64
3.67.2	Voluntary Product Accessibility Template (VPAT)	Part 3-64
3.68	False Statements; Breach of Representations	Part 3-65
3.69	Limitation on Authority; No Other Obligations	Part 3-65
3.70	Proposer Assignment.....	Part 3-65
3.71 (a-g)	Code of Conduct	Part 3-65
3.72	Contact with Texas Lottery Commission.....	Part 3-66
3.72.1	Meetings at Texas Lottery Headquarters	Part 3-66
3.72.2	Gifts.....	Part 3-66
3.72.3	Nonprofessional Socialization.....	Part 3-67
3.72.4	Professional Socialization	Part 3-67
3.73	Incidents and Anomalies.....	Part 3-67
3.73.1	Reporting of Significant Incidents and Anomalies.....	Part 3-67
3.73.2	Monitoring of Successful Provider	Part 3-67
3.74	Attachment of Third-Party Systems, Terminals or Products .	Part 3-68
3.74.1	Access and Support	Part 3-68
3.74.2	Attaching Products to the Lottery Gaming System	Part 3-68
3.74.3	Intellectual Property	Part 3-68
3.75	Records Retention	Part 3-68

Part 4	Required Information	
4.1	Statement of Understanding.....	Part 4-1
4.1.1	Certificate Executed by an Authorized Representative	Part 4-1
4.1.2	Exceptions to the Requirements	Part 4-1
4.2	Experience of Responding Firm and Product.....	Part 4-1
4.2.1	Years of Experience	Part 4-1
4.2.2	Previous Lottery Experience	Part 4-4
4.2.3	Previous Experience in Transition Activities	Part 4-5
4.2.4 (a-e)	Experience	Part 4-6
4.2.5	Performance During Last Five Years.....	Part 4-7
4.2.5.a	Contracts Terminated	Part 4-7
4.2.5.b	Liquidated Damages	Part 4-7
4.2.5.c	Goods or Services in Lieu of Liquidated Damages	Part 4-7
4.2.5.d	Audit Findings.....	Part 4-8
4.2.5.e	Disciplinary Action	Part 4-9
4.2.5.f	Material Litigation	Part 4-9
4.2.5.g	Gaming License Information Disclosure	Part 4-16
4.3	Experience of Personnel	Part 4-16
4.3.1	Organizational Chart	Part 4-16
4.3.2 (a-f)	Resumes for Key Personnel.....	Part 4-46
4.3.3	Resume Specifications	Part 4-46
4.3.4	Verification of Resumes	Part 4-47
4.3.5	Staffing Schedule.....	Part 4-47
4.3.6	Availability of Key Management Employees	Part 4-48
4.4	References	Part 4-48
4.5	Contact Person	Part 4-48
4.6	Conflict of Interest.....	Part 4-49
4.6.1	Disclosure of Conflicts of Interest	Part 4-49
4.6.2	Continuing Disclosure Requirement	Part 4-49
4.7	Financial Soundness	Part 4-49
4.7.1	Information for Evaluating Financial Soundness	Part 4-49
4.7.2	Ability to Finance Performance	Part 4-50
4.7.2.1	Submission of Financial Statements.....	Part 4-51
4.7.2.2	Subsidiaries	Part 4-51
4.7.2.3	Submission Involving Joint Participants	Part 4-52
4.7.2.4	External Borrowing.....	Part 4-52
4.7.3	Notification of Change of Financial Condition.....	Part 4-52
4.7.4	Supplemental Information	Part 4-53
4.7.4.1	Off-Balance Sheet Arrangements	Part 4-53
4.7.4.2 (a-b)	Defaults on Securities.....	Part 4-53
4.7.4.3	Business Plans	Part 4-53
4.7.4.4 (a-b)	Liquidity and Capital Resources	Part 4-54
4.7.5	Additional Information	Part 4-56
4.8	Background Investigations	Part 4-56
4.8.1	Background Investigation Provisions.....	Part 4-56
4.8.2 (a-c)	Facilitation of Background Investigations	Part 4-57
4.8.3	Additional Background Information.....	Part 4-57

Part 5 HUB Subcontracting Plan (HSP)

Part 6 Account Management and Administration

Icon Description

6.1 Overview

6.2 Account Management

Table 4	Account Management Response Requirements.....	6.2-1
4.1	Roles, Responsibilities and Detail Requirements	6.2-1
4.2	Account Management	6.2-1

6.3 Service Level Monitoring and Reporting

Table 7	Service Level Monitoring and Reporting Response Requirements	6.3-1
7.1	Roles, Responsibilities and Detail Requirements	6.3-1
7.2	Service Level Monitoring and Reporting	6.3-2
7.3	Measuring and Reporting SLRs.....	6.3-4
7.4	Service Level Reports and Notification	6.3-9
7.5	Automated Reporting Capabilities.....	6.3-11

6.4 Service Management

6.4.1	Incident and Problem Management.....	6.4-1
Table 9	Incident and Problem Management Response Requirements	6.4-1
9.1	Roles, Responsibilities and Detail Requirements	6.4-1
9.2	Incident and Problem Management.....	6.4-2
6.4.2	Capacity Management.....	6.4-12
Table 11	Capacity Management Response Requirements	6.4-12
11.1	Roles, Responsibilities and Detail Requirements	6.4-12
11.2	Capacity Planning.....	6.4-12
6.4.3	Performance Management	6.4-16
Table 13	Performance Management Response Requirements.....	6.4-16
13.1	Roles, Responsibilities and Detail Requirements	6.4-16
13.2	Performance Management	6.4-16
13.3	Planning, Development, Modification, Monitoring and Reporting of System and Network Performance	6.4-17

6.5 Compliance Review

Table 15	Compliance Review Response Requirements	6.5-1
15.1	Roles, Responsibilities and Detail Requirements	6.5-1
15.2	Compliance Review Requirements	6.5-1

6.6	Facilities Support Services	
Table 18	Facilities Support Response Requirements.....	6.6-1
18.1	Roles, Responsibilities and Detail Requirements	6.6-1
18.2	Recommended Facilities.....	6.6-1
18.3	Other Services, Procedures, Materials, Supplies, Programs, Policies, Equipment and Facilities	6.6-17
18.4	Central Distribution Warehouse Hours of Operation	6.6-18
6.7	Business Continuity and Disaster Recovery	
Table 21	Business Continuity and Disaster Recovery Response Requirements.....	6.7-1
21.1	Roles, Responsibilities and Detail Requirements	6.7-1
21.2	Business Continuity and Disaster Recovery Capabilities.....	6.7-1
21.3	6.7-10
21.4	Ticket Delivery.....	6.7-13
6.8	Training	
Table 24	Training Response Requirements.....	6.8-1
24.1	Roles, Responsibilities and Detail Requirements	6.8-1
24.2	Training Activities.....	6.8-1
Part 7	Lottery Gaming System	
	Icon Description	
7.1	Overview	
7.2	On-Line Games	
7.2.1	On-Line Game Development	7.2-4
Table 27	On-Line Game Response Requirements.....	7.2-4
27.1	Roles, Responsibilities and Detail Requirements	7.2-4
27.2	On-Line Game Development, Research and Implementation	7.2-5
27.3	Developing and Implementing New On-Line Game Concepts	7.2-36
7.2.2	On-Line Game Control	7.2-67
Table 30	On-Line Game Control Response Requirements	7.2-67
30.1	Roles, Responsibilities and Detail Requirements	7.2-67
30.2	Approach and Experience with Developing and Monitoring of On-Line Game Control Features	7.2-67
7.2.3	Drawings.....	7.2-75
Table 32	Drawings Response Requirements	7.2-75
32.1	Roles, Responsibilities and Detail Requirements	7.2-75
32.2	Proposed System's Capability to Meet Drawing Requirements	7.2-75

Information Redacted
 §552.101/466.022/552.139

7.3	Instant Ticket Game Management	
Table 35	Instant Ticket Game Management Response Requirements.....	7.3-3
35.1	Roles, Responsibilities and Detail Requirements	7.3-3
35.2	Volume, Scope, Development and Management of Instant Ticket Operations.....	7.3-4
35.3	Support of Single Instant Ticket Accounting (Invited Option)...	7.3-27
7.4	Claims and Validation	
Table 37	Claims and Validation Response Requirements	7.4-2
37.1	Roles, Responsibilities and Detail Requirements	7.4-2
37.2	On-Line and Instant Claims, Validations and Payments	7.4-2
37.3	Validation Capabilities	7.4-7
37.4	Secured Method (and Equivalent Backup Method) of Applying Required Signature(s) to Check Stock	7.4-43
7.5	Retailer Management	
Table 40	Retailer Management Response Requirements	7.5-2
40.1	Roles, Responsibilities and Detail Requirements	7.5-2
40.2	Retailer Management Functions	7.5-2
40.3	Online Access to Transactional Data	7.5-56
40.4	Online Submissions of Retailer Applications	7.5-59
7.6	Lottery Gaming System General Requirements	
7.6.1	System Configuration and Capacity	7.6-3
Table 42	System Configuration and Capacity Response Requirements.....	7.6-8
42.1	Roles, Responsibilities and Detail Requirements	7.6-8
42.2	Configuration Capacity Requirements	7.6-9
42.3	Performance Requirements	7.6-20
42.4	Detecting and Reporting Fraudulent Transactions/Activities....	7.6-28
7.6.2	Electronic Data Exchange	7.6-46
Table 45	Electronic Data Exchange Response Requirements	7.6-46
45.1	Roles, Responsibilities and Detail Requirements	7.6-46
45.2	Data Exchange Requirements.....	7.6-46
7.6.3	Sales and Marketing System General Requirements	7.6-54
Table 47	Sales and Marketing System General Response Requirements.....	7.6-55
47.1	Roles, Responsibilities and Detail Requirements	7.6-55
47.2	Player and Retailer Promotions	7.6-55
47.3	Web-Based Second-Chance Drawings.....	7.6-79
47.4	Web-Based System for Player Registration Program	7.6-85
47.5	Mail Order Subscription System	7.6-87

7.7	System Management	
Table 50	System Management Response Requirements.....	7.7-3
50.1	Roles, Responsibilities and Detail Requirements	7.7-3
50.2	Software Development Life Cycle	7.7-4
50.3	Test Environment.....	7.7-28
7.8	System Security	
Table 53	System Security Response Requirements.....	7.8-2
53.1	Roles, Responsibilities and Detail Requirements	7.8-2
53.2	System Security Plan	7.8-2
53.3	Physical and Logical Security Components	7.8-17
7.9	Reporting	
Table 56	Reporting Response Requirements	7.9-1
56.1	Roles, Responsibilities and Detail Requirements	7.9-1
56.2	Reporting Functions	7.9-1
7.10	ICS System and Vendor Requirements	
Table 59	ICS System and Vendor Response Requirements	7.10-1
59.1	Roles, Responsibilities and Detail Requirements	7.10-1
59.2	Support of Third Party ICS Vendor	7.10-2
59.3	Out-of-Balance Incidents and Electronic Funds Transfers	7.10-4
7.11	System Supported Terminal Functions	
Table 62	System Supported Terminal Functions Response Requirements.....	7.11-1
62.1	Roles, Responsibilities and Detail Requirements	7.11-1
62.2	Terminal Functions.....	7.11-1
62.3	Interaction with Back-Office Systems	7.11-41
62.4	Prize Inquiries and Validations.....	7.11-41
62.5	Prize Inquiry Communications.....	7.11-42
7.12	Sales Terminals and Related System Sales Equipment	
Table 65	Sales Terminals and Related System Sales Equipment Response Requirements.....	7.12-3
65.1	Roles, Responsibilities and Detail Requirements	7.12-3
65.2	Retailer Sales Terminals and Related Equipment.....	7.12-4
65.3	Interaction with Back-Office Systems.....	7.12-157
65.4	Retailer Training Manual and Other Options for Training Retailers	7.12-158
65.5	Automated In-Counter Ticket Dispensing Unit (Specified Option).....	7.12-162
65.6	In-Lane Solutions Designed for Use in Multi-Lane Stores (Specified Option).....	7.12-163
65.7	Specialty Terminals and Equipment (Invited Options)	7.12-176

7.12.1 Installation, Relocation and Removal

Table 67	Installation, Relocation and Removal Response Requirements	7.12.1-1
67.1	Roles Responsibilities and Detail Requirements	7.12.1-1
67.2	Installation, Relocation and/or Removal Requirements	7.12.1-1

7.12.2 Maintenance and Repair

Table 70	Maintenance and Repair Response Requirements.....	7.12.2-2
70.1	Roles, Responsibilities and Detail Requirements	7.12.2-2
70.2	Maintenance and Repair of All Terminals and Related Equipment	7.12.2-2
70.3	Repair Functions and Location of Staff.....	7.12.2-9
70.4	Resolution of Chronic Equipment Problems	7.12.2-18
70.5	Remote Monitoring of Equipment	7.12.2-21

7.13 Call Center Support

Table 73	Call Center Response Requirements.....	7.13-1
73.1	Roles, Responsibilities and Detail Requirements	7.13-1
73.2	Call Center System and Capabilities	7.13-1
73.3	Call Center Staffing and Management.....	7.13-24
73.4	Call Center Staffing and Management Support Retailer-Licensee Base.....	7.13-32
73.5	Call Center Performance Levels.....	7.13-33
73.6	Chronic Problem Resolution.....	7.13-34
73.7	Inventory Order and Distribution	7.13-35
73.8	Inventory and Supply Management Functions	7.13-46
73.9	Special, Out of Cycle, Express, Expedited, or Emergency Orders.....	7.13-50
73.10	Retailer Ordering.....	7.13-51

7.14 Communications Network

Table 76	Communications Network Response Requirements.....	7.14-2
76.1	Roles, Responsibilities and Detail Requirements	7.14-2
76.2	Communications Network Diagrams.....	7.14-3

Part 8 Sales and Marketing

Icon Description

8.1 Overview

8.2 Sales Management and Business Development

Table 79	Sales Management and Business Development Response Requirements.....	8.2-5
79.1	Roles, Responsibilities and Detail Requirements	8.2-5
79.2	Identification of Sales and Management Staff	8.2-5
79.3	Sales Organization Structure	8.2-10
79.4	How Proposer Would Provide a Route Sales Model to Support Retailer Locations	8.2-65
79.5	How Proposer Would Coordinate Meetings Among the Lottery, Proposer and Retailers	8.2-71

8.3 Marketing

Table 81	Marketing Response Requirements.....	8.3-1
81.1	Roles, Responsibilities and Detail Requirements	8.3-1
81.2	Proposed Marketing Staff	8.3-2
81.3	Marketing Organization Structure.....	8.3-10

8.4 Lottery Sales Representatives

Table 83	LSR Services Response Requirements.....	8.4-3
83.1	Roles, Responsibilities and Detail Requirements	8.4-3
83.2	LSR Organization Structure.....	8.4-3
83.3	LSR Incentive Plan	8.4-18
83.4	Sales Services to Optimize Performance	8.4-23
8.4.1	Retailer Visit	8.4-42
Table 85	Retailer Visit Response Requirements.....	8.4-43
85.1	Roles, Responsibilities and Detail Requirements	8.4-43
85.2	Retailer Visits and Support	8.4-44
85.3	LSR Performance Management.....	8.4-74
8.4.2	LSR Ticket Retrieval, Transfers and Returns.....	8.4-91
Table 88	LSR Ticket Retrieval, Transfers and Returns Response Requirements	8.4-91
88.1	Roles, Responsibilities and Detail Requirements	8.4-91
88.2	Ticket Retrieval, Transfers and Returns	8.4-91
88.3	Retailer-to-Retailer Pack Transfers.....	8.4-105
8.4.3	Instant Ticket Game Close	8.4-111
Table 91	Instant Ticket Game Close Response Requirements.....	8.4-111
91.1	Roles, Responsibilities and Detail Requirements	8.4-111
91.2	Instant Ticket Game Close	8.4-111

8.5 Retailer Contests and Retailer-Based Player Promotions

Table 93	Retailer Contests and Retailer-Based Player Promotions Response Requirements.....	8.5-2
93.1	Roles, Responsibilities and Detail Requirements	8.5-2
93.2	Contests and Promotions	8.5-2
93.3	Retailer Incentive Programs.....	8.5-40

8.6 Promotional Events and Retailer Promotions

Table 95	Promotional Events Response Requirements	8.6-2
95.1	Roles, Responsibilities and Detail Requirements	8.6-2
95.2	Promotional Equipment and Capabilities	8.6-2
95.3	Promotions Team	8.6-25
95.4	Alternative Approaches to Events and Promotions.....	8.6-33

8.7 Marketing Materials and Related Equipment

Table 98	Marketing Materials and Related Equipment Response Requirements.....	8.7-2
98.1	Roles, Responsibilities and Detail Requirements	8.7-2
98.2	Marketing Materials and Related Equipment.....	8.7-3
98.3	Updating Signage.....	8.7-44

8.8 Research and Lottery Product Development

Table 101	Research and Game Development Response Requirements	8.8-4
101.1	Roles, Responsibilities and Detail Requirements	8.8-4
101.2	Overview of Proposer's Research and Development Process for New Games and New Game Introductions	8.8-4
101.3	Methods for Obtaining and Using Geographic and Psychographic Information.....	8.8-30
101.4	Research and Development Staff	8.8-39
101.5	Research and/or Data Analyst Staff.....	8.8-41

Part 9 Warehouse and Distribution

Icon Description

9.1 Overview

9.2 New Instant Ticket Delivery and Storage

Table 103	New Instant Ticket Delivery and Storage Response Requirements.....	9.2-4
103.1	Roles, Responsibilities and Detail Requirements	9.2-4
103.2	Managing, Fulfilling, and Storing Orders	9.2-4
103.3	Staging and Distribution Plan	9.2-21
103.4	Warehousing and Distribution Methodology and Staffing Plan.....	9.2-34

9.3 Instant Ticket Delivery

Table 106	Instant Ticket Delivery Response Requirements	9.3-3
106.1	Roles, Responsibilities and Detail Requirements	9.3-3
106.2	Processing and Shipping Orders on Weekends/Holidays.....	9.3-3
106.3	Documenting Deliveries	9.3-4
106.4	Delivery Plan for Geographically Remote Retailers.....	9.3-9
106.5	Packaging Instant Tickets for Delivery	9.3-10
106.6	Preventing Omitted or Other Defective Packs from Being Shipped	9.3-13
106.7	Methods, Procedures, Hardware and Software for Monitoring Inventory	9.3-14
9.3.1	Warehouse Instant Ticket Return Verification	9.3-20
Table 109	Warehouse Instant Ticket Return Verification Response Requirements.....	9.3-24
109.1	Roles, Responsibilities and Detail Requirements	9.3-24
109.2	Documenting and Storing Partial Packs of Returned Tickets.....	9.3-24
109.3	Instant Tickets in Various Statuses.....	9.3-25
9.3.2	Stolen and Damaged Instant Ticket Reporting.....	9.3-28
Table 112	Stolen and Damaged Instant Ticket Reporting Response Requirements	9.3-28
112.1	Roles, Responsibilities and Detail Requirements	9.3-28
112.2	Damaged and Stolen Ticket Processing	9.3-28

9.4 Instant Ticket and On-Line Ticket Stock Destruction

Table 114	Instant Ticket and On-Line Ticket Stock Destruction Response Requirements.....	9.4-1
114.1	Roles, Responsibilities and Detail Requirements	9.4-1
114.2	Ticket Destruction	9.4-2
114.3	Destruction of Instant and On-Line Ticket Stock.....	9.4-2

9.5 Promotional Item and Point Of Sale (POS) Verification and Receiving

Table 116	Promotional Item and POS Verification and Receiving Response Requirements	9.5-1
116.1	Roles, Responsibilities and Detail Requirements	9.5-1
116.2	Receiving, Storage and Distribution of Promotional Items.....	9.5-1
116.3	Process for Verification, Receiving and Ongoing Inventory of Promotional Items.....	9.5-8

9.6 Promotional Merchandise Inventory

Table 118	Promotional Merchandise Inventory Response Requirements ...	9.6-2
118.1	Roles, Responsibilities and Detail Requirements	9.6-2
118.2	Process for Handling Incoming and Ongoing Inventory of Promotional Merchandise.....	9.6-2

9.7	Warehouse and Distribution General Requirements	
Table 120	Warehouse and Distribution General Response Requirements ..	9.7-1
120.1	Roles, Responsibilities and Detail Requirements	9.7-1
120.2	Process for Instant Ticket Order Processing and Packing	9.7-1
120.3	Process for Preventing Theft of Instant Tickets and Rolls of On-Line Ticket Stock	9.7-4
Part 10	Conversion	
	Icon Description	
10.0	Overview	
10.1	Conversion Plan	
Table 123	Conversion Plan Response Requirements	10.1-4
123.1	Roles, Responsibilities and Detail Requirements	10.1-4
123.2	Conversion Plan and Process.....	10.1-4
123.3	Project Management Process.....	10.1-16
123.4	Proposed Conversion Staff.....	10.1-25
10.2	Integration and Testing	
Table 126	Integration and Testing Response Requirements	10.2-1
126.1	Roles, Responsibilities and Detail Requirements	10.2-1
126.2	Integration and Testing Process.....	10.2-2
126.3	Acceptance Testing Process and Criteria	10.2-16
126.4	Proposed Integration and Test Plan	10.2-22
126.5	Backup, Recovery, Failover Process and Test Plan.....	10.2-27
10.3	Implementation and Migration	
Table 128	Implementation and Migration Response Requirements	10.3-2
128.1	Roles, Responsibilities and Detail Requirements	10.3-2
128.2	Implementation and Migration Strategy and Process	10.3-2
10.4	Conversion Plan General Requirements	
Table 130	Conversion Plan General Requirements Response Requirements.....	10.4-3
130.1	Roles, Responsibilities and Detail Requirements	10.4-3
130.2	High-Level Conversion Plan.....	10.4-3
130.3	Structure and Content of Process Documentation	10.4-28
130.4	Project Management Methodology	10.4-30
130.4.a	Project Management.....	10.4-30
130.4.b	Business Change Management.....	10.4-37
130.4.c	Issue Management.....	10.4-39
130.4.d	Communications Strategy.....	10.4-40
130.4.e	Knowledge Transfer	10.4-41
130.4.f	Relationship Management.....	10.4-42
130.4.g	Risk Management and Mitigation	10.4-42
130.4.h	Transition Reporting (Type and Frequency)	10.4-50
130.5	Detailed Initial Distribution Plan	10.4-52

10.5 Conversion Milestones

Table 132	Conversion Milestones Response Requirements	10.5-1
132.1	Conversion Plan and Time Chart.....	10.5-1

10.6 End of the Contract Conversion Plan

Table 134	End of Contract Conversion Plan Response Requirements.....	10.6-2
134.1	Roles, Responsibilities and Detail Requirements	10.6-2
134.2	End of Contract Conversion	10.6-2
134.2.a	People Processes.....	10.6-4
134.2.a.1	Knowledge Transfer	10.6-5
134.2.b	Management Processes	10.6-6
134.2.b.1	Issue Management.....	10.6-6
134.2.b.2	Risk Management and Mitigation	10.6-7
134.2.b.3	Exit Reporting (Type and Frequency).....	10.6-8
134.2.c	Technology	10.6-8
134.2.c.1	Handover Procedures.....	10.6-9
134.2.c.2	Tools, Software, Network Connections and Data Transfer	10.6-9
134.2.d	License Transfer.....	10.6-10



GTECH®
Architects of Gaming

June 29, 2010

Ms. Angela Zgabay-Zgarba
Contracts Administration
Texas Lottery Commission
611 East 6th Street
Austin, TX 78701

Subject: Texas Lottery Commission Request for Proposals for Lottery Operations and Services, RFP
#362-10-0001

Dear Ms. Zgabay-Zgarba:

On behalf of my colleagues, I am pleased to submit the enclosed proposal to the Texas Lottery Commission in response to RFP #362-10-0001. The entity submitting the proposal is GTECH Corporation, and we commit to providing the goods and services required by the Texas Lottery in this RFP. This proposal is valid for three hundred and sixty-five (365) days from the day after the date the Technical Proposal is delivered to the Texas Lottery.

GTECH is uniquely qualified to provide lottery operations services and equipment to operate Texas Lottery games. The customized solutions and services that we put forth in our proposal are based on lessons learned and insights gleaned from working with the TLC and servicing its retailers and players for nearly two decades.

More than two years ago, we began a process to identify, document, and map more than 120 TLC business processes and 7,000 business rules. Our objective was to ensure that the solutions and services we propose in response to your RFP align with your business needs and growth objectives. This review and analysis provided us with the data and information required to create customized solutions to address the unique needs of the Texas Lottery market.

Several of the key innovations included in GTECH's base offer are highlighted below:

- This mobile handheld device will provide real time-tracking of retailer visits and dispatching of field service to assist in monitoring, reviewing, and improving sales performance, while providing Texas Lottery Management a transparent view into field operations.
- **Single Ticket Accounting:** By simplifying Instant Ticket accounting and reducing the labor associated with managing Lottery products in-store, the TLC will have more opportunities to successfully recruit retailers and expand its distribution network. GTECH's Single Ticket Accounting solution, a breakthrough design, resolves large-chain issues with the management and sale of Instant Tickets by treating each individual Instant Ticket as a single product that can be activated, sold, cancelled, and accounted for in the same manner as are other products in a chain store's inventory, making it an attractive product for large-scale chains and other corporate retail environments.
- : GTECH invented to exceed the objective of increased availability by utilizing redundant communications paths to provide revenue protection previously unavailable in the lottery industry. In Texas, our solution will be installed in the 30 percent of your retail locations that account for more than 50 percent of your sales.
-) will determine product demand at the retailer level and facilitate effective production distribution, enhanced customer service to Texas Lottery retailers, and optimization of Instant Ticket sales and revenues. With your retailers will have the right products at the right time to service their unique player base.
- will provide greater visibility and traceability of full and partial pack returns by automating the acknowledgement of a physical piece of property without manual intervention. Using tags attached to return bags and at the warehouse, returned inventory will be accounted for immediately upon arrival, thereby improving efficiencies in TLC asset management and inventory control.
- **Return Auto-Scan:** With the introduction of an automated conveyor belt with scanning capability, Return Auto-Scan will provide expedited sorting of all full pack returns, whether the game is closed or available for re-distribution. The scanning technology reads the game and pack from the bar code, changes the system status to "Returned," and manages the redirection of the game.

Information Redacted
§552.101/466.022/552.139

In addition to developing the key innovations outlined here, and the others described in detail in our response, we also took the extraordinary step of investing nearly 11 man/person years to convert 80 percent of your new) gaming system prior to proposal submission. This early system conversion would put the TLC several months ahead of its planned 12-month transition timeline. Our proactive plan, in which 80 percent of the conversion is complete, materially mitigates risks associated with a conversion of this scope and complexity.

Every vendor in the industry can put forth an offer, but only GTECH can present a value-driven plan executed by a Texas-based team with more than 3,000 years of Texas Lottery experience. This team will be anchored by 180 Sales, Marketing, and Business Development professionals who have serviced your retail base for nearly 1,600 years. Both of these experienced groups will be supported by the expertise of thousands of additional resources, many of whom are located in Texas and others who are located around the world, that comprise the world's largest lottery operations and services provider.

GTECH is confident that it has the Texas-specific knowledge, the aligned solutions, and the Texas Lottery experience that uniquely positions it to continue to serve as your vendor during the new contract period. Moreover, we are the only vendor that knows what it means to serve as an extension of the Texas Lottery brand, and understands the significance of complete transparency, visibility, accountability, and responsiveness at every level of the organization. We are committed to maintaining your trust in us and the public's trust in the Texas Lottery, and believe that our customized, comprehensive proposal, combined with our unique approach to account management and service delivery, will create the best long-term value for the Texas Lottery. In short, GTECH remains aligned with and invested in your success.

In response to Section 2.12.2 of the RFP, GTECH accepts the terms and conditions set forth in Part 3 of the RFP that will be included in any contract resulting from the RFP. GTECH does not take exception to any proposed terms and conditions set forth in the RFP. In addition, GTECH has met all requirements contained in RFP Section 1.9, Proposals Subject To Texas Public Information Act, and provided a table immediately after this transmittal letter that contains specific and detailed reasons for each item marked as confidential according to applicable provisions of the Texas Government Code and Texas Administrative Code.

Thank you for the opportunity to present our customized Texas offering for your evaluation and consideration. I am available anytime to answer any questions that you may have or provide additional information you may require.

Sincerely,

A handwritten signature in black ink, appearing to read 'A. Eland', with a stylized, cursive script.


Alan Eland,
Senior Vice President, GTECH Americas
GTECH Corporation
10 Memorial Boulevard
Providence, RI 02903
Phone: 401.392.7332
Mobile: 401.219.1802



ATTACHMENT A PROPOSER'S COMMITMENT

I hereby commit GTECH Corporation
(Company Name)

to provide the goods and services described in the attached Proposal for Lottery Operations and Services required by the Request for Proposals for the Texas Lottery Commission.

Signature: 

Title: Senior Vice President, GTECH Americas

Date: 5/28/10

GTECH Corporation's Confidential Documentation Table

The enclosed proposal contains trade secrets and other confidential information of GTECH Corporation ("GTECH"), as defined by Texas state law. Such information is exempt from public disclosure pursuant to the Texas Public Information Act and Texas State Lottery Act, specifically the Texas Government Code, [Title 5 (Open Government; Ethics), Subtitle A (Open Government), Chapter 552 (Public Information), Subchapter C (Information Excepted from Public Disclosure), in particular, §§ 552.101 (Exception: Confidential Information), 552.102 (Exception: Personnel Information), 552.104 (Exception: Information Related to Competition or Bidding), and 552.110 (Exception: Trade Secrets; Certain Commercial or Financial Information)].

Some of the confidential information in the proposal is further excepted from public disclosure under the Texas State Lottery Act, specifically, the Texas Administrative Code, Title 16 (Economic Regulation), Part 9 (Texas Lottery Commission), Chapter 401 (Administration of State Lottery Act), Subchapter G, § 401.501 (Lottery Security)], as such information constitutes or affects "security plans and procedures of the commission designed to ensure the integrity and security of the operation of the Lottery," and/or "information of a nature that is designed to ensure the integrity and security of winning tickets or numbers in the Lottery."

Besides the foregoing statutory exceptions to public disclosure, those parts of GTECH's proposal that constitute trade secrets of the Company are further protected from disclosure under Texas common law. See, e.g., Hyde Corp. v. Huffines, 314 S.W.2d 763, 776 (Tex. 1958).

The confidential information contained in GTECH's proposal is not known outside of GTECH's business, except where such disclosure has been made to customers and consultants of GTECH subject to written or other obligations of confidentiality. Accordingly, the information is not publicly available. Moreover, it is neither obtainable nor readily ascertainable anywhere outside of GTECH. It represents a valuable portion of GTECH's computerized lottery system knowledge acquired over many years of experience and as a result of GTECH's investment of substantial resources in terms of both time and money. This information could not be re-created by another firm absent a similar research effort, including a similar significant investment of time and financial resources. Obtaining access to the confidential information in the proposal would be of great but unfair benefit to GTECH's competitors in the computerized lottery industry, and its disclosure to such competitors would substantially harm GTECH's competitive position in that industry.

Further, GTECH expends significant resources to maintain the confidentiality of its trade secrets and other confidential information. As noted, GTECH releases such information to third parties only where necessary and only subject to non-disclosure agreements. In addition, all GTECH employees are required to enter into a nondisclosure agreement with the Company upon commencement of their employment with the Company. Such agreement prohibits the employees from using or copying confidential information and Company trade secrets, except as necessary in connection with their employment. Further, GTECH's confidential information is disseminated throughout the Company only on a "need to know" basis. The information in the following table, identified as confidential, is exempt from public disclosure pursuant to Texas law in accordance with the specific statutory provisions cited herein.

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
	Table of Contents	None	NA
2.12	Letter of Transmittal	None	NA
2.13	Executive Summary	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 551.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The executive summary GTECH has created for the Texas Lottery is confidential, as it contains a summary of our entire offering to the Lottery within which we discuss specific offering elements such as new GTECH-developed innovations as well as certain products and solutions also marked as confidential in the enclosed proposal. This information is trade secret, as it derives independent economic value from not being generally known by our competition. If disclosed, it would cause substantial competitive harm to GTECH and allow competitors to improperly obtain competitive advantage. It is therefore the subject of reasonable efforts to maintain its secrecy.</p>	2.13.1-2.13.3 – 1 thru 2.13.1-2.13.3 – 5
Part 1	General Information	None	NA
Part 2	Proposal Process	None	NA
Part 3	Contractual Terms and Conditions	None	NA
3.1	Introduction	None	NA
3.2	Governing Law	None	NA
3.3	Contract Elements	None	NA
3.3.1	Contract Between Texas Lottery and Successful Proposer	None	NA
3.3.2	HSP	None	NA
3.3.3	Terms and Provisions	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
3.4	Amendments	None	NA
3.5	Waiver	None	NA
3.6	Clarification of Lottery's Intent	None	NA
3.7	Lottery's Financial Obligations	None	NA
3.8	Relationship of the Parties	None	NA
3.9	Payment	None	NA
3.9.1	Payment Specifications	None	NA
3.9.2	Invoicing Specifications	None	NA
3.9.3	Payments Owed to the Successful Proposer	None	NA
3.9.4	Performance Specifications	None	NA
3.10	Assignments	None	NA
3.11	Subcontracting	None	NA
3.11.1	Subletting, Conveying, Assigning or Disposing of All or Any Portion of the Contract	None	NA
3.11.2	Responsibility and Obligation to Meet Requirements	None	NA
3.11.3	Obligations of Successful Proposer	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
3.11.4	Indemnification from Claims or Actions of Subcontractors	None	NA
3.11.5	Payment of Subcontractors	None	NA
3.12	Lottery Approval of Staffing	None	NA
3.12.1	Employees, Agents, and Subcontractors	None	NA
3.12.2	Personnel Changes	None	NA
3.12.3	Organizational Changes	None	NA
3.12.4	Removal of Any Person Employed by Successful Proposer	None	NA
3.13	Background Investigations	None	NA
3.13.1	Background Investigation Specifications	None	NA
3.13.2	Obligation to Provide Information	None	NA
3.13.3	Objection to an Employee	None	NA
3.14	Compliance	None	NA
3.15	Term of Contract	None	NA
3.15.1	Effective Contract Dates	None	NA
3.15.2	Compensation Pending Successful Conversion	None	NA
3.15.3	Contract Extensions	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
3.15.4	State of Readiness	None	NA
3.16	Termination at Will	None	NA
3.17 (a-j)	Termination for Cause	None	NA
3.18 (a-b)	Termination for Impossibility of Performance	None	NA
3.19	Termination Without Penalty	None	NA
3.20	No Liability Upon Termination	None	NA
3.21 (a-e)	Effect of Termination	None	NA
3.22	Warranties	None	NA
3.22.1	Lawfully Organized	None	NA
3.22.2	Legal Authority	None	NA
3.22.3	Duly Authorized to Operate and Do Business	None	NA
3.22.4	Conflict of Interest	None	NA
3.22.5	Goods and Services	None	NA
3.22.6	Tickets, Games, Goods and Services	None	NA
3.22.7	Terms, Conditions, Agreements or Covenants	None	NA
3.22.8	Sales Agent License	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
3.22.9	Misprinted On-Line Tickets	None	NA
3.22.10	Equipment in Good Condition	None	NA
3.22.11	Proposed Goods	None	NA
3.22.12	Code Disabling the Lottery Gaming System	None	NA
3.22.13	Clock, Counter, Virus or Other Limiting Design or Routine	None	NA
3.22.14	Integrity of Data	None	NA
3.22.15	Secure Operation	None	NA
3.22.16	Title and License to Lottery Gaming System	None	NA
3.22.17	Outstanding Assignments, Grants, Licenses, etc.	None	NA
3.23	Licenses and Permits	None	NA
3.24	Successful Proposer Site Visits	None	NA
3.25	Intellectual Property Rights	None	NA
3.25.1	Ownership	None	NA
3.25.2	Ownership of Prior Rights by the Texas Lottery	None	NA
3.25.3	Ownership of Prior Rights by the Successful Proposer	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
3.25.4	Further Actions	None	NA
3.25.5	Waiver of Moral Rights	None	NA
3.25.6	Confidentiality	None	NA
3.25.7	Injunctive Relief	None	NA
3.25.8	Return of Works	None	NA
3.25.9	Successful Proposer's Name or Logo	None	NA
3.26	Pre-Existing and Third Party Rights	None	NA
3.26.1	Pre-Existing and Third Party Rights Provisions	None	NA
3.26.2	Written Agreements	None	NA
3.27	Remediation	None	NA
3.28	Intellectual Property Search	None	NA
3.29	Accounting Records	None	NA
3.30	Right to Audit	None	NA
3.31 (a-d)	Audit Requirements	None	NA
3.32	Right to Additionally Audit the Successful Proposer's Texas Operations	None	NA
3.32.1	Right to Audit Records and Operations	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
3.32.2	Auditor Agreements	None	NA
3.33	Indemnification	None	NA
3.33.1	Indemnification Provisions	None	NA
3.33.2	Liability	None	NA
3.34	Bonds and Insurance	None	NA
3.35	Self Insurance	None	NA
3.36	Performance Bond	None	NA
3.36.1	Original Performance Bond	None	NA
3.36.2	Bond Maintenance	None	NA
3.37	General Liability Insurance	None	NA
3.38	Property Insurance	None	NA
3.39	Errors and Omissions Insurance	None	NA
3.40	Crime Insurance	None	NA
3.41	Automobile Liability Insurance	None	NA
3.42	Workers' Compensation & Employers Liability Insurance	None	NA
3.43	Disclosure of Litigation	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
3.44	Disclosure of Sanctions and Liquidated Damages	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The first two paragraphs in this section contain confidential financial information and detailed information regarding sanctions and liquidated damages which, if disclosed, would cause substantial competitive harm to GTECH. It is therefore the subject of reasonable efforts to maintain its secrecy.</p>	Part 3-37
3.45	Force Majeure/Delay of Performance	None	NA
3.45.1	Delay Provisions	None	NA
3.45.2	Delays in Performance	None	NA
3.46	Security Requirements	None	NA
3.46.1	Established Security Program	None	NA
3.46.2	Further and Additional Security Measures	None	NA
3.47	Taxes, Fees and Assessments	None	NA
3.47.1	Payment of Any Taxes	None	NA
3.47.2	Tax Payment Responsibilities	None	NA
3.48	News Releases	None	NA
3.49	Advertising	None	NA
3.49.1	Name, Logos, Images, etc.	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
3.49.2	Pre-Approval by the Lottery	None	NA
3.50	Hiring of Texas Lottery Personnel	None	NA
3.50.1	Employment Offers or Business Arrangements	None	NA
3.50.2	Engaging Services of Any Texas Employee	None	NA
3.51	Hiring of Lobbyist, Consultant and/or Advisor; Supplemental Information	Texas Government Code Title 5, Chapter 552, Subchapter C § 552.102. Exception: Personnel Information § 552.104, Exception: Information Related to Public Bidding The table in this section titled "Required Information for Lobbyists, Consultants, and/or Advisors" contains detailed confidential personnel information the disclosure of which would constitute a clearly unwarranted invasion of personal privacy and, if disclosed, would cause competitive harm to GTECH. It is therefore the subject of reasonable efforts to maintain its secrecy.	Part 3-42
3.52	Notices	None	NA
3.53	Non-Disclosure	None	NA
3.54	Usufruct	None	NA
3.55	Ticket Purchase	None	NA
3.56	End of Contract Conversion	None	NA
3.56.1	Conversion Identification and Time	None	NA
3.56.2	Removal of All Equipment	None	NA
3.56.3	Cooperation with Texas Lottery	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
3.56.4	Experienced Personnel, Resources and Facilities	None	NA
3.57	Equipment	None	NA
3.58	Programs	None	NA
3.58.1	Systems Analysis, Design and Programming	None	NA
3.58.2	Maintainable and Reusable Software	None	NA
3.58.3	Supportable Programming Languages, Tools and Methodologies	None	NA
3.58.4	Delivery of Copies of Works	None	NA
3.58.5	Source Code Escrow Agreement	None	NA
3.59	Lottery Purchase Option	None	NA
3.60	Sanctions and Remedies Schedule	None	NA
3.60.1	General	None	NA
3.60.2	Assessment of Sanctions	None	NA
3.60.3	Failure to Assess Sanctions	None	NA
3.60.4	Severability of Individual Sanctions Clause	None	NA
3.60.5	Sanction Schedule	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
3.60.6	Failure to Permit an Audit or Examination	None	NA
3.60.7	Failure to Product Accurate Records or Provide Accurate Information	None	NA
3.60.8	Failure to Produce Timely Records and/or Information	None	NA
3.60.9	Failure to Disclose Litigation	None	NA
3.60.10	Failure to Obtain Prior Written Approval Before Issuing News Release	None	NA
3.60.11	Failure to Notify the Texas Lottery of Changes of Lobbyist, Consultant and/or Advisor Information	None	NA
3.60.12	Failure to Comply with Non-Disclosure Terms	None	NA
3.60.13	Unauthorized Purchase of Texas Lottery Tickets	None	NA
3.60.14	Failure to Report Significant Incidents and Anomalies	None	NA
3.60.15	Failure to Timely Notify the Texas Lottery of a Change in Financial Condition, Change in Key Management, or Change of Ownership	None	NA
3.60.16	Failure to Provide Information and/or Cooperate Fully with Contract Compliance Review	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
3.60.17	Failure to Correct Audit and/or Compliance Finding	None	NA
3.60.18	Failure to Receive Texas Lottery Written Approval at Least Twenty-Four (24) Hours in Advance for Visitors to the Central Distribution Warehouse	None	NA
3.60.19	Failure to Comply with Title 1 TAC 202 Information Security Standards	None	NA
3.60.20	Failure to Backup and Restore Data in a Manner and/or Format for Business Processing	None	NA
3.60.21	Failure to Perform Retailer Training	None	NA
3.60.22	Failure to Perform Retailer Retraining	None	NA
3.60.23	Failure to Implement New On-Line Games	None	NA
3.60.24	Failure to Conduct Intellectual Property Search	None	NA
3.60.25	Failure to Update Jackpot Amount	None	NA
3.60.26	Inability to Cash Winning Tickets at a Retailer Location (All On-Line or All Instant Ticket Games)	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
3.60.27	Inability to Cash Winning Tickets at a Retailer Location (Specific On-Line Game or One or More Instant Ticket Games)	None	NA
3.60.28	Inability to Cash Winning Tickets at a Texas Lottery Claim Center	None	NA
3.60.29	Inability to Conduct Retailer, Licensing, Inventory, Accounting, or Other Management Functions	None	NA
3.60.30	Performance Degradation	None	NA
3.60.31	Failure to Test Backup Lottery Gaming System	None	NA
3.60.32	Failure to Execute Planned On-Line Promotion	None	NA
3.60.33	Failure to Provide Software Fixes and/or Enhancements	None	NA
3.60.34	Failure to Implement Change or Release Management Without Incident	None	NA
3.60.35	Failure to Comply with Title 1 TAC 202 Resulting in a Security Incident	None	NA
3.60.36	Failure to Provide New Reports and/or to Modify Existing Reports	None	NA
3.60.37	Inability of ICS to Update Lottery Applications	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
3.60.38	Out-of-Balance Condition Between ICS and Lottery Gaming Systems	None	NA
3.60.39	Failure to Load Debit, Credit, and/or New Retailer Files	None	NA
3.60.40	Inability to Confirm or Activate Instant Ticket Packs (All Retailers)	None	NA
3.60.41	Inability to Confirm or Activate Instant Ticket Packs (Single Retailer)	None	NA
3.60.42	Inability to Produce Accurate Terminal Reports or Make Terminal Reports Available	None	NA
3.60.43	Failure to Install, Relocate or Remove Lottery Sales and/or Validation Equipment	None	NA
3.60.44	Failure to Install, Relocate or Remove Lottery Non-Sales and/or Validation Equipment	None	NA
3.60.45	Failure to Resolve a Lottery Non-Sales and/or Validation Equipment Problem within the Specified Timeframe	None	NA
3.60.46	Call Center Answer Time	None	NA
3.60.47	Call Center Busy Signal Time	None	NA
3.60.48	Call Center Abandonment Rate	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
3.60.49	Call Center Hold Time	None	NA
3.60.50	Call Center Availability	None	NA
3.60.51	LSR Visits	None	NA
3.60.52	Retailer Satisfaction	None	NA
3.60.53	Failure to Properly Process or Assign On-Line Ticket Stock	None	NA
3.60.54	Improperly Processed Packs of Instant Tickets	None	NA
3.60.55	Failure to Support a Promotional Event	None	NA
3.60.56	Inability to Program the Programmable Signs	None	NA
3.60.57	Inability of the Programmable Signs to Communicate	None	NA
3.60.58	Failure to Load Instant Game Files within Specified Timeframe	None	NA
3.60.59	Instant Ticket Packs not Delivered to Texas Lottery Retailers	None	NA
3.60.60	Instant Ticket Packs not Returned to the Warehouse	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
3.60.61	Warehouse Instant Ticket Return Verification	None	NA
3.60.62	Failure to Timely Provide Accurate Annual Instant Ticket Inventory Report	None	NA
3.60.63	Failure to Cooperate Fully and in Good Faith in the Conversion to any New System	None	NA
3.60.64	Failure to Provide a Detailed Conversion Plan within 45 Days of Contract Execution None	None	NA
3.60.65	Failure to Deliver According to the Final Approved Detailed Conversion Plan	None	NA
3.61	Liquidated Damages	None	NA
3.61.1	Liquidated Damages Schedule	None	NA
3.61.2	General	None	NA
3.61.3	Liquidated Damages Assessment	None	NA
3.61.4	Severability of Individual Liquidated Damages Clauses	None	NA
3.61.5	On-Line Game Unavailability	None	NA
3.61.6	Inability of the Texas Lottery Retailer Terminals to Communicate with the Lottery Gaming System	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
3.61.7	Failure to Resolve Terminal and Related Sales Equipment Problems	None	NA
3.61.8	Unassigned Packs of Instant Tickets Missing from the Warehouse	None	NA
3.62	Dispute Resolution	None	NA
3.63	Certifications	None	NA
3.63.1	Sales Agent License Specifications	None	NA
3.63.2	Section 231.006 of Texas Family Code	None	NA
3.63.3	Section 2261.053 of Texas Government Code	None	NA
3.63.4	Submitted Proposal	None	NA
3.63.5	Section 669.003 of Government Code	None	NA
3.63.6	Texas Resident Bidder	None	NA
3.63.7	President's Executive Order (EO) 13224	None	NA
3.63.8	Section 2155.004 of Texas Government Code	None	NA
3.64	Preferences	None	NA
3.65	Deceptive Trade Practices; Unfair Business Practices	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
3.66	Immigration	None	NA
3.66.1	State of Texas Accessibility Requirements	None	NA
3.66.2	Voluntary Product Accessibility Template (VPAT)	None	NA
3.67	Electronic and Information Resources Accessibility Standards	None	NA
3.67.1	State of Texas Accessibility Requirements	None	NA
3.67.2	Voluntary Product Accessibility Template (VPAT)	None	NA
3.68	False Statements; Breach of Representations	None	NA
3.69	Limitation on Authority; No Other Obligations	None	NA
3.70	Proposer Assignment	None	NA
3.71 (a-g)	Code of Conduct	None	NA
3.72	Contact with Texas Lottery Commission	None	NA
3.72.1	Meetings at Texas Lottery Headquarters	None	NA
3.72.2	Gifts	None	NA
3.72.3	Nonprofessional Socialization	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
3.72.4	Professional Socialization	None	NA
3.73	Incidents and Anomalies	None	NA
3.73.1	Reporting of Significant Incidents and Anomalies	None	NA
3.73.2	Monitoring of the Successful Proposer	None	NA
3.74	Attachment of Third Party Systems, Terminals and Products	None	NA
3.74.1	Access and Support	None	NA
3.74.2	Attaching Products to the Lottery Gaming System	None	NA
3.74.3	Intellectual Property	None	NA
3.75	Records Retention	None	NA
Part 4	Required Information	None	NA
4.1	Statement of Understanding	None	NA
4.1.1	Certificate Executed by an Authorized Representative	None	NA
4.1.2	Exceptions to the Requirements	None	NA
4.2	Experience of Responding Firm and Product	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
4.2.1	Years of Experience	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The information marked confidential in the GTECH Customer Summary Insert, Elsym Experience Insert, and Spacenet Experience Insert identify contract information including detailed information about GTECH's contract values and confidential information regarding Elsym and Spacenet. This detailed information is not generally known to GTECH's competitors (as well as Elsym's and Spacenet's competitors), and its disclosure would cause substantial competitive harm to their ability to compete successfully in the public lottery industry. It is therefore the subject of reasonable efforts to maintain its secrecy.</p>	Follows Part 4-2
4.2.2	Previous Lottery Experience	None	NA
4.2.3	Previous Experience in Transition Activities	None	NA
4.2.4 (a-e)	Experience	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
4.2.5 (a-g)	Performance During Last Five Years	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The information marked confidential in 4.2.5 (d) of this section of GTECH's proposal presents detailed audit information over the past 5 years. This commercial and financial information is not generally known and, if publicly disclosed, would cause substantial competitive harm to the Company and unfairly advantage competing vendors. GTECH expends significant resources to maintain the confidentiality of its trade secrets and other confidential information, including this commercial and financial information.</p>	Part 4-8
		<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.104 (a), Exception: Information Related to Competition or Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The information marked confidential in 4.2.5 (f) of this section of GTECH's proposal provides a detailed listing of all material civil or criminal litigation and indictments, whether threatened or pending, including any actions that a reasonable person knowledgeable in the gaming industry would consider relevant to any gaming operation or development. This commercial and financial information is not generally known and, if publicly disclosed, would cause substantial competitive harm to the Company and unfairly advantage competing vendors. GTECH expends significant resources to maintain the confidentiality of its trade secrets and other confidential information, including this commercial and financial information.</p>	Part 4-9 thru Part 4-15
4.3	Experience of Personnel	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
4.3.1	Organizational Chart	<p>Texas Government Code Title 5, Chapter 552. Subchapter C. § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The two inserts in section 4.3.1 titled "GTECH Texas Organizational Chart" and "Transition Team Organizational Chart" contain diagrams of GTECH's organizational structure that are confidential and a trade secret as they derive independent economic value from not being generally known by our competition. Disclosure of this information would cause competitive harm to GTECH and would give an unfair advantage to a competitor or bidder. GTECH expends significant resources to maintain the protection of this sensitive information from public disclosure.</p>	Follows Part 4-18
4.3.2 (a-f)	Resumes for Key Personnel	None	NA
4.3.3	Resume Specifications	None	NA
4.3.4	Verification of Resumes	None	NA
4.3.5	Staffing Schedule	None	NA
4.3.6	Availability of Key Management Employees	None	NA
4.4	References	None	NA
4.5	Contact Person	None	NA
4.6	Conflict of Interest	None	NA
4.6.1	Disclosure of Conflicts of Interest	None	NA
4.6.2	Continuing Disclosure Requirement	None	NA
4.7	Financial Soundness	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
4.7.1	Information for Evaluating Financial Soundness	None	NA
4.7.2	Ability to Finance Performance	None	NA
4.7.2.1	Submission of Financial Statements	None	NA
4.7.2.2	Subsidiaries	None	NA
4.7.2.3	Submission Involving Joint Participants	None	NA
4.7.2.4	External Borrowing	None	NA
4.7.3	Notification of Change of Financial Condition	None	NA
4.7.4	Supplemental Information	None	NA
4.7.4.1	Off-Balance Sheet Arrangements	None	NA
4.7.4.2 (a-b)	Defaults on Securities	None	NA
4.7.4.3	Business Plans	None	NA
4.7.4.4 (a-b)	Liquidity and Capital Resources	None	NA
4.7.5	Additional Information	None	NA
4.8	Background Investigations	None	NA
4.8.1	Background Investigation Provisions	None	NA
4.8.2 (a-c)	Facilitation of Background Investigations	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
4.8.3	Additional Background Information	None	NA
Part 5	HUB Subcontracting Plan (HSP)	None	NA
5.1	HSP Requirement	None	NA
5.2	HSP Submission and Texas Lottery Review	None	NA
5.2.1	HSP (Attachment C)	None	NA
5.2.2	Completed HSP	None	NA
5.2.3	Clarifications on HSP	None	NA
5.3	Assistance for Preparation of HSP	None	NA
5.3.1	Mandatory Pre-Proposal Conference	None	NA
5.3.2	On-Line Tutorial	None	NA
5.3.3	HSP Checklist	None	NA
5.4	Mandatory HSP Workshops	None	NA
5.5	Requirements for Completing the HSP Forms	None	NA
5.5.1	Proposer Intends to Subcontract	None	NA
5.5.2	Proposer Does Not Intend to Subcontract	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
5.5.3	Pre-Existing Subcontracting Relationships	None	NA
5.6	Subcontracting Opportunities	None	NA
5.6.1	Goods and/or Services	None	NA
5.6.2	Potential Subcontracting Opportunities (Attachment L)	None	NA
5.6.3	Additional Subcontracting Opportunities	None	NA
5.6.4	Centralized Master Bidders List (CMBL)	None	NA
5.7	HSP Changes	None	NA
5.8	HSP Reporting	None	NA
Part 6	Account Management and Administration	None	NA
6.1	Overview	None	NA
6.2	Account Management	None	NA
Table 4	Account Management Response Requirements	None	NA
4.1	Roles, Responsibilities and Detail Requirements	None	NA
4.2	Account Management	None	NA
6.3	Service Level Monitoring and Reporting	None	NA
Table 7	Service Level Monitoring and Reporting Response Requirements	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
7.1	Roles, Responsibilities and Detail Requirements	None	NA
7.2	Service Level Monitoring and Reporting	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The information contained under the heading Service Level Monitoring and Reporting is confidential as it contains a description of a new innovation to optimize the reporting of service level requirements. This information is trade secret and derives independent economic value from not being generally known by our competition. It would cause substantial competitive harm to GTECH, if disclosed, and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	6.3-2 thru 6.3-3
7.3	Measuring and Reporting SLRs	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The information contained under the heading "Measuring and Reporting SLRs" contains a description of a new innovation to optimize reporting of service level requirements and the associated process used to develop the most accurate methods of reporting on such service levels. This information is trade secret and derives independent economic value from not being generally known by our competition. It would cause substantial competitive harm if disclosed, and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	6.3-4 thru 6.3-8

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
7.4	Service Level Reports and Notification	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The information contained under the heading "Service Level Reports and Notification" contains a detailed description of a new innovation to optimize reporting of service level requirements and provides a detailed example of how this is done. This information is trade secret and derives independent value from not being generally known by our competition. It would cause substantial competitive harm if disclosed, and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	6.3-9 thru 6.3-11
7.5	Automated Reporting Capabilities	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The information contained under the heading "Automated Reporting Capabilities" contains a description of a new innovation to optimize the reporting of service level requirements. This information is a trade secret and derives independent economic value from not being generally known by our competition. It would cause substantial competitive harm if disclosed, and is therefore the subject of reasonable efforts to maintain secrecy.</p>	6.3-11 thru 6.3-12
6.4	Service Management	None	NA
6.4.1	Incident and Problem Management	None	NA
Table 9	Incident and Problem Management Response Requirements	None	NA
9.1	Roles, Responsibilities and Detail Requirements	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
9.2	Incident and Problem Management	None	NA
6.4.2	Capacity Management	None	NA
Table 11	Capacity Management Response Requirements	None	NA
11.1	Roles, Responsibilities and Detail Requirements	None	NA
11.2	Capacity Planning	None	NA
6.4.3	Performance Management	None	NA
Table 13	Performance Management Response Requirements	None	NA
13.1	Roles, Responsibilities and Detail Requirements	None	NA
13.2	Performance Management	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
13.3	Planning, Development, Modification, Monitoring and Reporting of System and Network Performance	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Confidential material begins just after the heading "Central System Monitoring Tools" and ends with the text in the last bullet "... other products and systems." The information within the confidential markings on this page identifies the tool GTECH will use to monitor performance, capacity, and availability of the entire Lottery Gaming System. This confidential material also provides descriptions of this tool's functionality. Disclosure of such information would cause substantial injury to the competitive position of GTECH's business and could jeopardize the security of the Texas Lottery system and/or its data. This information is also trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	6.4-19
6.5	Compliance Review	None	NA
Table 15	Compliance Review Response Requirements	None	NA
15.1	Roles, Responsibilities and Detail Requirements	None	NA
15.2	Compliance Review Requirements	None	NA
6.6	Facilities Support Services	None	NA
Table 18	Facilities Support Response Requirements	None	NA
18.1	Roles, Responsibilities and Detail Requirements	None	NA
18.2	Recommended Facilities	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
18.3	Other Services, Procedures, Materials, Supplies, Programs, Policies, Equipment and Facilities	None	NA
18.4	Central Distribution Warehouse Hours of Operation	None	NA
6.7	Business Continuity and Disaster Recovery	None	NA
Table 21	Business Continuity and Disaster Recovery Response Requirements	None	NA
21.1	Roles, Responsibilities and Detail Requirements	None	NA
21.2	Business Continuity and Disaster Recovery Capabilities	None	NA
21.3	Information Redacted §552.101/466.022/552.139	None	NA
21.4	Ticket Delivery	None	NA
6.8	Training	None	NA
Table 24	Training Response Requirements	None	NA
24.1	Roles, Responsibilities and Detail Requirements	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
24.2	Training Activities	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Number 4 "Documentation of Training" under the heading "Training Activities" contains confidential information including detailed descriptions regarding how to use a new GTECH training innovation that is trade secret. This information derives independent economic value from not being generally known by our competition. Its disclosure would cause competitive harm, and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	6.8-2
		<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The Offered Option, "Mobile Classroom Training," under the heading "Customized Training Delivery Methods" contains a description of a new training innovation that is trade secret and derives independent economic value from not being generally known by our competition. If disclosed, it would cause competitive harm to the Company, and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	6.8-22 thru 6.8-24
		<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The information contained under the heading "New LSR Training" contains detailed descriptions of our training processes for new employees. This information is trade secret and derives independent economic value from not being generally known by our competition. Its disclosure would cause competitive harm, and is therefore subject of reasonable efforts to maintain its secrecy.</p>	6.8-37 thru 6.8-38

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
24.2	Training Activities	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The information under the heading "LSR Certifications" contains detailed descriptions of our proposed certification process for Lottery Sales Representatives. This is trade secret information and derives independent economic value from not being generally known by our competition. Its disclosure would cause competitive harm to the Company, and is therefore the subject of reasonable efforts to maintain its secrecy.</p> <p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The information beginning under the heading "Sales Skill Development Training" and ending with "...optimizing sales skills of LSRs." contains detailed information about GTECH's Sales Force development program. This information is trade secret as it derives independent economic value from not being generally known by our competition. Its disclosure could cause serious competitive harm, and is therefore the subject to reasonable efforts to maintain its secrecy.</p>	<p>6.8-39 thru 6.8-40</p> <p>6.8-41 thru 6.8-43</p>
Part 7	Lottery Gaming System	None	NA
7.1	Overview	None	NA
7.2	On-Line Games	None	NA
7.2.1	On-Line Game Development	None	NA
Table 27	On-Line Game Response Requirements	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
27.1	Roles, Responsibilities and Detail Requirements	None	NA
27.2	On-Line Game Development, Research and Implementation	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The information in the section starting with the heading text "A Strategic Approach ..." and ending with the text "... specific to the Texas marketplace" contains GTECH proprietary strategies for game development. Disclosure of our strategy would give competitors an opportunity to improperly obtain economic advantage through the research work and planning we have done in the area of game development. This information is also a GTECH trade secret, as it derives independent economic value from not being generally known by a person able to obtain economic value from its disclosure or use and is the subject of reasonable efforts to maintain its secrecy.</p> <p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The information beginning with the figure title "LMDB Performance Analysis Case Study Example" and ending with the caption text "... from lotteries around the world" is confidential and trade secret as it contains detailed descriptions concerning the functionality of our analytical capabilities, which are derived from our LMDB tool. The LMDB tool is proprietary to GTECH and is a substantial industry differentiator. The information disclosed within the confidential markings is the subject of reasonable efforts to maintain its secrecy and provides GTECH with a competitive advantage within the industry. Disclosure of such information would give competitors an improper opportunity to obtain economic advantage.</p>	<p>7.2-5 thru 7.2-7</p> <p>7.2-9</p>

Page 35 of 171

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
27.2	On-Line Game Development, Research and Implementation Information Redacted §552.101/466.022/552.139	Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information Confidential information begins with the text "This testing, analysis, and refinement ..." and ends with "... your current game portfolio" is confidential, as it contains information about GTECH's new product, , and how it will support new game design for the Texas Lottery. The tool is specific and proprietary to GTECH as are our associated efforts to develop it. It is also associated with proprietary software. This information is a GTECH trade secret as it derives independent economic value from not being generally known by a person able to obtain economic value from its disclosure or use and is the subject of reasonable efforts to maintain its secrecy.	7.2-21
		Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information The section that begins with the text "Based on 2009 research ..." and ends with the text "... these groups of players" cites extensive player research that GTECH compiled to prepare for potential cross-selling opportunities. As compiled, this information is a GTECH trade secret that derives economic value from not being known in this form to GTECH's competitors. Disclosing this trade secret information would negate GTECH's business advantage in the industry and is therefore the subject of reasonable efforts to maintain its secrecy.	7.2-29

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
27.3	Developing and Implementing New On-Line Game Concepts	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The "Powerball Launch Implementation and Execution" insert in this section contains a detailed description of a GTECH-designed and proprietary execution strategy, developed through expertise, experience, and knowledge unique to the Company. The information in this confidential insert is a GTECH trade secret and the subject of reasonable efforts to maintain its secrecy, as it provides GTECH with a competitive advantage within the industry. Disclosure of such information would give competitors an improper opportunity to obtain economic advantage.</p> <p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The information in the section beginning with the heading "Lucky 7 Bonus Round" and ending with the text in the caption "... creates player excitement" contains proprietary information regarding new GTECH-developed game concepts. The information contained within the confidential markings provides GTECH with a competitive advantage within the industry and is therefore the subject of reasonable efforts by the Company to maintain its secrecy. Disclosure of such information would give competitors an opportunity to obtain improper economic advantage.</p>	<p>Follows 7.2-40</p> <p>7.2-45 thru 7.2-47</p>

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
27.3	Developing and Implementing New On-Line Game Concepts	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The information in this section beginning with the heading text, "Extra Triple Draw" and ending with text in the caption "... longer with Nudger" contains proprietary information on new GTECH-developed game concepts. The information contained within the confidential markings is the subject of reasonable efforts to maintain its secrecy as it provides GTECH with a competitive advantage within the industry. Disclosure of such information would give competitors an opportunity to obtain improper economic advantage.</p>	7.2-50 thru 7.2-52
		<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The information in the section beginning with the text "Our experience in Texas ..." and ending with the text "... to each pack" contains a description of a proprietary Instant-Online games' strategy that is unique to GTECH. This material also includes patent information. This information is a significant differentiator from our industry competitors. Therefore, the information disclosed within the confidential markings is the subject of reasonable efforts to maintain its secrecy and provides GTECH with a competitive advantage within the industry. Disclosure of such information would give competitors an opportunity to obtain improper economic advantage.</p>	7.2-55

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
27.3	Developing and Implementing New On-Line Game Concepts	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The section beginning with the text "The strongest keno jurisdictions ..." and ending with the text "... graphic and animation capabilities" contains confidential and proprietary information based on keno recruitment best practices and lessons learned from helping our customers. This material also contains information associated with proprietary software. In addition, the material includes proprietary functionality information about retailers' use of keno graphics. This information is a GTECH trade secret, as it derives independent economic value from not being generally known by a person able to obtain economic value from its disclosure or use and is the subject of reasonable efforts to maintain its secrecy.</p>	7.2-65 thru 7.2-66
Table 28	On-Line Game Development Service Levels	None	NA
7.2.2	On-Line Game Control	None	NA
Table 30	On-Line Game Control Response Requirements	None	NA
30.1	Roles, Responsibilities and Detail Requirements	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
30.2	<p>Approach and Experience with Developing and Monitoring of On-Line Game Control Features</p> <p>Information Redacted §552.101/466.022/552.139</p>	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The screen captures and corresponding captions in this section under the headings and "Liability Limits</p> <p>" are confidential and a GTECH trade secret as they show online product application. This section also contains a detailed description of administrative procedures for multiple draw options, which GTECH developed to ensure the data integrity of the Texas Lottery's system. The screen captures and corresponding functionality described in this section are also supported by proprietary software. Disclosure of this information may cause competitive harm to GTECH and could jeopardize the security of the Texas Lottery system and/or its data. This information is also trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	<p>7.2-69 thru 7.2-70</p> <p>and</p> <p>7.2-72 thru 7.2-73</p>
7.2.3	Drawings	None	NA
Table 32	Drawings Response Requirements	None	NA
32.1	Roles, Responsibilities and Detail Requirements	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
32.2	Proposed System's Capability to Meet Drawing Requirements	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The eight screen captures in this section beginning with Figure 7.2-38 Closed Draw Sales Verification and ending with the words in the caption "... demonstrating that they have been completed" provide detailed information regarding the draw control procedures that GTECH has developed to ensure the data integrity of the Texas Lottery's system. These procedures include proprietary and confidential information and are also associated with proprietary software. Disclosure of this information may cause competitive harm to GTECH and could jeopardize the security of the Texas Lottery's system and/or its data. This information is also trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	7.2-83 thru 7.2-88
7.3	Instant Ticket Game Management	None	NA
Table 35	Instant Ticket Game Management Response Requirements	None	NA
35.1	Roles, Responsibilities and Detail Requirements	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
35.2	Volume, Scope, Development and Management of Instant Ticket Operations Information Redacted §552.101/466.022/552.139	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Figure 7.3-5 titled " " in this section is confidential as it contains detailed information about solution. This figure also includes detailed information about and are all trade secret and proprietary GTECH products. is GTECH's newest instant ticket management solution which is driven by proprietary software. Further, this figure identifies the features of this product plus the specific benefits it will provide to the Texas Lottery. Disclosure of this information may cause competitive harm to the Company. This information derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p> <p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The information in this section under the title Security Grid beginning with "While retaining all your current ..." and ending with "... included in our base offering" is confidential as it contains proprietary information that discusses single-ticket accounting methodologies for instant tickets through software. It describes a specific single ticket accounting solution for the TLC. This section also contains several confidential R&D solutions driven by proprietary software. Disclosure of this information may cause competitive harm and could jeopardize the security of the Lottery's system and/or its data. This information is also trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	<p>7.3-9 thru 7.3-10</p> <p>7.3-12</p>

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
35.2	Volume, Scope, Development and Management of Instant Ticket Operations Information Redacted §552.101/466.022/552.139	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The information in this section beginning with "Precision Replenishment Ordering" and ending with "... Process" is confidential as it contains proprietary information including discussions of high-level solutions for instant ticket replenishment through software. It also contains a detailed description of a specific inventory and sales solution for the TLC. In addition, this section contains descriptions of several confidential R&D solutions driven by proprietary software. Disclosure of this information may cause competitive harm and could jeopardize the security of the Lottery's system and/or its data. This information is also trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	7.3-13 thru 7.3-14
		<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The figure titled " " is confidential as it identifies and contains descriptions of settlement parameters in , which is driven by proprietary software. Disclosure of this information may cause competitive harm and could jeopardize the security of the Lottery's system and/or its data. This information is also trade secret, as it derives independent economic value from not being generally known by our competition. It is therefore the subject of reasonable efforts to maintain its secrecy.</p>	7.3-16

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
35.2	Volume, Scope, Development and Management of Instant Ticket Operations Information Redacted §552.101/466.022/552.139	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The information in this section under Lottery Sales Representative Transactions, beginning with "In addition, will support ..." and including the table titled "Support for LSR Activity" is confidential as it contains proprietary information that includes detailed discussions of special targeted distribution programs and new game orders for instant tickets through software. This section also contains several confidential R&D solutions driven by proprietary software. Disclosure of this information may cause competitive harm and could jeopardize the security of the Lottery's system and/or its data. This information is also trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	7.3-19
		<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The information in this section under Pack Inventory beginning with "With the new system, the TLC ..." and ending with "... of the packs in the bag" is confidential as it contains proprietary information that discusses the new Radio Frequency Identification (RFID) technology and confidential R&D solutions driven by proprietary software. Disclosure of this information may cause competitive harm and could jeopardize the security of the Lottery's system and/or its data. This information is also trade secret, as it derives independent economic value from not being generally known by our competition. It is therefore the subject of reasonable efforts to maintain its secrecy.</p>	7.3-20

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
35.2	Volume, Scope, Development and Management of Instant Ticket Operations Information Redacted §552.101/466.022/552.139	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The screen capture titled "Sample Pack History Screen" is marked as confidential as it shows the data functionality for tracking historical pack information, which is based on proprietary software. Disclosure of this information may cause competitive harm and could jeopardize the security of the Texas Lottery's system and/or its data. This information is also a GTECH trade secret as it derives independent economic value from not being generally known by a person able to obtain economic value from its disclosure or use and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	7.3-22
		<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) Confidential information begins with Figure 7.3-9: Report and ends with the text "... Instant Ticket sales growth in Texas." This material contains detailed information about functionality and also contains explanations regarding how to create weekly reports as well as how LSRs can use to access information from Disclosure of this information may cause competitive harm and could jeopardize the security of the Texas Lottery's system and/or its data. This information is also a GTECH trade secret as it derives independent economic value from not being generally known by a person able to obtain economic value from its disclosure or use and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	7.3-23

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
35.2	Volume, Scope, Development and Management of Instant Ticket Operations	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The figure titled "ES Settlement Parameters Screen" is confidential as it shows and contains descriptions of settlement parameters in GTECH's ES IPS driven by proprietary software. Disclosure of this information may cause competitive harm and could jeopardize the security of the Texas Lottery's system and/or its data. This information is also trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	7.3-25
		<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The information beginning with "End-of-game returns will be processed ..." and ending just before the heading "Reporting: Improved Access to Information" is confidential as this material contains information about new RFID technology and confidential R&D solutions driven by proprietary software. In addition, this confidential material includes detailed descriptions about ticket verification and destruction processes. Disclosure of this information may cause competitive harm and could jeopardize the security of the Lottery's system and/or its data. This information is also trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	7.3-26

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
35.3	Support of Single Instant Ticket Accounting (Invited Option)	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The information in this section beginning with "As discussed in the following pages ..." and under "Implementation: Flexibility is Key," and ending with "... Single Ticket Accounting Solution to you during the benchmark." is confidential as it contains proprietary information regarding single-ticket accounting methodologies for instant tickets accomplished through GTECH's ES IPS software. This material also contains descriptions of a specific single-ticket accounting solution for the Texas Lottery. In addition, this section contains several confidential R&D solutions driven by proprietary software. Disclosure of this information may cause competitive harm and could jeopardize the security of the Lottery's system and/or its data. This information is also trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p> <p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The information in this section beginning with "Other Approaches ..." and ending with the last sentence "We will continue to keep you advised" is confidential as it contains detailed proprietary information about the new RFID technology and confidential R&D solutions driven by proprietary software. Disclosure of this information may cause competitive harm and could jeopardize the security of the Lottery's system and/or its data. This information is also trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	<p>7.3-28 thru 7.3-36</p> <p>7.3-39</p>

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
7.4	Claims and Validation	None	NA
Table 37	Claims and Validation Response Requirements	None	NA
37.1	Roles, Responsibilities and Detail Requirements	None	NA
37.2	On-Line and Instant Claims, Validations and Payments Information Redacted §552.101/466.022/552.139	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The screenshot in this section titled " " shows the system's dashboard, which contains proprietary methods, processes, and operational procedures and is also associated with proprietary software. These methods, processes, and operational procedures provide a valuable competitive advantage to GTECH in the industry. Disclosure of this information may cause competitive harm to GTECH and could jeopardize the security of the Texas Lottery's system and/or its data. This information is also trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	7.4-5

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
37.2	On-Line and Instant Claims, Validations and Payments	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 551.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The insert in this section entitled "Claims and Payment Processing" identifies a specific Texas Lottery business process that is confidential and proprietary to the TLC. GTECH has obtained this business process information through its work with the Lottery under the current Lottery Operator Contract. GTECH does not want to disclose any portion of this confidential and proprietary TLC business process without the Lottery's permission. For the purpose of this proposal, we have identified certain areas in the process, using information gathered from the Lottery during the contract period, for which a GTECH-proposed solution would improve, enhance, or streamline the existing TLC process. The information comprising this solution is itself confidential and a GTECH trade secret. All confidential material in this insert describing the proposed solution is the subject of reasonable efforts to maintain its secrecy, as it provides GTECH with a competitive advantage within the industry. Disclosure of such information would give competitors an opportunity to obtain improper economic advantage.</p>	Insert Follows 7.4-2
37.3	Validation Capabilities	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2)</p> <p>The text marked as confidential under the heading "Instant Ticket Validation" and ending with "...successful ticket validations." contains descriptions of GTECH's unique instant ticket validation procedures which are also associated with proprietary software. Disclosure of this information may cause competitive harm to GTECH and could jeopardize the security of the Texas Lottery's system and/or its data. This information is also trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	7.4-9

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
37.3	Validation Capabilities	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The text beginning with the sentence “...” and ending with “... duplicates of the first ticket” outlines GTECH’s procedures for preventing the generation of duplicate lottery tickets. These procedures are also associated with proprietary software and disclosure of this information may cause competitive harm to GTECH and could jeopardize the security of the Texas Lottery’s system and/or its data. This information is also trade secret as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	7.4-13
	Information Redacted §552.101/466.022/552.139	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The text and graphic illustrations following the heading “Renaissance Card” and ending with the words “... Web-Based Subscription System” all contain descriptions related to the GTECH-proprietary player card solution, which was developed to streamline prize payment processes and enhance player loyalty. The information disclosed within the confidential markings provides GTECH with a competitive advantage within the Industry. Disclosure of such information would give competitors an opportunity to obtain improper economic advantage. This information is also trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	7.4-18 thru 7.4-20

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
37.3	Validation Capabilities	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) All screenshots and corresponding captions marked as confidential in this section titled</p> <p>" and " are actual representations of the Texas Lottery system's claims and payment interface and are associated with proprietary software. Disclosure of this information may cause competitive harm to GTECH and could jeopardize the security of the Texas Lottery's system and/or its data. This information is also trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p> <p>Texas Government Code Title 5, Chapter 552, Subchapter C § 551.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The insert in this section entitled "5754 Processing" identifies a specific Texas Lottery business process that is confidential and proprietary to the TLC. GTECH has obtained this business process information through its work with the Lottery under the current Lottery Operator Contract. GTECH does not want to disclose any portion of this confidential and proprietary TLC business process without the Lottery's permission. For the purpose of this proposal, we have identified certain areas in the process, using information gathered from the Lottery during the contract period, for which a GTECH-proposed solution would improve, enhance, or streamline the existing TLC process. The information comprising this solution is itself confidential and a GTECH trade secret. All confidential material in this insert describing the proposed solution is the subject of reasonable efforts to maintain its secrecy, as it provides GTECH with a competitive advantage within the industry. Disclosure of such information would give competitors an opportunity to obtain improper economic advantage.</p>	<p>7.4-22 7.4-25 7.4-30 7.4-36</p> <p>Insert Follows 7.4-30</p>

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
37.4	Secured Method (and Equivalent Backup Method) of Applying Required Signature(s) to Check Stock	None	NA
7.5	Retailer Management	None	NA
Table 40	Retailer Management Response Requirements	None	NA
40.1	Roles, Responsibilities and Detail Requirements	None	NA
40.2	Retailer Management Functions	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 551.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The insert in this section entitled "Retailer Life Cycle Overview" identifies a specific Texas Lottery business process that is confidential and proprietary to the TLC. GTECH has obtained this business process information through its work with the Lottery under the current Lottery Operator Contract. GTECH does not want to disclose any portion of this confidential and proprietary TLC business process without the Lottery's permission. For the purpose of this proposal, we have identified certain areas in the process, using information gathered from the Lottery during the contract period, for which a GTECH-proposed solution would improve, enhance, or streamline the existing TLC process. The information comprising this solution is itself confidential and a GTECH trade secret. All confidential material in this insert describing the proposed solution is the subject of reasonable efforts to maintain its secrecy, as it provides GTECH with a competitive advantage within the industry. Disclosure of such information would give competitors an opportunity to obtain improper economic advantage.</p>	Insert Follows 7.5-2

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
40.2	Retailer Management Functions Information Redacted §552.101/466.022/552.139	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The information in the section under Retailer Management Functions beginning with "The addition of GTECH ..." and ending with "... please refer to Section 8.4.1, Retailer Visit" is confidential as it contains descriptions of our new . This material identifies and contains descriptions of messages to LSRs and R&D solutions driven by proprietary software. Disclosure of this material may cause competitive harm and could jeopardize the security of the Texas Lottery's system and/or its data. This information is also trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p> <p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) <i>All screen captures included in Section 40.2 and their captions are confidential as they show specific and proprietary functionality related to Retailer Management within the system, which are based on proprietary software. Disclosure of this information may cause competitive harm and could jeopardize the security of the Lottery's system and/or its data. These GTECH trade secrets should not be disclosed as they derive independent economic value from not being generally known by a person able to obtain economic value from its disclosure or use and is the subject of reasonable efforts to maintain its secrecy.</i></p>	<p>7.5-3</p> <p>7.5-8 thru 7.5-48</p>

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
40.2	Retailer Management Functions Information Redacted §552.101/466.022/552.139	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The information in the section under the heading "Recruitment" beginning with "ES Retailer Services provides a collaborative ..." and ending with "... during the visit" is confidential as it contains descriptions of our new . This material also identifies and contains descriptions of messages to LSRs and R&D solutions driven by proprietary software. Disclosure of this information may cause competitive harm and could jeopardize the security of the system and/or its data. This information is also trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	7.5-11
		<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The bullet of information in the section under the heading "Application Management" beginning with "Data from ..." and ending with "... " is confidential as it describes a new . It also identifies and contains descriptions of the messages that can be sent to LSRs as well as R&D solutions driven by proprietary software. Disclosure of this information may cause competitive harm and could jeopardize the security of the Texas Lottery's system and/or its data. This information is also trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	7.5-13

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
40.2	Retailer Management Functions Information Redacted §552.101/466.022/552.139	Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The information in this section under the heading "Addresses" beginning with gives ..." and ending with "... system at all times" is confidential as it describes our new technology. It also identifies and contains descriptions of messages to LSRs and R&D solutions driven by proprietary software. Disclosure of this information may cause competitive harm and could jeopardize the security of the system and/or its data. This information is also trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.	7.5-23
		Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The information in the section under the heading "Contacts" that begins with "Contacts for various functions ..." and ends with "... provide efficient retailer service" is confidential as it describes GTECH's new technology. It also identifies and contains descriptions of messages to LSRs and R&D solutions driven by proprietary software. Disclosure of this material may cause competitive harm and could jeopardize the security of the Texas Lottery's system and/or its data. This information is also trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.	7.5-24

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
40.2	Retailer Management Functions Information Redacted §552.101/466.022/552.139	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The information in the section under the heading "Retailer Management Functions" beginning just under the confidential screen capture titled "Retailer Management Functions" and ending with "... field quickly and accurately" is confidential as it contains descriptions of our new retail management system. It identifies and contains descriptions of the messages that can be sent to LSRs as well as R&D solutions driven by proprietary software. Disclosure of this information may cause competitive harm to GTECH and could jeopardize the security of the Texas Lottery's system and/or its data. This information is also trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p> <p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The information in the section under the heading "Retailer Management Functions" beginning with "These assignments are modified ..." and ending with "... allocation of field personnel" is confidential as it describes GTECH's new retail management system. This material identifies and contains detailed descriptions of messages to LSRs as well as R&D solutions driven by proprietary software. Disclosure of this information may cause competitive harm and could jeopardize the security of the Texas Lottery's system and/or its data. This information is also trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	<p>7.5-26 thru 7.5-27</p> <p>7.5-27</p>

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
40.2	Retailer Management Functions Information Redacted §552.101/466.022/552.139	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The information in the section under the heading "Asset Management" beginning with "Through ." and ending with "... , or " is confidential as it contains descriptions of our new technology. It identifies and contains detailed descriptions of messages to LSRs and R&D solutions driven by proprietary software. Disclosure of this information may cause competitive harm and could jeopardize the security of the Texas Lottery's system and/or its data. This information is also trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p> <p>Texas Government Code Title 5, Chapter 552, Subchapter C § 551.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The insert in this section entitled "Asset Management" identifies a specific Texas Lottery business process that is confidential and proprietary to the TLC. GTECH has obtained this business process information through its work with the Lottery under the current Lottery Operator Contract. GTECH does not want to disclose any portion of this confidential and proprietary TLC business process without the Lottery's permission. For the purpose of this proposal, we have identified certain areas in the process, using information gathered from the Lottery during the contract period, for which a GTECH-proposed solution would improve, enhance, or streamline the existing TLC process. The information comprising this solution is itself confidential and a GTECH trade secret. All confidential material in this insert describing the proposed solution is the subject of reasonable efforts to maintain its secrecy, as it provides GTECH with a competitive advantage within the industry. Disclosure of such information would give competitors an opportunity to obtain improper economic advantage.</p>	<p>7.5-40</p> <p>Insert Follows 7.5-40</p>

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
40.2	Retailer Management Functions Information Redacted §552.101/466.022/552.139	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The information in the section under the heading "Training Requests" beginning with "Training requests can also ..." and ending with "... in real time" is confidential as it discusses GTECH's new . This material identifies and contains descriptions of messages that can be sent to LSRs as well as R&D solutions driven by proprietary software. Disclosure of this information may cause competitive harm and could jeopardize the security of the Texas Lottery's system and/or its data. This information is also trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p> <p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The information in this section under the heading "Retailer Management Functions" that begins with "Enterprise Retailer Workflow Solution ..." and ends with "... during your site visit" is confidential, as it contains detailed descriptions of a new automated workflow solution to be used in conjunction with our Retailer Services application. This material contains descriptions of R&D solutions driven by proprietary software. Disclosure of this material may cause competitive harm and could jeopardize the security of the Texas Lottery's system and/or its data. This information is also trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	<p>7.5-41</p> <p>7.5-52 thru 7.5-56</p>

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
40.3	Online Access to Transactional Data Information Redacted §552.101/466.022/552.139	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) <i>Both screen captures included in Section 40.3 are marked as confidential they show specific and proprietary data functionality related to Retailer Management within the system, as well as details regarding transactional data, which are based on proprietary software. Disclosure of this material may cause competitive harm and could jeopardize the security of the Texas Lottery's system and/or its data. This information is also a GTECH trade secret as it derives independent economic value from not being generally known by a person able to obtain economic value from its disclosure or use and is the subject of reasonable efforts to maintain its secrecy.</i></p>	7.5-57 thru 7.5-58
40.4	Online Submissions of Retailer Applications	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) <i>The information in the section under the heading beginning with "GTECH is an experienced ..." and ending with "... paper and mailing costs" is confidential as it contains a detailed discussion regarding the new Lottery Services Portal technology. It also identifies and contains descriptions of R&D solutions driven by proprietary software. Disclosure of this information may cause competitive harm and could jeopardize the security of the Lottery's system and/or its data. This information is also trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</i></p>	7.5-60 thru 7.5-63
7.6	Lottery Gaming System General Requirements	None	NA
7.6.1	System Configuration and Capacity	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
Table 42	System Configuration and Capacity Response Requirements	None	NA
42.1	Roles, Responsibilities and Detail Requirements	None	NA
42.2	Configuration Capacity Requirements	None	NA
42.3	Performance Requirements	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The confidential information in this section starts with the heading "N-plexing: Preserving the TLC's Integrity" and ends after the proof box with the heading "Preventing System Downtime." This section contains a description of a mission-critical feature that other replication or reprocessing approaches cannot offer. The information is also marked as confidential as it contains detailed descriptions of GTECH's proprietary replication methods and is associated with proprietary software, which if disclosed, could jeopardize the security of the system and/or its data. This information is also trade secret as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	7.6-22 thru 7.6-24

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
42.4	Detecting and Reporting Fraudulent Transactions/Activities	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The text following the heading "Security Reporting: Our Ongoing Commitment to the TLC" contains detailed descriptions of reporting analyses functionality used to discover anomalous behavior within the Texas Lottery system. Disclosure of this information could jeopardize the security of the Lottery's system and/or its data.</p> <p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) In addition, the screenshots and text marked as confidential in this section under the headings "Stolen Instant Tickets" and "Reports that Highlight Suspicious Activity and Showcase the Toolset and Granularity of Data in our Solution" contain descriptions of reports and security procedures that are specific to Texas Lottery security officers. Disclosure of this information could jeopardize the security of the Texas Lottery's system and/or its data. The reporting solution described in this section is supported by proprietary software. This information is also trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	<p>7.6-34</p> <p>7.6-38 thru 7.6-45</p>
7.6.2	Electronic Data Exchange	None	NA
Table 45	Electronic Data Exchange Response Requirements	None	NA
45.1	Roles, Responsibilities and Detail Requirements	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
45.2	Data Exchange Requirements	None	NA
7.6.3	Sales and Marketing System General Requirements	None	NA
Table 47	Sales and Marketing System General Response Requirements	None	NA
47.1	Roles, Responsibilities and Detail Requirements	None	NA
47.2	Player and Retailer Promotions Information Redacted §552.101/466.022/552.139	Texas Government Code Title 5, Chapter 552, Subchapter C § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The <i>text and screenshots</i> included in this section under the heading "How to Create a Promotion in " contain descriptions (and show promotions) regarding GTECH's proprietary methods and processes used to create player and retailer promotions with . Disclosure of such information would cause substantial injury to the competitive position of GTECH's business and could jeopardize the security of the Texas Lottery system and/or its data. This information is also trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.	7.6-69 thru 7.6-71
47.3	Web-based Second-Chance Drawings	None	NA
47.4	Web-based System for Player Registration Program	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
47.5	Web-based Subscription System	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The part of this section that is confidential begins with the text "GTECH's Renaissance Program..." and proceeds to the end of the section with the text "... head-to-head or in tournaments." This confidential material features descriptive information about the technology platform for the GTECH-proprietary player card, Web-based subscription system, and interactive gaming solution, which will provide the Texas Lottery with a platform for streamlined prize payment and customer relationship management. This material also contains confidential information about GTECH's customers and strategies regarding its newest division within the Company, called G2, which is GTECH-proprietary information. The information contained within the confidential markings is also trade secret and provides GTECH with a competitive advantage within the industry. Disclosure of such information would give competitors an opportunity to obtain improper economic advantage and is the subject of reasonable efforts to maintain its secrecy.</p>	7.6-89 thru 7.6-113
7.7	System Management	None	NA
Table 50	System Management Response Requirements	None	NA
50.1	Roles, Responsibilities and Detail Requirements	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
50.2	Software Development Life Cycle	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The graphic in this section marked as confidential and titled "Release Management Process Flow" presents high levels of detail regarding GTECH's release management process, which is integral to the installation of new software and the updating of existing software. The information is a trade secret of GTECH. Disclosure of the information in this graphic would improperly provide an advantage to a competitor. Furthermore, by providing insight into GTECH's procedures for updating software, disclosure could provide potentially enough information to allow a recipient to breach the security of GTECH's or the Lottery's systems.</p>	7.7-17
		<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101., Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The graphic titled: "Sample Deployment Plan" is confidential, as it contains detailed information about the steps we take to execute the installation of the release software on the production system. Disclosure of this information could jeopardize the security of the Texas Lottery's system and/or its data as well as the overall security of the Lottery. This trade secret information, if disclosed, would give an improper advantage to a competitor or bidder and cause substantial competitive harm to GTECH. As this information derives independent economic value from not being generally known by our competition, it is the subject of reasonable efforts to maintain its secrecy.</p>	7.7-20

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
50.2	Software Development Life Cycle	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The last graphic in this section titled: "Sample Release Notes" is confidential, as it contains detailed information regarding our checksum procedures. Disclosure of this information could jeopardize the security of the Texas Lottery's system and/or its data as well as the overall security of the Lottery. This trade secret information, if disclosed, would give an improper advantage to a competitor or bidder and cause substantial competitive harm to GTECH. As this information derives independent economic value from not being generally known by our competition, it is the subject of reasonable efforts to maintain its secrecy.</p>	7.7-23
50.3	Test Environment	None	NA
7.8	System Security		NA
Table 53	System Security Response Requirements	None	NA
53.1	Roles, Responsibilities and Detail Requirements	None	NA
53.2	System Security Plan	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
53.3	Physical and Logical Security Components	Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The screen capture titled "Sample User Group GUI" is marked as confidential as it shows the Enterprise Series data functionality for dynamically grouping terminals within the system, which is based on proprietary software. Disclosure of this information may cause competitive harm and could jeopardize the security of the Texas Lottery's system and/or its data. This information is also a GTECH trade secret as it derives independent economic value from not being generally known by a person able to obtain economic value from its disclosure or use and is the subject of reasonable efforts to maintain its secrecy.	7.8-27
		Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The confidential information in this section beginning with the heading "File and Application Access Controls" and ending after the fourth bullet with the last sentence ending in "... later in this section" contains descriptions of security controls for sensitive data files in the Texas Lottery's system that are supported by proprietary software as well as detailed operational security measures and procedures. Disclosure of this information could jeopardize the security of the Texas Lottery's system and/or its data. This information is also trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.	7.8-29

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
53.3	Physical and Logical Security Components	Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The confidential information in this section beginning with the heading "Retailer Spoofing " and ending with "... specified option Lottery Inside" contains descriptions of a variety of security techniques in the Texas Lottery's system that are supported by proprietary software as well as operational security measures and procedures. Disclosure of this information could jeopardize the security of the Texas Lottery's system and/or its data. This information is also trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.	7.8-33 thru 7.8-35
		Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The confidential information in this section beginning with the second paragraph under the heading "Logging – Security Features Second to None" and ending just above the heading "Transactions Protected" later in this section contains detailed descriptions of a variety of security techniques utilized in the Texas Lottery system that are supported by proprietary software as well as operational security measures and procedures. Disclosure of this information and its level of detail could jeopardize the security of the Texas Lottery's system and/or its data. This information is also trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.	7.8-36 thru 7.8-37

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
53.3	Physical and Logical Security Components	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The confidential information in this section beginning with the paragraph under the heading "GTECH's Unique GGuard Plus Ticket-Protection Solution" and ending just above the heading "Low-Tier File Checksums" later in this section contains detailed descriptions of a variety of security techniques in the Texas Lottery system that are supported by proprietary software as well as operational security measures and procedures. Disclosure of this information could jeopardize the security of the Texas Lottery's system and/or its data. This information is also trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	7.8-37 thru 7.8-44
7.9	Reporting	None	NA
Table 56	Reporting Response Requirements	None	NA
56.1	Roles, Responsibilities and Detail Requirements	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
56.2	Reporting Functions Information Redacted §552.101/466.022/552.139	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The first graphic in this section is confidential and begins with the figure title : Connect to Your Needs" and ends after the graphic's caption. This graphic shows detailed information regarding how a user enters GTECH's through the . Disclosure of this information that directly relates to system software could compromise the Texas Lottery's system security. Disclosure of this information would cause substantial competitive harm to GTECH. In addition, this information is trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p> <p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The large 11 X 17 foldout titled "Parameterized Report Template Examples" is confidential as it contains highly detailed information about GTECH's reporting solution including reporting Universes. The Universes in this graphic contain information about proprietary software and a high level of detail about a variety of reports, and disclosure of this information and its level of detail could jeopardize the security of the Lottery's system and/or its data. This material is also trade secret, as it derives independent economic value from not being generally known by our competition and its disclosure would unfairly advantage competing bidders and cause substantial competitive harm to GTECH. It is therefore the subject of reasonable efforts to maintain its secrecy.</p>	<p>7.9-4</p> <p>Follows 7.9-6</p>

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
56.2	Reporting Functions	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The second graphic in this section titled: " is confidential, as it shows detailed information regarding GTECH's . Disclosure of this information could jeopardize the security of the Texas Lottery's system and/or its data as well as the overall security of the Lottery. This material is also trade secret, as it derives independent economic value from not being generally known by our competition and its disclosure would unfairly advantage competing bidders and cause substantial competitive harm to GTECH. It is therefore the subject of reasonable efforts to maintain its secrecy.</p>	7.9-8
	Information Redacted §552.101/466.022/552.139	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The next instance of confidential information begins with the table titled "Conversion Report Gap Analysis Seven Step Process." It starts with "Step 1: Collect All Existing Lottery Reports" and ends after "Step 7: Train Lottery Staff" and contains detailed descriptions of a Seven Step process for report collection and analyses. The process is based on software that, if disclosed, could compromise the security of the Lottery. This material is also trade secret, as it derives independent economic value from not being generally known by our competition and its disclosure would unfairly advantage competing bidders and cause substantial competitive harm to GTECH. It is therefore the subject of reasonable efforts to maintain its secrecy.</p>	7.9-12

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
56.2	Reporting Functions Information Redacted §552.101/466.022/552.139	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The next graphic titled "Business Intelligence Data Objects and Universes" ending with its caption text "Universes make reporting easy" is confidential as it shows how the along with data objects and universes, supported by the Lottery data warehouse, enables easy data analysis and informed business decisions. This information is confidential as the solution is supported by proprietary software. Its disclosure would also cause substantial competitive harm to GTECH. This information is also trade secret, as it derives independent economic value from not being generally known by our competition and its disclosure would give unfair advantage to a competitor or bidder. It is therefore the subject of reasonable efforts to maintain its secrecy.</p> <p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The next two screen captures in this section titled "Sample Existing Report Search" (includes text with "Step 1") and "Sample Selected and Formatted Report," (includes text with "Step 2") show how GTECH's reporting solution is accessed and how reports can be created. This information is confidential as the solution is supported by proprietary software which, if disclosed, may compromise the security of the Lottery, its system, and/or its data. Its disclosure would also cause substantial competitive harm to GTECH. This information is also trade secret, as it derives independent economic value from not being generally known by our competition and its disclosure would give unfair advantage to a competitor or bidder. It is therefore the subject of reasonable efforts to maintain its secrecy.</p>	<p>7.9-15</p> <p>7.9-19 thru 7.9-20</p>

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
56.2	Reporting Functions	Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The next screen capture in this section called "Sample Drag and Drop Ad Hoc Report Creation Screen" is confidential as it shows how an authorized user can access data and create customized reports using the GTECH-designed Universes. This screen capture is also associated with system software and system security specifications the disclosure of which may compromise the security of the Lottery, its system, and/or its data. This material is also trade secret, as it derives independent economic value from not being generally known by our competition and its disclosure would unfairly advantage competing bidders and cause substantial competitive harm to GTECH. It is therefore the subject of reasonable efforts to maintain its secrecy.	7.9-23
		Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The next screen titled "Analyzing Data" is confidential, as it shows the steps that need to be taken to ensure data accuracy is not compromised. This information is confidential and proprietary and is associated with system software and security specifications the disclosure of which may compromise the security of the Texas Lottery, its system, and/or its data. In addition, if this information were disclosed, it would cause substantial competitive harm to GTECH and unfairly advantage competing bidders. This information is also trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.	7.9-26

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
56.2	Reporting Functions	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The next graphic in this section called "Sample Lottery Dashboard" shows detailed engineering and design features including Sales by Game, Quick Draw Performance by Territory, Quarterly Retailer Count, and State Wide Weekly Sales Report. This information is confidential and is also associated with proprietary system software. Disclosure of this highly detailed information would also cause substantial competitive harm to GTECH and may compromise the security of the Texas Lottery's system and/or its data as well as giving unfair advantage to competing bidders. This information is trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	7.9-30
		<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The next graphic in this section called "Connection to Data Sources" also shows detailed engineering and design features of the Performance Dashboard. This information is a confidential device designed by GTECH and is also associated with proprietary system software. Disclosure of this level of detail would cause substantial competitive harm to GTECH and may compromise the security of the Texas Lottery's system and/or its data. This information is also trade secret, as it derives independent economic value from not being generally known by our competition and if disclosed would give unfair advantage to competing bidders. It is therefore the subject of reasonable efforts to maintain its secrecy.</p>	7.9-32

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
56.2	Reporting Functions	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The next graphic in this section called "Dashboard Sample: Interactive Features by Region-Instant" shows highly detailed engineering and design features of the Performance Dashboard. This information is confidential as it is associated with proprietary system software. Disclosure of this level of detail would cause substantial competitive harm to GTECH and may compromise the security of the Lottery's system and/or its data. This information is also trade secret, as it derives independent economic value from not being generally known by our competition and if disclosed would give unfair advantage to competing bidders. It is therefore the subject of reasonable efforts to maintain its secrecy.</p>	7.9-34
		<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The next graphic in this section called "Sample Performance Dashboard Showing Game Performance Data" shows highly detailed engineering and design features of the Performance Dashboard. This information is confidential and proprietary as it is associated with proprietary system software. Disclosure of this level of detail and the subject matter would cause substantial competitive harm to GTECH as well as giving unfair advantage to competing bidders and if disclosed may compromise the security of the Texas Lottery's system and/or its data. This information is also trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	7.9-35

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
56.2	Reporting Functions	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The next <i>three</i> graphics in this section called "Sample Screen Showing Game Performance by Retailer," "Sample Screen Showing How to Get a Different View," and "Sample Screen Showing How to Explore Details" are all confidential as they show highly detailed engineering and design features of the Performance Dashboard. This information is confidential and trade secret as it is associated with proprietary system software. Disclosure of this level of detailed information would cause competitive harm to GTECH and may compromise the security of the Texas Lottery's system and/or its data. As trade secret information, it derives independent economic value from not being generally known by our competition, would unfairly advantage competing bidders if known, and is therefore the subject of reasonable efforts to maintain its secrecy.</p> <p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The table identified as "Classroom Training Tailored for Your Staff" contains details regarding the different training course levels for reporting that GTECH will provide to the Texas Lottery's staff which is GTECH confidential and trade secret. If this information is disclosed, then it would cause substantial competitive harm to GTECH. In addition, as a trade secret, it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	<p>7.9-37 thru 7.9-39</p> <p>7.9-41 thru 7.9-42</p>

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
56.2	Reporting Functions	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The table (first insert located at the end of Section 7.9) titled "Texas Lottery Reports Available with GTECH's New Reporting Solution" is confidential, as it contains information about the specific reports that will be made available to the Texas Lottery (and includes all of the reports contained on the Lottery's <i>Reports List</i>) with GTECH's new reporting solution. Disclosure of this information would cause substantial competitive harm to GTECH, would unfairly advantage competing bidders if disclosed, and, additionally, may compromise the security of the Texas Lottery. It is therefore the subject of reasonable efforts to maintain its secrecy.</p> <p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The next table (second insert located at the end of Section 7.9) titled "Reports in Your RFP Accessible Through SAP BusinessObjects" is confidential as it contains highly detailed information about the availability of specific Texas Lottery reports and how they will be accessed with the new reporting solution. Disclosure of this information would also cause substantial competitive harm to GTECH, would unfairly advantage competing bidders if disclosed, and, additionally, if disclosed may compromise the security of the Texas Lottery. It is therefore the subject of reasonable efforts to maintain its secrecy.</p>	<p>Follows 7.9-42</p> <p>Follows prior insert</p>

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
56.2	Reporting Functions	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The last insert located at the end of this section and titled "Universe Table Overview" is also confidential, as it contains detailed reporting information developed by GTECH that includes ad hoc reporting analyses supported by proprietary and trade secret software. Disclosure of this information could jeopardize the security of the Texas Lottery's system and/or its data. In addition, as trade secret information, its disclosure would also cause substantial competitive harm to GTECH and would unfairly advantage competing bidders. As the information derives independent economic value from not being generally known by our competition, it is therefore the subject of reasonable efforts to maintain its secrecy.</p>	Follows prior insert
7.10	ICS System and Vendor Requirements	None	NA
Table 59	ICS System and Vendor Requirements	None	NA
59.1	Roles, Responsibilities and Detail Requirements	None	NA
59.2	Support of Third Party ICS Vendor	None	NA
59.3	Out-of-Balance Incidents and Electronic Funds Transfers	None	NA
7.11	System Supported Terminal Functions	None	NA
Table 62	System Supported Terminal Functions Response Requirements	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
62.1	Roles, Responsibilities and Detail Requirements	None	NA
62.2	Terminal Functions	Texas Government Code Title 5, Chapter 552, Subchapter C § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information The Terminal Privileges Screen depicts GTECH's processes for users to view and/or manage privileges for a given individual terminal or groups of retailers. The depiction is trade secret and provides a valuable competitive advantage to GTECH in the industry. As the information derives independent economic value from not being generally known by our competition, it is therefore the subject of reasonable efforts to maintain its secrecy.	7.11-8
		Texas Government Code Title 5, Chapter 552, Subchapter C § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information The Financial Classes Screen in this section depicts classes that can be assigned by retailer, location, or teller. The depiction is trade secret and provides a valuable competitive advantage to GTECH in the industry. As the information derives independent economic value from not being generally known by our competition, it is therefore the subject of reasonable efforts to maintain its secrecy.	7.11-9
		Texas Government Code Title 5, Chapter 552, Subchapter C § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information The User Privileges Screen in this section depicts our process to restrict privileged transaction types to authorized users. The depiction is trade secret and provides a valuable competitive advantage to GTECH in the industry. As the information derives independent economic value from not being generally known by our competition, it is therefore the subject of reasonable efforts to maintain its secrecy.	7.11-10

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
62.2	Terminal Functions	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The sentence beginning with "With" and ending with "... analysis through the " and including Figure 7.11-6 (and its caption) is confidential because it contains information about a GTECH proprietary and trade secret hand-held tool used by our field service personnel. Confidential information includes gathered survey data. As the information derives independent economic value from not being generally known by our competition, it is therefore the subject of reasonable efforts to maintain its secrecy.</p>	7.11-16
	Information Redacted §552.101/466.022/552.139	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) Beginning with the Screen Shot "Instant Ticket Ordering Screen" up to the sentence ending with "... Inventory Order and Distribution" is confidential material as it contains detailed descriptions of settlement parameters in GTECH's which are driven by proprietary software. This section also contains descriptions of several confidential R&D solutions, such as , which is driven by proprietary software. Disclosure of this information may cause competitive harm and could jeopardize the security of the Texas Lottery's system and/or its data. This information is also trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	7.11-18 thru 7.11-19

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
62.2	Terminal Functions Information Redacted §552.101/466.022/552.139	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The screen capture titled Figure 7.11-8, , and its caption are confidential as they contains detailed information regarding how to create and broadcast messages to retailers using Disclosure of this trade secret information and its level of detail to the general public could cause significant harm to GTECH's competitive advantage in the marketplace as it would allow a competitor to gain valuable insight into GTECH's proprietary solutions. It is therefore the subject of reasonable efforts to maintain its secrecy.</p> <p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding</p> <p>The text starting just before the heading "™" and ending with the bullet "Combine various business rules: Play a particular slide only on Tuesdays if the jackpot is greater than \$10 million" is confidential as it contains detailed descriptions of the functionality of GTECH's proprietary software. Disclosure of this trade secret information to the public could cause significant harm to GTECH's competitive advantage in the marketplace as it would allow a competitor to gain valuable insight into GTECH's proprietary solutions. It is therefore the subject of reasonable efforts to maintain its secrecy.</p>	<p>7.11-21</p> <p>7.11-32 thru 7.11-33</p>

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
62.2	Terminal Functions	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding The text in this section that starts with "Retailers, too, are positive about" and ends with "... notice the player monitor" is confidential as this material contains detailed survey information (compilation and analyses) about one of GTECH's customers. This information is highly sensitive and is not otherwise publicly known. GTECH has expended significant sums of money and effort in order to analyze and develop the information contained herein. This information is a GTECH trade secret as it derives independent economic value from not being generally known to or readily ascertainable by a person able to obtain economic value from its disclosure or use. It is therefore the subject of reasonable efforts to maintain its secrecy.</p>	7.11-34
		<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The information in this section beginning with "If the TLC elects to implement our..." and ending with "... at the ticket level (instead of at the pack level)" is confidential, as it contains proprietary information including discussions about single-ticket accounting methodologies for instant tickets through GTECH's software. These descriptions include a specific single ticket accounting solution for the TLC. Disclosure of this information may cause competitive harm to GTECH and could jeopardize the security of the Texas Lottery's system and/or its data. This information is also trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	7.11-40
62.3	Interaction with Back-Office Systems	None	NA
62.4	Prize Inquiries and Validations	None	NA

Information Redacted
 §552.101/466.022/552.139

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
62.5	Prize Inquiry Communications	None	NA
7.12	Sales Terminals and Related System Sales Equipment	None	NA
Table 65	Sales Terminals and Related System Sales Equipment Response Requirements	None	NA
65.1	Roles, Responsibilities and Detail Requirements	None	NA
65.2	Retailer Sales Terminals and Related Equipment	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Beginning with the first sentence under the Hardware heading "When you read about our terminal solutions" and ending with "... fast-action On-line Game" is confidential because it provides information on certain GTECH hardware that has not yet been deployed. This trade secret information derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy. Because GTECH provides specific custom hardware and software in a highly competitive environment, disclosure of this information to a competitor would provide an improper economic advantage by permitting a competitor to gain valuable insight into GTECH's proprietary solutions.</p>	7.12-4 thru 7.12-5

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
65.2	Retailer Sales Terminals and Related Equipment	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding Texas Government Code § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>All information under the heading "Deployment Criteria" is marked confidential because it provides information on GTECH's deployment strategies that are currently in place as well as deployment strategies that are proposed. This material contains confidential and proprietary information based on the best practices and unique software applications. This includes proprietary functionality information about development efforts that are already in place. This trade secret information derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	7.12-7 thru 7.12-8
		<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Information included under the heading "Terminals Solutions Designed For Ease of Use" is confidential as it provides information on GTECH's hardware that has not yet been deployed. Because GTECH provides specific custom hardware and software in a highly competitive environment, disclosure of this trade secret information to a competitor would provide an improper economic advantage by permitting a competitor to gain valuable insight into GTECH's proprietary solutions. This material derives independent economic value from not being generally known by our competition. It is therefore the subject of reasonable efforts to maintain its secrecy.</p>	7.12-9 thru 7.12-10

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
65.2	Retailer Sales Terminals and Related Equipment	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The text beginning with the first sentence "Your contract may last 15 years ..." and ending with "... fastest lottery printer on the market today" is confidential as it provides information on GTECH's hardware that has not yet been deployed. This trade secret information derives independent economic value from not being generally known by our competition. It is therefore the subject of reasonable efforts to maintain its secrecy. Because GTECH provides specific custom hardware and software in a highly competitive environment, disclosure of this information to a competitor would provide an improper economic advantage by permitting a competitor to gain valuable insight into GTECH's proprietary solutions.</p> <p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>All content contained within the tables entitled "Key Features of the Altura GT1200 and Altura GT1200 SFT" and "Proposed Altura GT1200, SFT, and Printer Size and Weight" is confidential as these tables provide trade secret information concerning GTECH's hardware that has not yet been deployed. This material derives independent economic value from not being generally known by our competition. It is therefore the subject of reasonable efforts to maintain its secrecy. Because GTECH provides specific custom hardware and software in a highly competitive environment, disclosure of this information to a competitor would provide an improper economic advantage by permitting a competitor to gain valuable insight into GTECH's proprietary solutions.</p>	<p>7.12-13</p> <p>7.12-15 thru 7.12-16</p>

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
65.2	Retailer Sales Terminals and Related Equipment Information Redacted §552.101/466.022/552.139	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>All content contained within the table titled " " is confidential and marked as such, because it provides detailed trade secret information regarding GTECH's hardware that has not yet been deployed. This material derives independent economic value from not being generally known by our competition. It is therefore the subject of reasonable efforts to maintain its secrecy. Because GTECH provides specific custom hardware and software in a highly competitive environment, disclosure of this information to a competitor would provide an improper economic advantage by permitting a competitor to gain valuable insight into GTECH's proprietary solutions.</p> <p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>All content contained after the heading entitled "The Altura GT1200 SFT" is marked as confidential because it provides trade secret information on GTECH's hardware that has not yet been deployed. This material also derives independent economic value from not being generally known by our competition. It is therefore the subject of reasonable efforts to maintain its secrecy. Because GTECH provides specific custom hardware and software in a highly competitive environment, disclosure of this information to a competitor would provide an improper economic advantage by permitting a competitor to gain valuable insight into GTECH's proprietary solutions.</p>	<p>7.12-18</p> <p>7.12-20 thru 7.12-22</p>

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
65.2	Retailer Sales Terminals and Related Equipment	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The text beginning with the first sentence "Along with the interfaces for terminal ..." and ending within the caption "... the Altura GT1200 ports are easy to access for field service personnel" is confidential as it contains descriptions of the CPU speed and peripheral expansion by the use of addressable interfaces. If disclosed, GTECH's competitors could improperly obtain economic value from this trade secret information. Because GTECH provides specific custom hardware and software in a highly competitive environment, disclosure of this information to a competitor would provide an improper economic advantage by permitting a competitor to gain valuable insight into GTECH's proprietary solutions.</p> <p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The information in this section starting with the heading " " and ending with "... automatically, without retailer input" contains confidential trade secret information about the architecture of GTECH's Altura GT1200 terminal. The architecture of this terminal is a significant differentiator from our industry competitors. The information disclosed within the confidential markings is the subject of reasonable efforts to maintain its secrecy and provides GTECH with a competitive advantage within the industry. Disclosure of such information would give competitors an opportunity to obtain improper economic advantage.</p>	<p>7.12-30 thru 7.12-31</p> <p>7.12-35 thru 7.12-36</p>
	Information Redacted §552.101/466.022/552.139		

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
65.2	Retailer Sales Terminals and Related Equipment	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The text beginning with the caption "Step 2: Conduct Pre-Planning to Deliver Your Requirements" and ending with "... to deliver your requirements" is marked as confidential because it contains detailed GUI development procedures which are a significant differentiator from our industry competitors. This trade secret material derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy. Because GTECH provides specific custom GUI development procedures in a highly competitive environment, disclosure of this information to a competitor would provide an improper economic advantage by permitting a competitor to gain valuable insight into GTECH's proprietary solutions.</p> <p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding</p> <p>Confidential material begins with the caption "High-Volume Manual Sales" and ends with the sentence "... to facilitate their Pick 3 and Daily 4 sales." It contains detailed customer information and analyses that are used to provide specific customer solutions. Because GTECH provides specific custom analyses derived from proprietary databases in a highly competitive environment, disclosure of this information to a competitor would provide an improper economic advantage by permitting a competitor to gain valuable insight into GTECH's proprietary solutions. It is therefore the subject of reasonable efforts to maintain its secrecy.</p>	<p>7.12-45 thru 7.12-49</p> <p>7.12-49</p>

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
65.2	Retailer Sales Terminals and Related Equipment	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The text beginning with the sentence "The terminal software includes a proprietary ..." and ending with "... regulatory agencies around the world" is confidential as it contains detailed security aspects regarding data security and transaction encryption. These security aspects are a GTECH trade secret and the subject of reasonable efforts to maintain their secrecy as they provide a valuable competitive advantage to GTECH in the industry. Disclosure of these security aspects would permit GTECH's competitors to improperly obtain economic value and could provide potential intruders with points of attack or security threats against the Texas Lottery's system.</p>	7.12-60
		<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Information contained under the heading "Survey Tools" is marked as confidential because it contains detailed information regarding GTECH's proprietary devices and procedures that are significant differentiators from our industry competitors. This trade secret material derives independent economic value from not being generally known by our competition. Because GTECH provides customized devices and retailer management procedures in a highly competitive environment, disclosure of this information to a competitor would provide an improper economic advantage by permitting a competitor to gain valuable insight into GTECH's proprietary solutions. It is therefore the subject of reasonable efforts to maintain its secrecy.</p>	7.12-62

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
65.2	Retailer Sales Terminals and Related Equipment	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) Confidential material begins with the heading "Security Implication of Traditional Auto-Cashing" and ends with the text "... the privilege of using SmartCash." This trade secret information contains detailed definitions of the security specifications and design and operational procedures information associated with certain proprietary software. Disclosure of this information may cause competitive harm to GTECH and could jeopardize the security of the Texas Lottery's system and/or its data. As this information derives independent economic value from not being generally known by our competition, it is therefore the subject of reasonable efforts to maintain its secrecy.</p>	7.12-73 thru 7.12-75
	Information Redacted §552.101/466.022/552.139	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) Confidential material begins with the heading " " and ends with the text "... bar codes on their tickets without any reported issues." This information contains detailed definitions of the security specifications and design and operational procedure information associated with proprietary software. Disclosure of this information may cause competitive harm to GTECH and could jeopardize the security of the Texas Lottery's system and/or its data. As this information is also trade secret and derives independent economic value from not being generally known by our competition, it is the subject of reasonable efforts to maintain its secrecy.</p>	7.12-76 thru 7.12-77

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
65.2	Retailer Sales Terminals and Related Equipment	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) Confidential material begins with the statement "So that the TLC can become comfortable ..." and ends with the text "... additional retailers and sales districts." This information contains detailed definitions of the security specifications and design and operational procedure information associated with proprietary software. Disclosure of this information may cause competitive harm to GTECH and could jeopardize the security of the system and/or its data. This information is also trade secret and derives independent economic value from not being generally known by our competition; it is therefore the subject of reasonable efforts to maintain its secrecy.</p> <p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>All content contained within the heading titled "The Accutherm Ticket/Report Printer" is confidential as it provides detailed information regarding GTECH's hardware that has not yet been deployed. This trade secret content derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy. Because GTECH provides specific custom hardware and software in a highly competitive environment, disclosure of this information to a competitor would provide an improper economic advantage by permitting a competitor to gain valuable insight into GTECH's proprietary solutions.</p>	<p>7.12-78</p> <p>7.12-80 thru 7.12-88</p>

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
65.2	Retailer Sales Terminals and Related Equipment	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The paragraph that starts with the heading "Physical and Logical IDs Prevent Unauthorized Access" and ends at the end of this sentence "... normal transactions be permitted" is confidential information, marked as such, as this information contains detailed descriptions of the security aspects and protocols of data security and transaction encryption (software). Disclosure of such would provide potential intruders with points of attack against the Texas Lottery's system. This information is also trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	<p>7.12-104 thru 7.12-105</p>
		<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The next screen capture in this section titled "Sample HP Monitoring Screen" depicts our processes for monitoring equipment. This trade secret depiction is the subject of reasonable efforts to maintain its secrecy as it provides a valuable competitive advantage to GTECH in the industry. Disclosure of this material may permit GTECH's competitors to improperly obtain economic value.</p>	7.12-107

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
65.2	Retailer Sales Terminals and Related Equipment	Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information The section beginning with the heading "Compact Flash Memory" and ending with "... the correct software before allowing any transactions" contains descriptions of the core terminal memory, flash memory, and upgradeable memory plus the capacity to add games and to insert promotions (hardware and software). This trade secret information would cause significant harm to GTECH's competitive advantage if it were to be obtained by a competitor. As this information derives independent economic value from not being generally known by our competition, it is therefore the subject of reasonable efforts to maintain its secrecy.	7.12-108 thru 7.12-111
		Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information All content contained after the heading entitled "Player Activated Sales Terminals - The Latest Evolution – Gemini" is confidential because it provides trade secret information on GTECH's newly developed hardware and firmware. It derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy. Because GTECH provides specific custom hardware and firmware in a highly competitive environment, disclosure of this information to a competitor would provide an improper economic advantage by permitting a competitor to gain valuable insight into GTECH's proprietary solutions.	7.12-113 thru 7.12-147

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
65.2	Retailer Sales Terminals and Related Equipment	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>All content beginning with the Figure "The Mobile Handheld Terminal" and ending with the sentence "... prints slips to confirm the operation" is confidential as it provides detailed trade secret information regarding certain GTECH hardware and its functionality that is not generally known by our competition. It is therefore the subject of reasonable efforts to maintain its secrecy. Since GTECH provides specific custom hardware and software in a highly competitive environment, disclosure of this information to a competitor would provide an improper economic advantage by permitting a competitor to gain valuable insight into GTECH's solutions.</p>	7.12-154 thru 7.12-157
65.3	Interaction with Back-Office Systems	None	NA
65.4	Retailer Training Manual and Other Options for Training Retailers	None	NA
65.5	In-counter Ticket Dispensing Unit.	None	NA
65.6	In-lane Terminals	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding</p> <p>The text beginning with the caption "How Lottery Inside May Help the TLC" and ending in the caption with the sentence "... how Lottery Inside can increase their lottery sales" contains detailed customer information and analyses that is used to provide individualized customer solutions. Because GTECH provides specific custom analyses derived from proprietary databases in a highly competitive environment, disclosure of this trade secret information to a competitor would provide an improper economic advantage by permitting a competitor to gain valuable insight into GTECH's proprietary solutions. It is therefore the subject of reasonable efforts to maintain its secrecy.</p>	7.12-173 thru 7.12-174

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
65.7	Specialty Terminals and Equipment, Information Redacted §552.101/466.022/552.139	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The information in this section beginning with the heading "An Instant Ticket Accounting Solution for Texas" and ending with "Lottery Inside and other in-lane solutions" is confidential as this material contains proprietary information that discusses single ticket accounting methodologies for instant tickets through GTECH's software. Descriptions include a specific single ticket accounting solution for the TLC. This section also contains several confidential R&D solutions driven by proprietary software. Disclosure of this trade secret information may cause competitive harm and could jeopardize the security of the Texas Lottery's system and/or its data. As this information derives independent economic value from not being generally known by our competition, it is therefore the subject of reasonable efforts to maintain its secrecy.</p>	7.12-179
7.12.1	Installation, Relocation and Removal	None	NA
Table 67	Installation, Relocation and Removal Response Requirements	None	NA
67.1	Roles, Responsibilities and Detail Requirements	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
67.2	Installation, Relocation and/or Removal Requirements Information Redacted §552.101/466.022/552.139	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Figures 7.12.1-1, Sample Installation Work Order Screen, 7.12.1-2, Sample Search Work Order Screen, 7.12.1-3, Sample Work Order Schedule Detail Screen – CSMA and associated text, 7.12.1-4, Sample Electronic Signature Capture and associated text, 7.12.1-5, Sample CSMA Work Order Item Detail Screen, and 7.12.1-6, CSMA View – Retailer Removal, are confidential, because all contain confidential trade secret information showing the detailed requirements needed, and processes and tools used, by field service personnel visiting Texas Lottery retail locations for terminal installation, relocation and/or removal. This information derives independent value from not being generally known by our competition, and its disclosure would cause competitive harm. All screens identified herein are therefore the subject of reasonable efforts to maintain their secrecy.</p>	7.12-3 thru 7.12.1-8
7.12.2	Maintenance and Repair	None	NA
Table 70	Maintenance and Repair Response Requirements	None	NA
70.1	Roles, Responsibilities and Detail Requirements	None	NA
70.2	Maintenance and Repair of all Terminals and Related Equipment	None	NA
70.3	Repair Functions and Location of Staff	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
70.4	Resolution of Chronic Equipment Problems	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Figure 7.12.2-8, titled "Chronic Retailer Mobile View" is confidential, as it shows a GTECH-proprietary handheld tool and also contains information about GTECH's problem resolution process. This trade secret material derives independent value from not being generally known by our competition, and if disclosed would cause competitive harm. It is therefore the subject of reasonable efforts to maintain its secrecy.</p>	7.12.2-20
70.5	Remote Monitoring of Equipment	None	
7.13	Call Center Support	None	NA
Table 73	Call Center Response Requirements	None	NA
73.1	Roles, Responsibilities and Detail Requirements	None	NA
73.2	Call Center System and Capabilities	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The information beginning with the figure titled, "Forecasting Tool Output" and ending with the caption under the figure titled, "Weekly Texas Call Volume: January 09 – December 09," is confidential, as it contains descriptions of GTECH'S tools and processes for forecasting calls and staffing. This trade secret material derives independent value from not being generally known by our competition and if disclosed would cause competitive harm to GTECH. It is therefore the subject of reasonable efforts to maintain its secrecy.</p>	7.13-5 thru 7.13-6

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
73.2	Call Center System and Capabilities Information Redacted §552.101/466.022/552.139	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 551.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The information beginning with the text, "Step 6: Provides Case Management," and ending after Figure 7.13-10, Assigning a Case to an FST via , " is confidential, as it contains detailed descriptions of GTECH's proprietary handheld tools and the processes we use for managing and servicing retailers in order to maximize their ticket sales. This trade secret material derives independent economic value from not being generally known by our competition and, if disclosed, would cause competitive harm to the Company. It is therefore the subject of reasonable efforts to maintain its secrecy.</p>	7.13-17
73.3	Call Center Staffing and Management	None	NA
73.4	Call Center Staffing and Management Support Retailer-Licensee Base	None	NA
73.5	Call Center Performance Levels	None	NA
73.6	Chronic Problem Resolution	None	NA
73.7	Inventory Order and Distribution Information Redacted §552.101/466.022/552.139	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The information beginning under the heading " and ending at the end of the content under the heading " is confidential because it contains information about GTECH's automated instant ticket distribution system. This trade secret information derives independent value from not being generally known by our competition and if disclosed would cause competitive harm to GTECH. It is therefore the subject of reasonable efforts to maintain its secrecy.</p>	7.13-39 thru 7.13-44

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
73.8	Inventory and Supply Management Functions	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The figure titled "Instant Ticket Order Management" is confidential because it contains trade secret information about GTECH's Texas-specific instant ticket order management processes and system which derives independent value from not being generally known by our competition and if disclosed would cause competitive harm. It is therefore the subject of reasonable efforts to maintain its secrecy.</p>	7.13-48
73.9	Special, Out of Cycle, Express, Expedited, or Emergency Orders	None	NA
73.10	Retailer Ordering	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The screen capture identified as Figure 7.13-22, Order Control Screen, is confidential as this material contains detailed information regarding how terminal orders are placed by a retailer, control procedures, and financial restrictions. Disclosure of this information may cause competitive harm to GTECH and could jeopardize the security of the Texas Lottery's system and/or its data. This information is also trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	7.13-52

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
73.10	Retailer Ordering Information Redacted §552.101/466.022/552.139	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The information in this section that begins with the heading "LSR-Assisted Orders" and ends after the second paragraph with the text "... available for review and analysis" is confidential as it contains a description of a new Device technology developed by GTECH. This confidential material also contains descriptions of the types of messages that can be sent to LSRs which is driven by proprietary software. Disclosure of this information may cause competitive harm to GTECH and could jeopardize the security of the Texas Lottery's system and/or its data. This information is also trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	7.13-53
7.14	Communications Network	None	NA
Table 76	Communications Network Response Requirements	None	NA
76.1	Roles, Responsibilities and Detail Requirements	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
76.2	Communications Network Diagrams	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) Confidential material begins with "When designing the TLC's communications network..." and ends after the words "... single-source network communications technology." This material is confidential, as it contains details about GTECH's design methodologies and details regarding the effectiveness of , a patent-pending solution designed by GTECH. Disclosure of such information would cause substantial injury to the competitive position of GTECH's business and could jeopardize the security of the Texas Lottery system and/or its data. This information is also trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p> <p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) Confidential material includes the screen captures titled "Sample HP Dashboard," "Sample Screen Showing 'Drill-Down' Status," "Sample Device Details Screen," "Sample Network Topology Map Screens," and "Sample Network Topology Map Screen, Regional Configuration." These screen captures are all confidential as they contain detailed information regarding our methods of monitoring the retailer network and its devices. Disclosure of such information would cause substantial injury to the competitive position of GTECH's business and could jeopardize the security of the Texas Lottery system and/or its data. This information is also trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	<p>7.14-3 thru 7.14-4</p> <p>7.14-23 thru 7.14-28</p>
Part 8	Sales and Marketing	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
8.1	Overview	None	NA
8.2	Sales Management and Business Development	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The section that begins with the text "The Texas account leadership ..." and ends with the text "... today and tomorrow" contains GTECH-proprietary information about our growth strategies and proprietary tools that we will use to achieve them. The information disclosed within the confidential markings is the subject of reasonable efforts to maintain its secrecy and provides GTECH with a competitive advantage within the industry. Disclosure of such information would give competitors an opportunity to obtain improper economic advantage.</p>	8.2-2 thru 8.2-3
Table 79	Sales Management and Business Development Response Requirements	None	NA
79.1	Roles, Responsibilities and Detail Requirements	None	NA
79.2	Identification of Sales and Management Staff	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
79.3	Sales Organization Structure	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The figure titled "Sales Organizational Chart" and its caption contain detailed, confidential information gathered from knowledge and expertise specific to GETCH's experience in Texas. The information disclosed within the confidential markings is a GTECH trade secret and the subject of reasonable efforts to maintain its secrecy as it provides GTECH with a competitive advantage within the industry. Disclosure of such information would give competitors an improper opportunity to obtain economic advantage.</p> <p>Texas Government Code Title 5, Chapter 552, Subchapter C § 551.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The insert in this section entitled "Retailer Life Cycle Overview Sales Organization" identifies a specific Texas Lottery business process that is confidential and proprietary to the TLC. GTECH has obtained this business process information through its work with the Lottery under the current Lottery Operator Contract. GTECH does not want to disclose any portion of this confidential and proprietary TLC business process without the Lottery's permission. For the purpose of this proposal, we have identified certain areas in the process, using information gathered from the Lottery during the contract period, for which a GTECH-proposed solution would improve, enhance, or streamline the existing TLC process. The information comprising this solution is itself confidential and a GTECH trade secret. All confidential material in this insert describing the proposed solution is the subject of reasonable efforts to maintain its secrecy, as it provides GTECH with a competitive advantage within the industry. Disclosure of such information would give competitors an opportunity to obtain improper economic advantage.</p>	<p>8.2-12</p> <p>Insert Follows 8.2-14</p>

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
79.3	Sales Organization Structure	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The figure titled "Dedicated Retailer Recruitment Staff" and its caption contain detailed confidential information gathered from knowledge and expertise specific to GETCH's experience in Texas. The trade secret information disclosed within the confidential markings is the subject of reasonable efforts to maintain its secrecy as it provides GTECH with a competitive advantage within the industry. Disclosure of such information would give competitors an improper opportunity to obtain economic advantage.</p>	8.2-15
		<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The figure titled "Locations with Greatest Number of Prospective Retailers" and its caption contain detailed information gathered from research and analyses specific to GETCH's experience in Texas. The trade secret information disclosed within the confidential markings is the subject of reasonable efforts to maintain its secrecy and provides GTECH with a competitive advantage within the industry. Disclosure of such information would give competitors an opportunity to obtain improper economic advantage.</p>	8.2-20

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
79.3	Sales Organization Structure	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The text starting with "We used market-screening analysis..." and the figure titled "Top 10 Prospective Independent Retailers" and its caption contain information gathered from research and analysis specific to GTECH's experience in Texas. The trade secret information disclosed within the confidential markings is the subject of reasonable efforts to maintain its secrecy and provides GTECH with a competitive advantage within the industry. Disclosure of such information would give competitors an opportunity to obtain improper economic advantage.</p> <p>Texas Government Code Title 5, Chapter 552, Subchapter C Code § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The section beginning with the text "National Chain Targets: Discount Channel" and ending with the text "... of national chains" has specific information about GTECH's discussion and progress with national chains and represents confidential discussions and plans GTECH has with these chains. The trade secret information disclosed within the confidential markings is the subject of reasonable efforts to maintain its secrecy and provides GTECH with a competitive advantage within the industry. Disclosure of such information would give competitors an opportunity to obtain improper economic advantage.</p>	<p>8.2-24 thru 8.2-25</p> <p>8.2-32 thru 8.2-35</p>

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
79.3	Sales Organization Structure	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The section beginning with the heading text " " and ending with the caption text "... actions in the field in real time" contain details and descriptions of the proprietary GTECH tool, which is a trade secret. Being a trade secret, information about its functionality represents a competitive GTECH advantage. The information disclosed within the confidential markings is the subject of reasonable efforts to maintain its secrecy and provides GTECH with a competitive advantage within the industry. Disclosure of such information would give competitors an opportunity to obtain improper economic advantage.</p> <p>Texas Government Code Title 5, Chapter 552, Subchapter C § 551.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The insert in this section entitled "Recruitment Process" identifies a specific Texas Lottery business process that is confidential and proprietary to the TLC. GTECH has obtained this business process information through its work with the Lottery under the current Lottery Operator Contract. GTECH does not want to disclose any portion of this confidential and proprietary TLC business process without the Lottery's permission. For the purpose of this proposal, we have identified certain areas in the process, using information gathered from the Lottery during the contract period, for which a GTECH-proposed solution would improve, enhance, or streamline the existing TLC process. The information comprising this solution is itself confidential and a GTECH trade secret. All confidential material in this insert describing the proposed solution is the subject of reasonable efforts to maintain its secrecy, as it provides GTECH with a competitive advantage within the industry. Disclosure of such information would give competitors an opportunity to obtain improper economic advantage.</p>	<p>8.2-45 thru 8.2-47</p> <p>Insert Follows 8.2-46</p>

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
79.3	Sales Organization Structure	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The section beginning with the heading "In-Store Execution" and ending with the bulleted text "... POS material" contains information about GTECH-specific suggestions that are the result of our unique Texas experience and expertise. The trade secret information disclosed within the confidential markings is the subject of reasonable efforts to maintain its secrecy and provides GTECH with a competitive advantage within the industry. Disclosure of such information would give competitors an opportunity to obtain improper economic advantage.</p>	8.2-51
		<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The figure with the title "ALCO Route Management Plan" contains GTECH-proprietary information about a unique route management system we have developed. Since it is something we developed, the particulars and logistics of the program represent a competitive advantage for GTECH that are the result of GTECH-specific research and information gathered. The trade secret information disclosed within the confidential markings is the subject of reasonable efforts to maintain its secrecy and provides GTECH with a competitive advantage within the industry. Disclosure of such information would give competitors an opportunity to obtain improper economic advantage.</p>	8.2-57

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
79.4	How Proposer Would Provide a Route Sales Model to Support Retailer Locations	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The image with the heading, "Route Management Sales Call Visit Details" and its caption contains an illustration of a GTECH-proprietary business process for a route management sales call visit. The information disclosed within the confidential markings reflects a process GTECH created based on our specific experience in Texas and on a corporate marketing level. It is the subject of reasonable efforts to maintain its secrecy as it provides GTECH with a competitive advantage within the Industry. Disclosure of such information would give competitors an opportunity to obtain improper economic advantage.</p>	8.2-69
79.5	<p>How Proposer would Coordinate Meetings Among the Lottery, Proposer and Retailers</p> <p>Information Redacted §552.101/466.022/552.139</p>	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information The information in this section that begins with the heading "Communication" and ends with the text "... ordered the game today" is confidential as it contains a description of a new Device and associated functionality, which was developed by GTECH. It also contains descriptions of the types of messages that can be sent to LSRs which is driven by proprietary software. Disclosure of this information may cause competitive harm to the Company. This information is also trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	8.2-74
8.3	Marketing	None	NA
Table 81	Marketing Response Requirements	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
81.1	Roles, Responsibilities and Detail Requirements	None	NA
81.2	Proposed Marketing Staff	None	NA
81.3	Marketing Organization Structure	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The Information in this section under the heading "The Marketing Organization Structure and Our Portfolio Development Philosophy" and marked as confidential contains GTECH-specific information, including the marketing organizational structure and the philosophy of our portfolio development. This material derives independent value in that it is not generally known by our competitors. This trade secret information, derived from GTECH research and information gained from such, represents a competitive advantage for GTECH. If disclosed this would cause competitive harm and is therefore the subject of reasonable efforts to maintain its secrecy.</p> <p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The information in this section beginning with "Portfolio Development Philosophy – Game Design" and ending with the text "... research and analysis capabilities" and marked as confidential contains GTECH-specific information including game design and development philosophies that derive independent value from not being generally known by our competitors. This trade secret information derived from GTECH research and information gained from such represents a competitive advantage for GTECH. Its disclosure would cause competitive harm and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	<p>8.3-11 thru 8.3-12</p> <p>8.3-13 thru 8.3-14</p>

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
81.3	Marketing Organization Structure Information Redacted §552.101/466.022/552.139	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The information in this section beginning with the figure titled " and ending with the text "... incremental revenue opportunities" contains confidential information that is generally not known by GTECH's competitors, as it contains graphics with financial information that is confidential. If this trade secret material is disclosed, it would cause competitive harm to the Company and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	8.3-16 thru 8.3-19
		<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The information in this section under the heading "Analysis, Reporting, and GTECH (ES Mobile)" and ending with the bullet " use." is confidential. It contains information that is generally not known by competitors, as it is the direct result of GTECH-specific research and associated information gathered from it. These descriptions afford GTECH a competitive advantage in the industry. The disclosure of this trade secret information would cause competitive harm, and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	8.3-20 thru 8.3-21

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
81.3	Marketing Organization Structure	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The information in the section under the heading "Texas Lottery Execution Guide" marked as confidential contains GTECH-proprietary information that provides GTECH with a competitive advantage within the industry. Being GTECH-proprietary, this trade secret material is the direct result of our research and information-gathering which affords GTECH a competitive advantage in the industry. Disclosure of such information would give competitors an opportunity to obtain improper economic advantage. It is therefore the subject of reasonable efforts to maintain its secrecy.</p>	8.3-22 thru 8.3-24
		<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The information that begins with the text, will ..." and ends with the text "... warehouse stocking system" contains GTECH-proprietary information, which represents a trade secret, as this is a new, innovative solution developed by the Company. The details about its functionality and use provide GTECH a competitive advantage in the industry, and the disclosure of such information would give competitors an opportunity to obtain improper economic advantage. The information disclosed within the confidential markings is therefore the subject of reasonable efforts to maintain its secrecy.</p>	8.3-25

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
81.3	Marketing Organization Structure	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The information in the section under the heading "Building Player Loyalty Through the Renaissance Program" contains confidential information about the GTECH-proprietary Renaissance program that is the direct result of GTECH research and associated design activities. It provides GTECH with a competitive advantage in the industry. This trade secret information is generally not known by competitors and would cause competitive harm if disclosed. It is therefore the subject of reasonable efforts to maintain its secrecy.</p>	8.3-26
	Information Redacted §552.101/466.022/552.139	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The information in the section under the heading " " contains detailed descriptions of " and how it is used and as such is confidential and a trade secret. Being a trade secret, information about its functionality provides a competitive advantage to GTECH within the industry. The information disclosed within the confidential markings is the subject of reasonable efforts to maintain its secrecy, as disclosure of such information would give competitors an opportunity to obtain improper economic advantage.</p>	8.3-28

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
81.3	Marketing Organization Structure	Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information The information in the section that is confidential begins with the text, "Execution of the Portfolio ..." and ends with the text "... in the pilot," and contains detailed descriptions of our Instant Game Plan. This trade secret Plan represents the results of GTECH research and GTECH-specific strategies that afford GTECH a competitive advantage in the industry. Disclosure of this information could cause potential competitive harm to GTECH and is therefore the subject of reasonable efforts to maintain its secrecy.	8.3-31
		Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information The information in the section that begins with the text, "Growth opportunities for On-line Games ..." and ending with the text, "... Website registration," contains a description of specific GTECH strategies and recommendations. Being specific recommendations based from our research and experience, the trade secret information reflected in these strategies provides a competitive advantage for GTECH in the industry. Disclosure of this information could provide potential competitive harm, and is therefore the subject of reasonable efforts to maintain its secrecy.	8.3-32

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
8.4	Lottery Sales Representatives	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The Information in this section beginning with "Groundbreaking Technology: The GTECH ..." and ending after the text "... and reporting capabilities" contains confidential information pertaining to the employees of the TLC, information that is generally not known by GTECH's competitors. It is therefore the subject of reasonable efforts to maintain its secrecy. The information provides GTECH with a competitive advantage within the industry. Disclosure of such information would give competitors an opportunity to obtain improper economic advantage.</p>	8.4-2
Table 83	LSR Services Response Requirements	None	NA
83.1	Roles, Responsibilities and Detail Requirements	None	NA
83.2	LSR Organization Structure	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The Information in this section beginning with figure name "New Sales and LSR Organization Structure" and ending after the text " ... to support Texas education" contains detailed information pertaining to the employees of the Texas Lottery, information that is generally not known by GTECH's competitors. It is therefore the subject of reasonable efforts to maintain its secrecy. This trade secret information provides GTECH with a competitive advantage within the industry and the disclosure of such information would give competitors an opportunity to obtain improper economic advantage.</p>	8.4-4 thru 8.4-6

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
83.2	LSR Organization Structure	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The information in this section beginning with graphic titled "Proposed Districts" and ending after the figure named "San Antonio Proposed LSR Territories" and its caption contains specific information about LSR regions and territories with Texas-specific samples provided for San Antonio. This trade secret information is generally not known by our competitors, and is therefore the subject of reasonable efforts to maintain its secrecy. The information provides GTECH with a competitive advantage within the industry. Disclosure of such information would give competitors an opportunity to obtain improper economic advantage.</p>	8.4-8 thru 8.4.10
		<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The information in this section beginning with figure "LSR Staff to Retailer Ratios" and ending after the text "... proposed organizational structure" contains confidential information pertaining to LSR staff developed by GTECH based on our experiences. This trade secret material provides a competitive advantage to GTECH and is therefore the subject of reasonable efforts to maintain its secrecy. Disclosure of such information would give competitors an opportunity to obtain improper economic advantage.</p>	8.4-13

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
83.2	LSR Organization Structure Information Redacted §552.101/466.022/552.139	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The information in this section beginning with the heading "Recruitment" and ending several pages later with Figure 8.4-13 contains information pertaining to LSR staff developed by GTECH based on our experiences. This trade secret material provides a competitive advantage to GTECH. is also a trade secret, as it is a new product. Being a trade secret, information about its functionality represents a competitive GTECH advantage in the industry. The information disclosed within the confidential markings is the subject of reasonable efforts to maintain its secrecy. Disclosure of such information would give competitors an opportunity to obtain improper economic advantage.</p>	8.4-16 thru 8.4-17
83.3	LSR Incentive Plan	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The information in this section beginning with the figure name "Sales Force Incentive and Contest Prize Amounts Paid" and ending after the figure named "Sample Incentive Plan Alignments and Weights" pertain to LSR staff incentives developed by GTECH based on our experiences. This trade secret material represents a competitive advantage to GTECH as it contains information not generally known by our competitors. The information disclosed within the confidential markings is the subject of reasonable efforts to maintain its secrecy and its disclosure would give competitors an opportunity to obtain improper economic advantage.</p>	8.4-18 thru 8.4-22

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
83.4	Sales Services to Optimize Performance	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The information in this section beginning with the text "We customize our ..." and ending after the figure titled "Texas Lottery Execution Guide" contains GTECH-proprietary information, including detailed information regarding optimizing sales performance and customized marketing support, developed through our exclusive research and information gathering, generally not known by our competitors. The information disclosed within the confidential markings is a trade secret and the subject of reasonable efforts to maintain its secrecy as it provides GTECH with a competitive advantage within the industry. Disclosure of such information would give competitors an opportunity to obtain improper economic advantage.</p>	8.4-23 thru 8.4-25
		<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The information in this section beginning with the heading text "Customizing Service within Product Categories" and ending after text "... sales profile" contains information regarding how we customize services within certain product categories, which is not generally known by our competitors. The information disclosed within the confidential markings is the subject of reasonable efforts to maintain its secrecy as it provides GTECH with a competitive advantage within the industry. Disclosure of such information would give competitors an opportunity to obtain improper economic advantage.</p>	8.4-26 thru 8.4-28

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
83.4	Sales Services to Optimize Performance Information Redacted §552.101/466.022/552.139	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The information in this section beginning with the figure titled "Instant Ticket Retailer Optimization" and ending with the text "... once the task was complete" contains information regarding that is generally not known by GTECH's competitors is a trade secret and, as such, information about its functionality represents a competitive GTECH advantage within the industry. The information disclosed within the confidential markings is the subject of reasonable efforts to maintain its secrecy as its disclosure would give competitors an opportunity to obtain improper economic advantage.</p>	8.4-29
		<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The confidential information in this section begins with the text, "Moreover, the sales force ..." and ends with the text "... transfer processing." This material contains information concerning that is generally not known by our competitors. is a GTECH trade secret. As such, information about its functionality represents a competitive advantage for GTECH in the industry. The information disclosed within the confidential markings is the subject of reasonable efforts to maintain its secrecy, as the disclosure of this type of information would give competitors an opportunity to obtain improper economic advantage.</p>	8.4-30

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
83.4	Sales Services to Optimize Performance Information Redacted §552.101/466.022/552.139	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The information in this section under the heading "Customized Merchandising, Service, and Technology" contains information about and descriptions of and that is confidential and are both Company trade secrets. Being trade secrets, information and/or details about their functionality represents a competitive GTECH advantage as this information is not generally known by our competitors. If disclosed, this information could provide potential competitive harm, and is therefore the subject of reasonable efforts to maintain its secrecy</p>	8.4-32
		<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The information in this section beginning with the text, "Furthermore, our streamlined ..." and ending with the text "... with the Texas Lottery" contains confidential, trade secret information regarding streamlined communication and asset management processes, which are generally not known by GTECH's competitors. The information disclosed within the confidential markings is the subject of reasonable efforts to maintain its secrecy and provides GTECH with a competitive advantage within the industry. Disclosure of such information would give competitors an opportunity to obtain improper economic advantage.</p>	8.4-33 thru 8.4-35

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
83.4	Sales Services to Optimize Performance Information Redacted §552.101/466.022/552.139	Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information The information in this section beginning under the heading text "Sales Services to Optimize Performance" and ending with the caption text "... can share with retailers" contains information about the sales services generally not known by competitors. This information is a GTECH trade secret; as such information about its functionality provides GTECH a competitive advantage within the industry. The information disclosed within the confidential markings is the subject of reasonable efforts to maintain its secrecy as disclosure of such information would give competitors an opportunity to obtain improper economic advantage.	8.4-36
8.4.1	Retailer Visit Information Redacted §552.101/466.022/552.139	Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information The information in this section beginning with the text, "Retailer Visit" is a great help ... and ending after "Staff, route, and time management" is confidential as it contains discussions of new retail strategies. This trade secret material identifies and contains descriptions of retail strategies and associated R&D solutions driven by proprietary software and is information generally not known by competitors. The information disclosed within the confidential markings is the subject of reasonable efforts to maintain its secrecy as it provides GTECH with a competitive advantage within the industry. Disclosure of such information would give competitors an opportunity to obtain improper economic advantage.	8.4-43
Table 85	Retailer Visit Response Requirements	N/A	N/A
85.1	Roles, Responsibilities and Detail Requirements	N/A	N/A

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
85.2	Retailer Visits and Support	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The information in this section beginning under the heading, "Step 1: Plan" is confidential as it contains discussions of new technology. This trade secret material identifies and contains descriptions of and associated R&D solutions driven by proprietary software. This information is generally not known by competitors and provides GTECH with a competitive advantage within the industry. The information disclosed within the confidential markings is therefore the subject of reasonable efforts to maintain its secrecy and the disclosure of such information would give competitors an opportunity to obtain improper economic advantage.</p>	8.4-46
	Information Redacted §552.101/466.022/552.139	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The information in this section beginning with the text, "Conducting supply, POS material, equipment, and peripheral inventories ..." and ending after "... and equipment" is confidential as it contains discussions of new technology. This material identifies and contains descriptions of functionality and associated R&D solutions driven by proprietary software. This trade secret information is generally not known by competitors and, as it provides GTECH with a competitive advantage within the industry, the information disclosed within the confidential markings is the subject of reasonable efforts to maintain its secrecy. Disclosure of such information would give competitors an opportunity to obtain improper economic advantage.</p>	8.4-47

Page 121 of 171

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
85.2	Retailer Visits and Support Information Redacted §552.101/466.022/552.139	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The information in this section beginning with the heading, "Step 5: Report" is confidential as it contains discussions of new . This material identifies and contains descriptions of and associated R&D solutions driven by proprietary software. The section also contains information on our strategies related to retailer optimization – in particular, a strategy for developing a new and unique approach for enhanced retailer visits. The confidential material includes strategic analysis results and process outlines. All of this trade secret information is not generally known by our competitors. The information disclosed within the confidential markings is the subject of reasonable efforts to maintain its secrecy as it provides GTECH with a competitive advantage within the industry. Disclosure of such information would give competitors an opportunity to obtain improper economic advantage.</p>	8.4-53 thru 8.4-73
85.3	LSR Performance Management	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The information in this section beginning with the figure titled "Sample Random Compliance Audit" and ending with "... completion of the task" in the last cell of the table is confidential as it contains details concerning a new auditing process. This trade secret information is not generally known by GTECH's competitors. The information disclosed within the confidential markings is the subject of reasonable efforts to maintain its secrecy as it provides GTECH with a competitive advantage within the industry. Disclosure of such information would give competitors an opportunity to obtain improper economic advantage.</p>	8.4-76

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
85.3	LSR Performance Management Information Redacted §552.101/466.022/552.139	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The information in this section that begins with the heading "Beyond the Requirements" and ends several pages later with "... solution for the Texas Lottery" is confidential as it contains discussions of new material identifies and contains descriptions of and associated R&D solutions driven by proprietary software. This trade secret information is generally not known by GTECH's competitors. The information disclosed within the confidential markings is the subject of reasonable efforts to maintain its secrecy as it provides GTECH with a competitive advantage within the industry. Disclosure of such information would give competitors an opportunity to obtain improper economic advantage.</p>	8.4-77 thru 8.4-90
8.4.2	LSR Ticket Retrieval, Transfers and Returns	None	NA
Table 88	LSR Ticket Retrieval, Transfers and Returns Response Requirements	None	NA
88.1	Roles, Responsibilities and Detail Requirements	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
88.2	Ticket Retrieval, Transfers and Returns Information Redacted §552.101/466.022/552.139	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The information that begins just before the heading "88.2 Ticket Retrieval, Transfers and Returns" and ends with the last paragraph "For more information on our new System ..." is confidential as it contains a description of confidential R&D solutions, (specifically) driven by proprietary software. Disclosure of this trade secret information and its level of detail may cause competitive harm to GTECH and could jeopardize the security of the Texas Lottery's system and/or its data. As this information derives independent economic value from not being generally known by our competition, it is therefore the subject of reasonable efforts to maintain its secrecy.</p> <p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The information under the heading "Returns, Transfers and Retrievals" beginning with the sentence "When a retailer views (and prints if desired) ..." and ending with s wireless printer." is confidential as it contains a description of a confidential and unique R&D solution,), which is driven by proprietary software. Disclosure of this trade secret information may cause competitive harm and could jeopardize the security of the Texas Lottery's system and/or its data. As this information derives independent economic value from not being generally known by our competition, it is therefore the subject of reasonable efforts to maintain its secrecy.</p>	<p>8.4-91 thru 8.4-94</p> <p>8.4-95</p>

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
88.2	Ticket Retrieval, Transfers and Returns Information Redacted §552.101/466.022/552.139	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The text under Field Management, beginning with "prioritizes game replenishment using averaged daily ticket sales ..." and ending with the last bullet beginning with "Select to Return – This is an interactive field" is confidential, as it contains detailed descriptions of several confidential R&D solutions, such as [redacted] and [redacted], driven by proprietary software. Disclosure of this trade secret information may cause competitive harm to GTECH and could jeopardize the security of the system and/or its data. This information derives independent economic value from not being generally known by our competition, it is therefore the subject of reasonable efforts to maintain its secrecy.</p> <p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information The figure titled "Processing Returns" contains detailed, trade secret information about the processes used for returns, which derives independent value from not being generally known by our competition. Its disclosure would cause competitive harm and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	<p>8.4-97 thru 8.4-99</p> <p>8.4-100</p>

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
88.2	Ticket Retrieval, Transfers and Returns Information Redacted §552.101/466.022/552.139	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The figure 8.4-67 entitled "Operation Procedure – Damaged Ticket Return" contains detailed information regarding what specific steps are taken when damaged tickets are returned. This trade secret material derives independent value from not being generally known by our competition. As its disclosure would cause competitive harm to GTECH, it is therefore the subject of reasonable efforts to maintain its secrecy.</p>	8.4-101
		<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The information under the heading "Packing and Transferring Returns to the Warehouse" beginning with the sentence "Once all packs being returned have been scanned'..." and ending with "...police or another government agency." is confidential as it identifies and contains a description of a confidential R&D solution, called RFID, which is driven by proprietary software. The material also contains discussions of return processes using , also an R&D solution. Disclosure of this trade secret information may cause competitive harm to GTECH and could jeopardize the security of the system and/or its data. As it derives independent economic value from not being generally known by our competition, it is therefore the subject of reasonable efforts to maintain its secrecy.</p>	8.4-102 thru 8.4-103

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
88.2	Ticket Retrieval, Transfers and Returns	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The information in this section under the heading "LSR Transaction Inquiries" beginning with the paragraph "All inventory-related transactions performed by ..." and ending with "...Detecting and Reporting Fraudulent Transactions/Activities." is confidential as it contains proprietary discussions regarding inventory-related transactions for instant tickets conducted through GTECH's software. This section also contains confidential R&D solutions driven by proprietary software. Disclosure of this trade secret information may cause competitive harm and could jeopardize the security of the system and/or its data. As the information derives independent economic value from not being generally known by our competition, it is therefore the subject of reasonable efforts to maintain its secrecy.</p>	8.4-104
	Information Redacted §552.101/466.022/552.139	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The information in this section under the heading "Recording Arrival at the Warehouse" beginning with the paragraph "To address these issues, GTECH will implement ..." and ending with "...will be dramatically reduced." is confidential as this material contains proprietary information that contains discussions regarding processing returns for instant tickets through the use of RFID tags, a confidential use. Disclosure of this trade secret material could cause competitive harm and could jeopardize the security of the Texas Lottery's system. As it derives independent economic value from not being generally known by our competition, it is therefore the subject of reasonable efforts to maintain its secrecy.</p>	8.4-104

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
88.2	Ticket Retrieval, Transfers and Returns	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The information in this section under the heading "Recording Arrival at the Warehouse" beginning with the paragraph "By re-engineering our Pick Pack areas ..." and ending with "...review and resolution." is confidential as it contains proprietary information that discusses processing returns and an advanced packaging system we will implement for the Texas Lottery, a confidential R&D solution driven by proprietary software. Disclosure of this trade secret information may cause competitive harm to GTECH and could jeopardize the security of the system and/or its data. This information derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	8.4-105
88.3	Retailer-to-Retailer Pack Transfers	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The figure titled "Processing Transfers" contains detailed, trade secret information concerning how transfers are processed, which derives independent value from not being generally known by our competition. Its disclosure would cause competitive harm to GTECH and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	8.4-107
Table 89	LSR Ticket Retrieval, Transfers and Returns	None	
8.4.3	Instant Ticket Game Close	None	NA
Table 91	Instant Ticket Game Close Response Requirements	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
91.1	Roles, Responsibilities and Detail Requirements	None	NA
91.2	Instant Ticket Game Close Information Redacted §552.101/466.022/552.139	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) Beginning with the figure title "Sample " up to After the End of Validation," and the last sentence beginning with "The same business processes that apply ..." are confidential as this information identifies and contains descriptions of settlement parameters in GTECH's , which is driven by proprietary software. This section also contains several confidential R&D solutions, such as anc , driven by proprietary software. Disclosure of this trade secret information may cause competitive harm and could jeopardize the security of the Texas Lottery's system and/or its data. As this information derives independent economic value from not being generally known by our competition, it is therefore the subject of reasonable efforts to maintain its secrecy.</p> <p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The information in the section under "Collecting End-of-Game Returns," beginning with "The LSR will place the packs ..." and ending with "...Instant Ticket Delivery." is confidential as it contains discussions regarding the use of RFID and details regarding exactly how it works. RFID is new technology and is GTECH's proprietary information. This confidential R&D solution is driven by proprietary software. Disclosure of this trade secret information may cause competitive harm and could jeopardize the security of the Texas Lottery's system and/or its data. As it derives independent economic value from not being generally known by our competition, it is therefore the subject of reasonable efforts to maintain its secrecy.</p>	<p>8.4-113 thru 8.4-117</p> <p>8.4-118 thru 8.4-119</p>

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
91.2	Instant Ticket Game Close Information Redacted §552.101/466.022/552.139	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The information in the section under "Processing Returns at the Warehouse," beginning with "When the return bags and cartons enter ..." and ending with "...tickets at the warehouse." is confidential as it contains discussions regarding the use of RFID including details regarding how it works. RFID is proprietary information that contains new technology information and a confidential R&D solution driven by GTECH's proprietary software. Disclosure of this trade secret information may cause competitive harm and could jeopardize the security of the Texas Lottery's system and/or its data. As it derives independent economic value from not being generally known by our competition, it is therefore the subject of reasonable efforts to maintain its secrecy.</p> <p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The figure titled "Sample Summary Report" and ending with "...status can be resolved." is confidential. Disclosure of this information that directly relates to TLC's inventory could compromise the security of the Texas Lottery. It also discusses Return Auto-Scan, a confidential R&D solution driven by proprietary software. Disclosure of this trade secret information may cause competitive harm to GTECH and could jeopardize the security of the Texas Lottery's system and/or its data. The information derives independent economic value from not being generally known by our competition and, if released, would give an unfair advantage to competing bidders. It is therefore the subject of reasonable efforts to maintain its secrecy.</p>	<p>8.4-120</p> <p>8.4-121 thru 8.4-122</p>

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
8.5	Retailer Contests and Retailer-Based Player Promotions	None	NA
Table 93	Retailer Contests and Retailer-based Player Promotions Response Requirements	None	NA
93.1	Roles, Responsibilities and Detail Requirements	None	NA
93.2	Contests and Promotions	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The first instance of confidential information in this section begins with the figure titled "Promotional Calendar" and ends after the graphic titled "Promotions and Industry Update Newsletter Examples" and its caption ending with "... information you need to help your lottery grow." The two figures and the text in between contain confidential descriptions and material regarding how GTECH plans to help the Lottery run highly successful promotions (outlines each facet), which are in line with the Lottery's overall business objectives. The trade secret information disclosed within the confidential markings is the subject of reasonable efforts to maintain its secrecy as it provides GTECH with a competitive advantage within the industry. Disclosure of such information would give competitors an improper opportunity to obtain economic advantage.</p>	8.5-5 thru 8.5-7

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
93.2	Contests and Promotions	Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information The information beginning with the figure title "Sample LMDB Screen ..." and ending with the caption text "... we will share it" contains confidential trade secret information about the architecture of GTECH's Lottery Marketing Database and the functionality of our analytic capabilities. The LMDB is proprietary to GTECH and is a substantial industry differentiator. The information disclosed within the confidential markings is the subject of reasonable efforts to maintain its secrecy as it provides GTECH with a competitive advantage within the industry. Disclosure of such information would give competitors an opportunity to obtain improper economic advantage.	8.5-8
		Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information The section beginning with the heading text, "Web-Based Player Registration" and ending with the text "...maximize their effectiveness" contains GTECH-proprietary information and strategies developed specifically for this project. This information is a GTECH trade secret as it derives independent economic value from not being generally known by a person able to obtain economic value from its disclosure or use and is the subject of reasonable efforts to maintain its secrecy.	8.5-26 thru 8.5-29

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
93.2	Contests and Promotions	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The section beginning with the figure title, "Retailer Contest Timeline for Free Packs" and ending with the caption title "... function correctly" contains an illustration of a GTECH-proprietary business process. The information disclosed within the confidential markings is the subject of reasonable efforts to maintain its secrecy as it provides GTECH with a competitive advantage within the industry. Disclosure of such information would give competitors an opportunity to obtain improper economic advantage.</p>	8.5-34
	Information Redacted §552.101/466.022/552.139	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The section beginning with the heading text, ' ' and ending with the text, "...Texas Lottery retailers" contains information about a GTECH-proprietary tool. ' ' is a GTECH trade secret and information about its functionality provides GTECH a competitive advantage. As it derives independent economic value from not being generally known by a person able to obtain economic value from its disclosure or use, this information is the subject of reasonable efforts to maintain its secrecy.</p>	8.5-39

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
93.3	Retailer Incentive Programs	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The section beginning with the figure title, "Sample Incentive Sales and Retailer Services Reports" and ending with the phrase "... incentive for a program" contains confidential trade secret information including screen captures from a GTECH terminal and retailer Website. These screen captures are proprietary to GTECH. The information disclosed within the confidential markings is the subject of reasonable efforts to maintain its secrecy as it provides GTECH with a competitive advantage within the industry. Disclosure of such information would give competitors an opportunity to obtain improper economic advantage.</p>	8.5-43
		<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The section beginning with the header text "Future Retailer Incentive Concept Ideas" and ending with the caption text "... aware of the program" contains GTECH-proprietary strategies and detailed descriptions and ideas in the area of retailer development. The trade secret information disclosed within the confidential markings is the subject of reasonable efforts to maintain its secrecy as it provides GTECH with a competitive advantage within the industry. Disclosure of such information would give competitors an opportunity to obtain improper economic advantage.</p>	8.5-44 thru 8.5-47

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
93.3	Retailer Incentive Programs	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The figure titled "Sample Retailer Incentive Analysis" and its caption contain confidential analyses developed from information gathered that is specific to GTECH's experience in Texas. The information disclosed within the confidential markings is the subject of reasonable efforts to maintain its secrecy and provides GTECH with a competitive advantage within the industry. Disclosure of this trade secret information would give competitors an opportunity to obtain improper economic advantage.</p>	8.5-48
8.6	Promotional Events and Retailer Promotions	None	NA
Table 95	Promotional Events Response Requirements	None	NA
95.1	Roles, Responsibilities and Detail Requirements	None	NA
95.2	Promotional Equipment and Capabilities	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The information beginning with the figure titled "Potential Targeted Retailers for Additional NASCAR Promotions" and ending with the caption text "... select stores to participate" contains a screen capture of GTECH-specific analyses. This material represents unique knowledge gained through our experience in Texas. The trade secret information disclosed within the confidential markings is the subject of reasonable efforts to maintain its secrecy as it provides GTECH with a competitive advantage within the industry. Disclosure of such information would give competitors an opportunity to obtain improper economic advantage.</p>	8.6-8

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
95.2	Promotional Equipment and Capabilities	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The section beginning with the heading text, "Turning Events into Analytic Research Opportunities" and ending with the text "... direction of the TLC" contains information about the functionality of a specific game testing tool. This tool and our efforts to develop it are specific and proprietary to GTECH. It is also associated with proprietary software. This information is a GTECH trade secret as it derives independent economic value from not being generally known by a person able to obtain economic value from its disclosure or use and is the subject of reasonable efforts to maintain its secrecy.</p>	8.6-17
		<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The information beginning with the header text "Texas State Fair" and ending with the text "... insert on the following page." is confidential. The trade secret information disclosed within the confidential markings is the subject of reasonable efforts to maintain its secrecy and provides GTECH with a competitive advantage within the industry. Disclosure of such information would give competitors an opportunity to obtain improper economic advantage.</p>	8.6-20 thru 8.6-22

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
95.2	Promotional Equipment and Capabilities	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 551.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The insert in this section entitled "Promotional Materials Tracking" identifies a specific Texas Lottery business process that is confidential and proprietary to the TLC. GTECH has obtained this business process information through its work with the Lottery under the current Lottery Operator Contract. GTECH does not want to disclose any portion of this confidential and proprietary TLC business process without the Lottery's permission. For the purpose of this proposal, we have identified certain areas in the process, using information gathered from the Lottery during the contract period, for which a GTECH-proposed solution would improve, enhance, or streamline the existing TLC process. The information comprising this solution is itself confidential and a GTECH trade secret. All confidential material in this insert describing the proposed solution is the subject of reasonable efforts to maintain its secrecy, as it provides GTECH with a competitive advantage within the industry. Disclosure of such information would give competitors an opportunity to obtain improper economic advantage.</p>	Insert Follows 8.6-22
	<p>Information Redacted §552.101/466.022/552.139</p>	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The information that begins with the heading "and Execution" and ends with "... Section 9.6, Promotional Merchandise Inventory," including Figure: 8.6-14 and its caption is confidential, as it contains performance details concerning GTECH's new product, is a GTECH trade secret and information about its functionality provides GTECH with a competitive advantage. If this information were disclosed, it would cause competitive harm to our Company. As it derives independent economic value from not being generally known by a person able to obtain economic value from its disclosure or use, it is the subject of reasonable efforts to maintain its secrecy.</p>	8.6-24

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
95.3	Promotions Team	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The figure titled "GTECH Proposed Promotions Team" and its caption contain detailed, confidential information gathered from knowledge and expertise specific to GTECH's experience in Texas. The information disclosed within the confidential markings is the subject of reasonable efforts to maintain its secrecy as it provides GTECH with a competitive advantage within the industry. Disclosure of such information would give competitors an improper opportunity to obtain economic advantage.</p>	8.6-26
95.4	Alternative Approaches to Events and Promotions	None	NA
8.7	Marketing Materials and Related Equipment	None	NA
Table 98	Marketing Materials and Related Equipment Response Requirements	None	NA
98.1	Roles, Responsibilities and Detail Requirements	None	NA

Page 139 of 171

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
98.2	Marketing Materials and Related Equipment	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The section that begins with the heading text and ends with the text "Section 8.3, Marketing" contains detailed information about GTECH's proprietary offering. This information is a GTECH trade secret as it derives independent economic value from not being generally known by a person able to obtain economic value from its disclosure or use. It is therefore the subject of reasonable efforts to maintain its secrecy.</p>	8.7-32 thru 8.7-35
	Information Redacted §552.101/466.022/552.139	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The figure titled "Sample Execution Guide Work Plan" and its caption are confidential as they show the detailed information that can be used to create better Lottery experiences for players and retailers. The information disclosed within the confidential markings is the subject of reasonable efforts to maintain its secrecy as it provides GTECH with a competitive advantage within the industry. Disclosure of such information would give competitors an improper opportunity to obtain economic advantage.</p>	8.7-37

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
98.2	Marketing Materials and Related Equipment	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The figure titled "Sample Merchandising Best Practices ..." contains GTECH-proprietary best practice strategies developed by utilizing our unique expertise. The trade secret information disclosed within the confidential markings is the subject of reasonable efforts to maintain its secrecy as it provides GTECH with a competitive advantage within the industry. Disclosure of such information would give competitors an opportunity to obtain improper economic advantage.</p>	8.7-38
	<p>Information Redacted §552.101/466.022/552.139</p>	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The confidential material in this section begins with the heading text, " " and ends with the text "... returns to Texas" contains a detailed description of and how it is used in the field. is a GTECH trade secret. Information about its functionality provides GTECH a competitive advantage and would cause competitive harm if disclosed. As it derives independent economic value from not being generally known by a person able to obtain economic value from its disclosure or use, it is the subject of reasonable efforts to maintain its secrecy.</p>	8.7-39 thru 8.7-40

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
98.2	Marketing Materials and Related Equipment	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The section that begins with the heading text, "Renaissance Card" and ends with the text "...System General Requirements" contains information about GTECH's proprietary Renaissance Card offering, developed through GTECH-specific research, information-gathering, and strategies that afford GTECH a competitive advantage in the industry. This information is a GTECH trade secret as it derives independent economic value from not being generally known by a person able to obtain economic value from its disclosure or use and is the subject of reasonable efforts to maintain its secrecy.</p>	8.7-42 thru 8.7-43
98.3	Updating Signage	None	NA
8.8	Research and Lottery Product Development	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The figure titled: "Portfolio Development Philosophy and Game Development" and its caption contain GTECH-proprietary strategies for game development. Disclosure of our strategy would give competitors an opportunity to improperly obtain economic advantage through the research work and planning we have done in the area of game development. This information is also a GTECH trade secret, as it derives independent economic value from not being generally known by a person able to obtain economic value from its disclosure or use and is the subject of reasonable efforts to maintain its secrecy.</p>	8.8-2
Table 101	Research and Game Development Response Requirements	None	NA
101.1	Roles, Responsibilities and Detail Requirements	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
101.2	Overview of Proposer's Research and Development Process for New Games and New Game Introductions	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The information in the section starting with the text, "Also described in Section 7.2 ..." and ending with the caption text "... variable for success" contains GTECH-proprietary strategies for game development. Disclosure of our strategy would give competitors an opportunity to improperly obtain economic advantage through the research work, and planning we have done in the area of game development. This information is a GTECH trade secret, as it derives independent economic value from not being generally known by a person able to obtain economic value from its disclosure or use and is the subject of reasonable efforts to maintain its secrecy.</p> <p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The section beginning with the heading text, and ending with the text "... (DCA) in Austin" contains information about the functionality of a particular game testing tool. This proprietary tool is the result of development efforts by GTECH. It is also associated with proprietary software. This information is a GTECH trade secret as it derives independent economic value from not being generally known by a person able to obtain economic value from its disclosure or use and is the subject of reasonable efforts to maintain its secrecy.</p>	<p>8.8-4 thru 8.8-5</p> <p>8.8-11 thru 8.8-12</p>

Information Redacted
§552.101/466.022/552.139

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
101.2	Overview of Proposer's Research and Development Process for New Games and New Game Introductions	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The section beginning with the "Zoomerang Survey Tool" heading and ending with the text "... staff to use" contains information about a specific tool we use to conduct surveys and is a competitive differentiator for GTECH. As the trade secret information disclosed within the confidential markings provides GTECH with a competitive advantage within the industry, it is the subject of reasonable efforts to maintain its secrecy. Disclosure of such information would give competitors an opportunity to obtain improper economic advantage.</p> <p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The information beginning with the figure title "Lottery Marketing Database" and ending with the caption text "... from lotteries around the world" contains confidential trade secret information about the architecture of GTECH's Lottery Marketing Database and the functionality of our analytic capabilities. The is proprietary to GTECH and is a substantial industry differentiator. The information disclosed within the confidential markings provides GTECH with a competitive advantage within the industry and is therefore the subject of reasonable efforts to maintain its secrecy. Disclosure of such information would give competitors an opportunity to obtain improper economic advantage.</p>	<p>8.8-15 thru 8.8-16</p> <p>8.8-17 thru 8.8-18</p>
101.3	Methods for Obtaining and Using Geographic and Psychographic Information	None	NA
101.4	Research and Development Staff	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
101.5	Research and/or Data Analyst Staff	None	NA
Part 9	Warehouse and Distribution	None	NA
9.1	Overview	None	NA
9.2	New Instant Ticket Delivery and Storage	None	NA
Table 103	New Instant Ticket Delivery and Storage Response Requirements	None	NA
103.1	Roles, Responsibilities and Detail Requirements	None	NA
103.2	Managing, Fulfilling, and Storing Orders	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Figure 9.2-2 in this section titled "Proper Mix of Manual and Automation to Optimize" and ending under the caption "Levels of Automation ..." contains detailed information regarding specific warehousing and distribution processes that includes information regarding how orders are managed, fulfilled, and stored. This information is confidential and trade secret as these processes derive independent value from not being generally known by our competition. Disclosure of this information would cause competitive harm to GTECH and would give an unfair advantage to a competitor or bidder, and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	9.2-6

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
103.2	Managing, Fulfilling, and Storing Orders	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Figure 9.2-3 titled "Examples of Statuses to Manage Instant Tickets" and ending under the caption ending with "...promotes ticket security." contain detailed information on pack statuses and ticket security that are confidential and a trade secret as they derive independent value from not being generally known by our competition. Disclosure of this information would cause competitive harm to GTECH and would give an unfair advantage to a competitor or bidder, and is therefore the subject of reasonable efforts to maintain its secrecy.</p> <p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The information in this section beginning with ' and ending with "...they display for sale (settlements)." is confidential as it identifies and contains a description of a confidential R&D solution,), that is driven by proprietary software. Disclosure of this information may cause competitive harm and could jeopardize the security of the Texas Lottery's system and/or its data. This information is also trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	<p>9.2-9</p> <p>9.2-10 thru 9.2-11</p>
	Information Redacted §552.101/466.022/552.139		

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
103.2	Managing, Fulfilling, and Storing Orders	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Confidential material begins with figure 9.2-4 titled "Warehouse Order Summary" and ends under the caption "A Roadmap for Fulfilling Orders ...". This material contains detailed trade secret information regarding order fulfillments that is GTECH's proprietary software. This information as derives independent value from not being generally known by our competition and its disclosure would cause competitive harm to GTECH and would give an improper advantage to a competitor or bidder. It is therefore the subject of reasonable efforts to maintain its secrecy.</p>	9.2-12
	Information Redacted §552.101/466.022/552.139	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The text beginning with the heading "GTECH" and ending with "...Instant Ticket Delivery." is confidential as it contains proprietary information that includes discussions and descriptions of specific instant ticket delivery and storage solutions for the TLC. This section also contains several confidential R&D solutions driven by proprietary software. Disclosure of this information may cause competitive harm and could jeopardize the security of the Texas Lottery's system and/or its data. This information is also trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	9.2-13 thru 9.2-20

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
103.3	Staging and Distribution Plan	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The text beginning with the heading "New Game" and ending with "Number of boxes used: 1100" is confidential as it provides detailed information regarding new games and replenishment information. This is proprietary and confidential information which is also associated with proprietary software. Disclosure of this information may cause competitive harm to GTECH and could jeopardize the security of the Texas Lottery's system and/or its data. This information is also trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p> <p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The figure titled "GTECH's TX Warehouse Layout" and the figure titled "Features and Benefits of GTECH's Warehouse Layout" are confidential as they contain detailed information about the warehouse facility layout and its features and benefits to the Lottery and warehouse staff. This information may compromise the security of the Lottery, as this material discloses details about the warehouse facility. This information is a trade secret as this material derives independent value from not being generally known by our competition. Disclosure of this information would cause competitive harm to GTECH and would give an advantage to a competitor or bidder, and is therefore the subject of reasonable efforts to maintain there secrecy.</p>	<p>9.2-27 thru 9.2-28</p> <p>9.2-29 thru 9.2-30</p>

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
103.3	Staging and Distribution Plan	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) Confidential material begins with the heading "Packaging and Storing New Games for Distribution" and ends with "...throughout the week." This material is confidential as it contains descriptions and details of GTECH's warehouse which, if disclosed, could jeopardize the security of the Texas Lottery. The content within the confidential markings consists of GTECH trade secrets, and the disclosure of this information could provide an unfair advantage to a competitor. Furthermore, by providing insight into GTECH's procedures for updating software, such disclosure would provide potentially valuable information to those seeking to breach the security of GTECH's systems. It is therefore the subject of reasonable efforts to maintain there secrecy.</p>	9.2-33
		<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The text under the heading "Plan to Stage and Distribute Daily Orders," beginning with "In contrast to initial distribution, replenishment games are ..." is confidential as it contains discussions of initial distribution and replenishment methodologies for instant tickets, which are driven by proprietary software. Disclosure of this information and its level of detail may cause competitive harm to GTECH and could jeopardize the security of the Texas Lottery's system and/or its data. This information is also trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	9.2-34
103.4	Warehousing and Distribution Methodology and Staffing Plan	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
9.3	Instant Ticket Delivery	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The graphic in this section numbered 9.3-1 and titled "Instant Ticket Supply Chain Management" is confidential as it shows detailed information regarding how instant tickets are managed starting with the supplier, following the chain (warehouse, LSR, retailers, etc.), and ending with the destruction of some inventory (end of life). Disclosure of this trade secret information and its level of detail may cause competitive harm to the Company. As this information derives independent economic value from not being generally known by our competition, it is therefore the subject of reasonable efforts to maintain its secrecy.</p>	9.3-2
Table 106	Instant Ticket Delivery Response Requirements	None	
106.1	Roles, Responsibilities and Detail Requirements	None	
106.2	Processing and Shipping Orders on Weekends/Holidays	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The graphic in this section identified as Figure 9.3-2 and titled "Order Generation and Fulfillment Process" is confidential as it shows details regarding GTECH's fool-proof instant ticket distribution process including initial orders and replenishment of instant tickets. If this highly detailed, trade secret information were released, it would give an improper advantage to a competitor or another bidder and such disclosure would cause substantial competitive harm to GTECH. Since this information derives independent economic value from not being generally known by our competition, it is therefore the subject of reasonable efforts to maintain its secrecy.</p>	9.3-3

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
106.3	Documenting Deliveries	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The graphic in this section identified as Figure 9.3-3 and titled "Instant Ticket Delivery Process" is confidential as it shows step-by-step how instant tickets begin the delivery process from the warehouse through pack confirmation and then sales to customers. Each step of this process contains the actions taken to ensure safe, secure delivery of instant tickets to retailers. If this information were released, it would give an improper advantage to a competitor or another bidder and such disclosure would cause substantial competitive harm to GTECH. This information is trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p> <p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The next graphic in this section identified as Figure 9.3-4 and titled "Examples of Statuses to Manage Instant Tickets" plus the paragraph following this table with the heading "Full Traceability and Visibility for the TLC" are confidential as they identify and contain descriptions of pack status terminology, descriptions of certain procedures and the security and traceability of all orders. Confidential information in this section also includes a description of the functionality of , which greatly increases visibility in the field for the Lottery's LSRs. If this information were released, it would give an improper advantage to a competitor or another bidder and its disclosure would cause substantial competitive harm to GTECH. This information is trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	9.3-5
	Information Redacted §552.101/466.022/552.139		9.3-7 thru 9.3-8
106.4	Delivery Plan for Geographically Remote Retailers	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
106.5	Packaging Instant Tickets for Delivery	None	NA
106.6	Preventing Omitted or Other Defective Packs from Being Shipped	None	NA
106.7	Methods, Procedures, Hardware and Software for Monitoring Inventory Information Redacted §552.101/466.022/552.139	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Information in this section starting with the heading " and ending with the text "... TLC's contributions to the School Foundation Fund" is confidential as this material contains details regarding the reporting of instant ticket sales, inventory status, warehouse inventory, newly launched games, and sales inventory plus what can be accomplished with those reports. If this confidential information were disclosed, it would give an improper advantage to a competitor or another bidder and cause substantial competitive harm to GTECH. This information is trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	9.3-15 thru 9.3-16

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
106.7	Methods, Procedures, Hardware and Software for Monitoring Inventory	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The next instance of confidential material in this section begins right after the heading "Software and Hardware for Field Mobility" and ends after the figure caption (Figure 9.3-8) "... the for future orders." This material is confidential as it contains descriptions of how, with , the Texas Lottery's LSRs can access the and have the same information that they would have in the field as they would have in the office. This "live" data enables LSRs to do the best possible job for the Lottery. This section also contains information about several crucial software links, including the Feedback Loop as shown in Figure 9.3-8. If this confidential information were disclosed, it would give an improper advantage to a competitor or another bidder and, besides causing substantial competitive harm to GTECH, could jeopardize the security of the Texas Lottery's system. This information is trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p> <p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The next instance of confidential material in this section begins with the heading "Optimizing Inventory" and ends at the end of the section paragraph with the text "... central distribution warehouse." These paragraphs contain descriptions of how Texas Lottery's LSRs can increase and maintain sales as well as promote faster game sales in the field. If this information were disclosed, it would give an improper advantage to a competitor or another bidder and cause substantial competitive harm to GTECH. This information is trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	<p>9.3-17 thru 9.3-18</p> <p>9.3-19</p>

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
9.3.1	Warehouse Instant Ticket Return Verification	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Confidential material in this section begins right after the heading "Warehouse Instant Ticket Return Verification" and ends after the text "... saving time and increasing efficiencies." This material contains detailed descriptions of step-by-step processes regarding manual returns, full pack ticket returns plus a graphic titled "Optimizing Ticket Returns to the Central Distribution Warehouse." This material also contains information about RFID tags, the RFID portal, color-coded seals, and how the terminal supports the processes. If this information were disclosed, it would give an improper advantage to a competitor or another bidder and such disclosure would also cause substantial competitive harm to GTECH. This information is trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	9.3-20 thru 9.3-23
9.3.1	Warehouse Instant Ticket Return Verification	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 551.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The insert in this section entitled "Instant Ticket Return Process" identifies a specific Texas Lottery business process that is confidential and proprietary to the TLC. GTECH has obtained this business process information through its work with the Lottery under the current Lottery Operator Contract. GTECH does not want to disclose any portion of this confidential and proprietary TLC business process without the Lottery's permission. For the purpose of this proposal, we have identified certain areas in the process, using information gathered from the Lottery during the contract period, for which a GTECH-proposed solution would improve, enhance, or streamline the existing TLC process. The information comprising this solution is itself confidential and a GTECH trade secret. All confidential material in this insert describing the proposed solution is the subject of reasonable efforts to maintain its secrecy, as it provides GTECH with a competitive advantage within the industry. Disclosure of such information would give competitors an opportunity to obtain improper economic advantage.</p>	Insert Follows 9.3-20

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
Table 109	Warehouse Instant Ticket Return Verification Response Requirements	None	NA
109.1	Roles, Responsibilities and Detail Requirements	None	NA
109.2	Documenting and Storing Partial Packs of Returned Tickets	None	NA
109.3	Instant Tickets in Various Statuses	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Confidential material in this section begins just before Figure 9.3-10 titled "GTECH's Procedures for Handling Tickets in Various Statuses" and ends at the end of the table. The material in this table is confidential as it contains the statuses of different tickets, a description of the different statuses, and the processes and procedures regarding how each one is addressed. If this information were disclosed, it would give an improper advantage to a competitor or another bidder and such. Disclosure would also cause substantial competitive harm to GTECH. This information is trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	9.3-26
9.3.2	Stolen and Damaged Instant Ticket Reporting	None	NA
Table 112	Stolen and Damaged Instant Ticket Reporting Response Requirements	None	NA
112.1	Roles, Responsibilities and Detail Requirements	None	NA

Page 156 of 171

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
114.1	Roles, Responsibilities and Detail Requirements	None	NA
114.2	Ticket Destruction	None	NA
114.3	Destruction of Instant and On-Line Ticket Stock	None	NA
9.5	Promotional Item and Point of Sale (POS) Verification and Receiving	None	NA
Table 116	Promotional Item and POS Verification and Receiving Response Requirements	None	NA
116.1	Roles, Responsibilities and Detail Requirements	None	NA
116.2	Receiving, Storage and Distribution of Promotional Items	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Confidential material in this section begins with the text "As shown in the following table ..." including Figure 9.5-1 titled "Integrated Supply Chain Management" and ends after the caption titled "An Integrated Process." This material contains detailed descriptions of how our supply chain methodology manages promotional items and POS material to ensure the utmost efficiency and highest level of security possible. If this information were disclosed, it would give an improper advantage to a competitor or another bidder and such disclosure would also cause substantial competitive harm to GTECH. This information is trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	9.5-2 thru 9.5-3

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
116.2	Receiving, Storage and Distribution of Promotional Items Information Redacted §552.101/466.022/552.139	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The next instance of confidential information in this section begins with "Each element of our proposed process in the next diagram ..." including the graphic/diagram titled "Promotional Item & Point of Sale (POS) Supply Chain Management," the photograph, and ends with the text at the bottom of number 5 "...</p> <p>This material is confidential, as it contains detailed descriptions of the elements and processes regarding GTECH's supply chain management for successful promotions and POS items. If this information were disclosed, then it would give an improper advantage to a competitor or another bidder and such disclosure would also cause substantial competitive harm to GTECH. This information is trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	9.5-5 thru 9.5-7
116.2	Receiving, Storage and Distribution of Promotional Items Information Redacted §552.101/466.022/552.139	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The information in this section that begins with the heading and Distribution by LSR" and ends with the text "...promotional and POS materials." is confidential as it contains a description of a new developed by GTECH. This confidential material also contains descriptions of the types of messages that can be sent to LSRs to provide for management and accountability of promotional materials, which is driven by proprietary software. Disclosure of this information may cause competitive harm and could jeopardize the security of the Texas Lottery's system and/or its data. This information is also trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	9.5-11

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
116.3	Process for Verification, Receiving and Ongoing Inventory of Promotional Items	None	NA
9.6	Promotional Merchandise Inventory	None	NA
Table 118	Promotional Merchandise Inventory Response Requirements	None	NA
118.1	Roles, Responsibilities and Detail Requirements	None	NA
118.2	Process for Handling Incoming and Ongoing Inventory of Promotional Merchandise	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Confidential material in this section begins with Figure 9.6-1 titled "GTECH's Integrated Supply Chain Management" and ends after its caption titled "All Accounted For." This graphic is confidential as it contains GTECH-developed supply chain categories and the elements within each category. If this information were disclosed, it would give an improper advantage to a competitor or another bidder and such disclosure would also cause substantial competitive harm to GTECH. This information is trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	9.6-2

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
118.2	Process for Handling Incoming and Ongoing Inventory of Promotional Merchandise	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 551.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The insert in this section entitled "Promotional Materials Tracking" identifies a specific Texas Lottery business process that is confidential and proprietary to the TLC. GTECH has obtained this business process information through its work with the Lottery under the current Lottery Operator Contract. GTECH does not want to disclose any portion of this confidential and proprietary TLC business process without the Lottery's permission. For the purpose of this proposal, we have identified certain areas in the process, using information gathered from the Lottery during the contract period, for which a GTECH-proposed solution would improve, enhance, or streamline the existing TLC process. The information comprising this solution is itself confidential and a GTECH trade secret. All confidential material in this insert describing the proposed solution is the subject of reasonable efforts to maintain its secrecy, as it provides GTECH with a competitive advantage within the industry. Disclosure of such information would give competitors an opportunity to obtain improper economic advantage.</p>	Insert Follows 9.6-2
118.2	Process for Handling Incoming and Ongoing Inventory of Promotional Merchandise	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The next instance of confidential material in this section begins with the text "As mentioned in the previous sections ..." and ends with the text "... the merchandise is completely useable." This material contains detailed descriptions of how material is immediately identified, RFID technology, and an automated method of document management. If this information were disclosed, it would give an unfair advantage to a competitor or another bidder and such disclosure would also cause substantial competitive harm to GTECH. This information is trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	9.6-4

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
118.2	Process for Handling Incoming and Ongoing Inventory of Promotional Merchandise	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The next instance of confidential material in this section begins with the text "Efficient, auditable, and accountable order fulfillment ..." and ends after the caption under the graphic titled "Promotional Merchandise Supply Chain Management." This information shows the efficient flow of promotional material including the key activity points for processing. If this information were disclosed, it would give an improper advantage to a competitor or another bidder and such disclosure would also cause substantial competitive harm to GTECH. This information is trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	9.6-5 thru 9.6-6
118.2	Process for Handling Incoming and Ongoing Inventory of Promotional Merchandise Information Redacted §552.101/466.022/552.139	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The last instance of confidential material in this section begins with the text "As merchandise is accepted by LSRs ..." and ends with "... for receipt of the promotional merchandise." This information is confidential as contains a description of how the device is used for receipt of promotional merchandise. If this information were disclosed, it would give an improper advantage to a competitor or another bidder and such disclosure would also cause substantial competitive harm to GTECH. This information is trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	9.6-8
9.7	Warehouse and Distribution General Requirements	None	NA
Table 120	Warehouse and Distribution General Response Requirements	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
120.1	Roles, Responsibilities and Detail Requirements	None	NA
120.2	Process for Instant Ticket Order Processing and Packing	None	NA
120.3	Process for Preventing Theft of Instant Tickets and Rolls of On-Line Ticket Stock Information Redacted §552.101/466.022/552.139	Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information Confidential material in this section begins with the text "The following steps show how easy ..." and ends at the bottom of the next page after the text "... are then sent out for resolution." This information is confidential as it contains the steps that are taken using to document pack returns. A description of the "full pack return process" is also included. If this information were disclosed, it would give an improper advantage to a competitor or another bidder and such disclosure would also cause substantial competitive harm to GTECH. This information is trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.	9.7-5 thru 9.7-6
Part 10	Conversion	None	
10.1	Conversion Plan	None	NA
Table 123	Conversion Plan Response Requirements	None	NA
123.1	Roles, Responsibilities and Detail Requirements	None	NA
123.2	Conversion Plan and Process	None	NA
123.3	Project Management Process	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
123.4	Proposed Conversion Staff	<p>Texas Government Code Title 5, Chapter 552. Subchapter C. § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The <i>insert</i> titled "Transition Team Organizational Chart" contains diagrams of GTECH's organizational structure that are confidential and a trade secret as they derive independent economic value from not being generally known by our competition. Disclosure of this information would cause competitive harm to GTECH and would give an unfair advantage to a competitor or bidder. GTECH expends significant resources to maintain the protection of this sensitive information from public disclosure.</p>	Insert Follows 10.1-28
10.2	Integration and Testing	None	NA
Table 126	Integration and Testing Response Requirements	None	NA
126.1	Roles, Responsibilities and Detail Requirements	None	NA
126.2	Integration and Testing Process	None	NA
126.3	Acceptance Testing Process and Criteria	None	NA
126.4	Proposed Integration and Test Plan	None	NA
126.5	Backup, Recovery, Failover Process and Test Plan	None	NA
10.3	Implementation and Migration	None	NA
Table 128	Implementation and Migration Response Requirements	None	NA
128.1	Roles, Responsibilities and Detail Requirements	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
128.2	Implementation and Migration Strategy and Process	None	NA
10.4	Conversion Plan General Requirements	None	NA
Table 130	Conversion Plan General Requirements Response Requirements	None	NA
130.1	Roles, Responsibilities and Detail Requirements	None	NA
130.2	High-Level Conversion Plan	None	NA
130.3	Structure and Content of Process Documentation	None	NA
130.4	Project Management Methodology	None	NA
130.4.a	Project Management	None	NA
130.4.b	Business Change Management	None	NA
130.4.c	Issue Management	None	NA
130.4.d	Communications Strategy	None	NA
130.4.e	Knowledge Transfer	None	NA
130.4.f	Relationship Management	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
130.4.g	Risk Management and Mitigation	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Confidential information begins with the text "In all, we have identified many risks ..." and ends with the last bulleted text "... rollout of equipment and training of retailers." This material is confidential as it identifies specific project risks concerning the complexities of integrating with the Texas Lottery's system. If this information were disclosed, it would give an improper advantage to a competitor or another bidder and such disclosure would also cause substantial competitive harm to GTECH. This information is trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	10.4-49
130.4.h	Transition Reporting (Type and Frequency)	None	NA
130.5	Detailed Initial Distribution Plan	None	NA
10.5	Conversion Milestones	None	NA
Table 132	Conversion Milestones Response Requirements	None	NA
132.1	Conversion Plan and Time Chart	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The figure titled "Major Project Milestones and Timeframes" is confidential as it contains detailed information about GTECH's Conversion Plan for the Texas Lottery's implementation. Its disclosure would cause competitive harm to GTECH. Since this trade secret information derives independent value from not being generally known by our competition, it is therefore the subject of reasonable efforts to maintain its secrecy.</p>	10.5-3

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
10.6	End of the Contract Conversion Plan	None	NA
Table 134	End of Contract Conversion Plan Response Requirements	None	NA
134.1	Roles, Responsibilities and Detail Requirements	None	NA
134.2	End of Contract Conversion	None	NA
134.2.a	People Processes	None	NA
134.2.a.1	Knowledge Transfer	None	NA
134.2.b	Management Processes	None	NA
134.2.b.1	Issue Management	None	NA
134.2.b.2	Risk Management and Mitigation	None	NA
134.2.b.3	Exit Reporting (Type and Frequency)	None	NA
134.2.c	Technology	None	NA
134.2.c.1	Handover Procedures	None	NA
134.2.c.2	Tools, Software, Network Connections and Data Transfer	None	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
134.2.d	License Transfer	None	NA
Exhibit Number	NAME OF CONFIDENTIAL EXHIBIT	Statutory and Administrative Code Grounds to Support Confidential Treatment and Explanation (Note: All confidential exhibits are located in the Exhibits Binder.)	NA
2	iTIB Sample Training Booklet (Section 6.8)	Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information The Exhibit titled "iTIB Sample Training Booklet" contains confidential information which GTECH paid for and if disclosed would cause competitive harm to our Company. As this information derives independent value from not being generally known by our competition, it is the subject of reasonable efforts to maintain its secrecy.	NA
7	Retailer Best Practices Brochure – English (Section 6.8)	Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information The exhibit titled "Retailer Best Practices Brochure – English" contains detailed information about retailer best practices – developed from decades of GTECH's experience with retailers in many jurisdictions throughout the world. This information is confidential and a trade secret as it derives independent value from not being generally known by our competition. Disclosure of this information would cause competitive harm to GTECH and would give an improper advantage to a competitor or bidder. It is therefore the subject of reasonable efforts to maintain its secrecy.	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
8	Retailer Best Practices Brochure – Spanish (Section 6.8)	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The exhibit titled "Retailer Best Practices Brochure – Spanish" contains detailed information about retailer best practices – developed from decades of GTECH's experience with retailers in many jurisdictions throughout the world. This information is confidential and a trade secret as it derives independent value from not being generally known by our competition. Disclosure of this information would cause competitive harm to GTECH and would give an improper advantage to a competitor or bidder. It is therefore the subject of reasonable efforts to maintain its secrecy.</p>	NA
9	System Architecture and Server Infrastructure (Section 7.6)	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The System Architecture and Server Infrastructure provide a detailed illustration of our Central System hardware configuration (including hardware and software information). This information is highly confidential as its disclosure may cause competitive harm and could jeopardize the security of the Texas Lottery's system and/or its data. This information is also a GTECH trade secret, as it derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	NA
14	Liquidated Damages	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The information in this exhibit identifies liquidated damages paid over the past 5 years. Disclosure of this confidential financial information would cause substantial competitive harm to GTECH. As this financial information is not generally known by our competition, it is therefore the subject of reasonable efforts to maintain its secrecy.</p>	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
15	Communications Network (Section 7.14)	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>Texas Government Code Title 4, Subtitle E, Chapter 466.022(b) (1) and (2) The network drawings in this exhibit are confidential, as they show a high level of network design details (the physical and logical designs) of the communications network architecture and technology aspects of the network. The drawings show specific methods and procedures for network redundancy and security. The network configuration is highly confidential for the security of the Lottery because any public disclosure of this degree of system design may make it possible for someone to plan an attack on the Lottery's system. This information is also trade secret. Disclosure of this information derives independent economic value from not being generally known by our competition and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	NA
16	Sample Weekly Status Report (Section 10.4)	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The Exhibit titled "Sample Weekly Status Report Template" contains detailed information about how GTECH manages a project conversion or implementation, including the specific steps it takes that the company developed based on years of experience. This trade secret material derives independent value from not being generally known by our competition and, since its disclosure would cause competitive harm to GTECH, is therefore the subject of reasonable efforts to maintain its secrecy.</p>	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
17	Sample Test Plan Template (Section 10.2)	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The Exhibit titled "Test Plan Template" is confidential because it contains the template and a description of the processes and tools through which we test our systems and assist our customers with acceptance testing. This trade secret information derives independent value from not being generally known by our competition, and if disclosed would cause competitive harm. It is therefore the subject of reasonable efforts to maintain its secrecy.</p>	NA
18	Project Communication Plan Template (Section 10.4)	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The Exhibit titled "Project Communications Plan Template" is confidential because it contains information about our process for informing our customers about project progress. This trade secret information derives independent value from not being generally known by our competition and if disclosed would cause competitive harm to GTECH. It is therefore the subject of reasonable efforts to maintain its secrecy.</p>	NA
19	Detailed Conversion Plan and Time Chart (Section 10.1)	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The Exhibit titled "Detailed Conversion Plan and Time Chart" is a confidential document as it contains highly detailed descriptions of GTECH's project tasks and schedules directly related to GTECH's Conversion Plan for the Texas Lottery, including details of 18 months of pre-contract work,. This trade secret information derives independent value from not being generally known by our competition and if disclosed would cause competitive harm to our Company. It is therefore the subject of reasonable efforts to maintain its secrecy.</p>	NA

Section Numbers	Section Titles	Statutory and Administrative Code and Grounds to Support Confidential Treatment and Explanation	Page Number(s)
21	Risk Management Plan Template (Section 10.4)	<p>Texas Government Code Title 5, Chapter 552, Subchapter C § 552.101, Exception: Confidential Information § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>The Exhibit titled "Risk Management Plan Template" is confidential because it contains the format in which we document and manage project risk. This trade secret information derives independent value from not being generally known by our competition and its disclosure would cause competitive harm to GTECH. It is therefore the subject of reasonable efforts to maintain its secrecy.</p>	NA
28	GTECH Corporation Financial Statements (Section 4.7.2[1])	<p>Government Code Title 5, Chapter 552, Subchapter C § 552.104, Exception: Information Related to Public Bidding § 552.110 (a)(b), Exception: Trade Secrets, Certain Commercial or Financial Information</p> <p>GTECH's Financial Statements are Confidential as GTECH is not a publicly traded company. Disclosure of this information may cause competitive harm to the Company and is therefore the subject of reasonable efforts to maintain its secrecy.</p>	NA



2.13

Executive Summary

2.13.1 – 2.13.3

Executive Summary

Confidentiality Claimed
Not released

Confidentiality Claimed
Not released

Confidentiality Claimed
Not released

Confidentiality Claimed
Not released

Confidentiality Claimed
Not released



Part 1

General Information

GTECH has read, acknowledges, and accepts the information stated in Part 1, General Information.



Part 2

Proposal Process

Part 2

Proposal Process

GTECH has read, acknowledges, and accepts the information stated in Part 2, Proposal Process.

2.9

Bid Bond/Proposal Surety

As required in Section 2.9.1, we have provided a Bid Bond in the amount of one hundred thousand dollars (\$100,000) directly following this page.

2.10

Protest/Litigation Bond

As required in Section 2.10.1, we have provided a Litigation Bond in the amount of five hundred thousand dollars (\$500,000) directly behind the Bid Bond, which directly follows this page.

BID BOND

KNOW ALL MEN BY THESE PRESENTS, That we,

**GTECH Corporation
GTECH Center
10 Memorial Boulevard
Providence, RI 02903**

as Principal, hereinafter referred to as "Principal", and

Travelers Casualty and Surety Company of America

a corporation duly organized under the laws of the State of Connecticut, as Surety,
(hereinafter referred to as "Surety"), are held and firmly bound unto

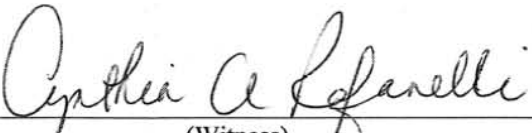
**Texas Lottery Commission
611 East 6th Street
Austin, TX 78701**

(hereinafter referred to as "Obligee"), in the sum of **One Hundred thousand Dollars and 00/100 (\$100,000.)** for the payment of which sum well and truly to be made, the said Principal and the said Surety, bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has submitted a bid for **Request for Proposal for Lottery Operations and Services**.

NOW, THEREFORE, if the Obligee shall accept the bid of the Principal and the Principal shall enter into a contract with the Obligee in accordance with the terms of such bid, and give such bond or bonds as may be specified in the bidding or contract documents with good and sufficient surety for the faithful performance of such contract and for the prompt payment of labor and material furnished in the prosecution thereof, or in the event of the failure of the Principal to enter such contract and give such bond or bonds, if the Principal shall pay to the Obligee the difference not to exceed the penalty hereof between the amount specified in said bid and such larger amount for which the Obligee may in good faith contract with another party to perform the work covered by said bid, then this obligation shall be null and void, otherwise to remain in full force and effect.

Signed and sealed the 30th day of June, 2010.

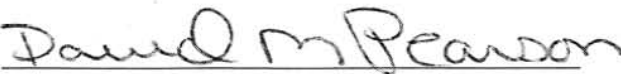

(Witness)

GTECH Corporation

Principal

(Seal)


Matthew W. Hughes, Treasurer


David M. Pearson

**Travelers Casualty and Surety Company
of America**

Surety

(Seal)


Judith G. Misner, Attorney-In-Fact

TRAVELERS**POWER OF ATTORNEY**

Farmington Casualty Company
 Fidelity and Guaranty Insurance Company
 Fidelity and Guaranty Insurance Underwriters, Inc.
 Seaboard Surety Company
 St. Paul Fire and Marine Insurance Company

St. Paul Guardian Insurance Company
 St. Paul Mercury Insurance Company
 Travelers Casualty and Surety Company
 Travelers Casualty and Surety Company of America
 United States Fidelity and Guaranty Company

Attorney-In Fact No. 218482

Certificate No. 002723069

KNOW ALL MEN BY THESE PRESENTS: That Seaboard Surety Company is a corporation duly organized under the laws of the State of New York, that St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company and St. Paul Mercury Insurance Company are corporations duly organized under the laws of the State of Minnesota, that Farmington Casualty Company, Travelers Casualty and Surety Company, and Travelers Casualty and Surety Company of America are corporations duly organized under the laws of the State of Connecticut, that United States Fidelity and Guaranty Company is a corporation duly organized under the laws of the State of Maryland, that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc. is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint

Stephen W. Grant, Michael S. Balboni, and Judith G. Misner

of the City of Boston, State of Massachusetts, their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 2nd day of December, 2008.

Farmington Casualty Company
 Fidelity and Guaranty Insurance Company
 Fidelity and Guaranty Insurance Underwriters, Inc.
 Seaboard Surety Company
 St. Paul Fire and Marine Insurance Company

St. Paul Guardian Insurance Company
 St. Paul Mercury Insurance Company
 Travelers Casualty and Surety Company
 Travelers Casualty and Surety Company of America
 United States Fidelity and Guaranty Company



State of Connecticut
 City of Hartford ss.

By:

George W. Thompson
 George W. Thompson, Senior Vice President

On this the 2nd day of December, 2008, before me personally appeared George W. Thompson, who acknowledged himself to be the Senior Vice President of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

In Witness Whereof, I hereunto set my hand and official seal.
 My Commission expires the 30th day of June, 2011.



Marie C. Tetreault
 Marie C. Tetreault, Notary Public

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her: and it is

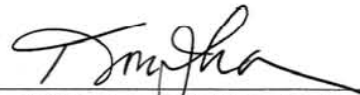
FURTHER RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

FURTHER RESOLVED, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

FURTHER RESOLVED, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, Kori M. Johanson, the undersigned, Assistant Secretary, of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 30th day of June, 2010


Kori M. Johanson, Assistant Secretary



To verify the authenticity of this Power of Attorney, call 1-800-421-3880 or contact us at www.travelersbond.com. Please refer to the Attorney-In-Fact number, the above-named individuals and the details of the bond to which the power is attached.

**BOND NO. 105373522
LITIGATION BOND**

KNOW ALL MEN BY THESE PRESENTS, That we,

**GTECH Corporation
GTECH Center
10 Memorial Boulevard
Providence, RI 02903**

as Principal (hereinafter referred to as "Principal"), and

Travelers Casualty and Surety Company of America

as Surety (hereinafter referred to as "Surety"), are holden and firmly bound jointly and severally unto

**Texas Lottery Commission
611 East 6th Street
Austin, TX 78701**

(hereinafter referred to as "Obligee"), in the sum of **Five Hundred Thousand No/100 Dollars (\$500,000.00)**, Dollars, to which payment well and truly to be made, we hereby bind ourselves, our successors and assigns, firmly by these presents.

WHEREAS, The Obligee issued a **Request for Proposal for Lottery Operations and Services** (hereinafter referred to as the "RFP"), and in response to the RFP, the Principal has submitted a proposal to the Obligee.

WHEREAS, The RFP requires the Principal to submit with the Proposal a bond in the amount of **Five Hundred Thousand No/100 Dollars (\$500,000.00)**.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH that, in the event of (i) the Principal files suit against the obligee challenging the award of the contract resulting from the **RFP**, and (ii) the Principal does not prevail in said suit, and (iii) a court determines that the action or any portion thereof was frivolous, or was brought in bad faith, or was not brought upon reasonable grounds, then the Obligee shall have reason to file claim against this bond to recover losses, damages and expenses resulting from any action or suit brought by the Principal.

This obligation shall remain in full force and effect for one (3) year from the proposal submission date.

IN WITNESS THEREOF, The above parties have executed this instrument under their several seals this 30th day of June, 2010

Cynthia A. Laperelle
(Witness)

GTECH Corporation (Seal)

By: Matthew W. Hughes
Matthew W. Hughes, Treasurer

**Travelers Casualty and Surety Company
of America** (Seal)

David M. Pearson
David M. Pearson

By: Judith G. Misher
Judith G. Misher, Attorney-in-Fact



POWER OF ATTORNEY

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
Seaboard Surety Company
St. Paul Fire and Marine Insurance Company

St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company

Attorney-In Fact No. 218482

Certificate No. 002723088

KNOW ALL MEN BY THESE PRESENTS: That Seaboard Surety Company is a corporation duly organized under the laws of the State of New York, that St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company and St. Paul Mercury Insurance Company are corporations duly organized under the laws of the State of Minnesota, that Farmington Casualty Company, Travelers Casualty and Surety Company, and Travelers Casualty and Surety Company of America are corporations duly organized under the laws of the State of Connecticut, that United States Fidelity and Guaranty Company is a corporation duly organized under the laws of the State of Maryland, that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc. is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint

Stephen W. Grant, Michael S. Balboni, and Judith G. Misner

of the City of Boston, State of Massachusetts, their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

N WITNESS WHEREOF, the Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 2nd day of December, 2008.

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
Seaboard Surety Company
St. Paul Fire and Marine Insurance Company

St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company



State of Connecticut
City of Hartford ss.

By: George W. Thompson
George W. Thompson, Senior Vice President

On this the 2nd day of December, 2008, before me personally appeared George W. Thompson, who acknowledged himself to be the Senior Vice President of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

In Witness Whereof, I hereunto set my hand and official seal.
My Commission expires the 30th day of June, 2011.



Marie C. Tetreault
Marie C. Tetreault, Notary Public

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

FURTHER RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

FURTHER RESOLVED, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

FURTHER RESOLVED, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, Kori M. Johanson, the undersigned, Assistant Secretary, of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 30th day of June, 2010


Kori M. Johanson, Assistant Secretary



To verify the authenticity of this Power of Attorney, call 1-800-421-3880 or contact us at www.travelersbond.com. Please refer to the Attorney-In-Fact number, the above-named individuals and the details of the bond to which the power is attached.



Part 3

Contractual Terms and Conditions

Part 3

Contractual Terms and Conditions

3.1

Introduction

GTECH acknowledges that this part sets forth terms and conditions applicable to the procurement process as well as terms and conditions that will become part of any Contract for Lottery Operations and Services executed pursuant to the RFP. We acknowledge that the Texas Lottery reserves the right to incorporate additional provisions in any Contract in the best interest of the Texas Lottery.

3.2

Governing Law

GTECH acknowledges that the procurement process, the award procedure, and any Contract resulting from the RFP will be governed by, construed and interpreted in accordance with the applicable laws of the State of Texas. We agree that any and all actions or suits brought by GTECH or any related party regarding the RFP or any Contract resulting therefrom will be brought in the state district court located in Austin, Travis County, Texas. By submitting this Proposal, GTECH waives its right to bring any action in any other court. GTECH acknowledges that this section is purely a venue provision and will not be deemed a waiver of sovereign immunity.

3.3 Contract Elements

3.3.1 Contract Between Texas Lottery and Successful Proposer

GTECH acknowledges that any Contract between the Texas Lottery and GTECH will follow the general format specified by the Texas Lottery and that the Texas Lottery reserves the right to negotiate provisions in addition to those stipulated in the RFP. In addition, we agree that the contents of this RFP, as modified by published addenda, and GTECH's Proposal will be incorporated into the Contract. We acknowledge that in the event of any conflict or contradiction between or among these documents, the documents will control in the following order of precedence: the written Contract, the RFP, and GTECH's Proposal and that specific exceptions to this general rule may be noted in the written Contract.

3.3.2 HSP

GTECH has submitted an HSP as a part of its Proposal, as discussed in Part 5 of the RFP. The HSP, if accepted by the Texas Lottery, will become a provision of any Contract awarded as a result of the RFP. The full HSP plan and associated documents can be found in a separate volume entitled "Response to Part 5, HUB Subcontracting Plan (HSP)."

3.3.3 Terms and Provisions

GTECH acknowledges that if any term or provision of the RFP or a Contract executed pursuant to the RFP is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the RFP or Contract will remain in full force and effect and will in no way be affected, impaired, or invalidated.

3.4 Amendments

GTECH agrees that any Contract resulting from the RFP may be amended only by a written agreement signed by both parties.

3.5 Waiver

GTECH acknowledges that the failure of the Texas Lottery to object to or take affirmative action with respect to any conduct of GTECH, assuming it is the Successful Proposer, which is in violation or breach of the terms of any Contract resulting from the RFP will not be construed as a waiver of the violation or breach, or of any future violation or breach.

3.6 Clarification of Lottery's Intent

If GTECH is selected as the Successful Proposer, it will be the responsibility of GTECH to address and resolve all questions with the Texas Lottery's designated staff members, and achieve a clear understanding of all Texas Lottery requirements during each stage of the Contract term. We acknowledge that the Texas Lottery will use reasonable efforts to provide timely responses to questions of policy or procedure as they may affect GTECH's performance. Key Texas Lottery staff will be available to GTECH on a reasonable basis, but may not be available on State or national holidays, as defined in Section 662.003 of the Texas Government Code, or weekends. The Texas Lottery's normal office hours are from 8:00 a.m. to 5:00 p.m., Central Time, Monday through Friday of each week of the Contract term, except State holidays.

3.7 Lottery's Financial Obligations

GTECH acknowledges that the financial obligations of the Texas Lottery under any Contract resulting from the RFP are payable solely out of the receipts of the Texas Lottery and are subject to statutory restrictions and appropriations. We further acknowledge that performance by the Texas Lottery under any Contract resulting from the RFP is subject to acts of the Texas Legislature. We agree that the Texas Lottery will have no responsibility or liability for any damages, losses, financial obligations, breach of contract, or other claims in the event that performance by the Texas Lottery is compromised or terminated by acts or omissions of the Texas Legislature (e.g., if the Texas Lottery is discontinued or not funded by the Texas Legislature).

3.8

Relationship of the Parties

GTECH agrees with the Texas Lottery and acknowledges that, if GTECH is the Successful Proposer, it will render the goods, services, and requirements under any resulting Contract as an independent contractor, and nothing contained in the Contract will be construed to create or imply a joint venture, partnership, employer/employee relationship, principal-agent relationship, or any other relationship between the parties. GTECH employees will not be considered employees of the Texas Lottery within the meaning of any federal, state, or local law, ordinance, or regulation including, but not limited to, laws, ordinances, or regulations concerning unemployment insurance, social security benefits, workers compensation, or withholding requirements.

GTECH agrees to be responsible for complying with any such laws, ordinances, or regulations, and will indemnify and hold harmless the Texas Lottery from any costs or damages, including attorney's fees, sustained by the Texas Lottery resulting from GTECH's breach of its obligations under this section. We acknowledge that the Texas Lottery will withhold indemnified losses from payments to GTECH, or, if no payments are made, the Texas Lottery will make demand of payment of indemnified losses. We further acknowledge that GTECH must make payment within thirty (30) days of the Texas Lottery's demand.

3.9

Payment

3.9.1

Payment Specifications

GTECH acknowledges that all payments will be made in accordance with Texas Government Code Ann. § 2251 et seq. ("Payments for Goods and Services"). GTECH will submit invoices weekly for the previous week's services, noting the Contract number and detailing services rendered and date of services. We acknowledge that pursuant to Texas Government Code Section 2251.025, interest is not due on a payment until it becomes "overdue" and a payment is not "overdue" until the 31st day after the latter of: (1) the date the Texas Lottery receives the goods or service covered by the Contract; (2) the date the performance of the service under the Contract is completed; or (3) the date the Texas Lottery receives an invoice for the goods or services. We acknowledge that, under Texas Government Code Section 2251.021, services are "completed" when determined by the Texas Lottery as explained above.

3.9.2

Invoicing Specifications

GTECH will submit invoices by mail to the Texas Lottery Commission, P.O. Box 16630, Austin, Texas 78761-6630, Attn: Accounts Payable or by email to AccountsPayable@lottery.state.tx.us. Payments will be made only upon the completion of services or after the delivery of goods authorized in an approved invoice.

3.9.3

Payments Owed to the Successful Proposer

GTECH agrees that, if the Texas Comptroller of Public Accounts is prohibited from issuing a warrant to GTECH under section 403.055 of the Texas Government Code, any payments owed to GTECH under any Contract resulting from the RFP will be applied towards the debt or delinquent taxes that GTECH, as the Successful Proposer, owes the State of Texas until the debt or delinquent taxes are paid in full.

3.9.4

Performance Specifications

GTECH acknowledges that the State of Texas requires consistent, high-quality performance during the entire term of any Contract resulting from the RFP and during any transition to another vendor. We agree that, to ensure such consistent high-quality performance and an orderly transition to another vendor, the Texas Lottery will withhold ten percent (10%) of all weekly payments due the last year of any Contract resulting from the RFP (the Hold Back). We acknowledge, at its sole discretion, the Texas Lottery may withhold an additional fifteen percent (15%) of weekly payments during the last year of any Contract resulting from the RFP, if GTECH fails to fully and completely perform its duties during any transition to another vendor.

In the event that GTECH fully and completely performs all of its duties under any Contract resulting from the RFP, and the Texas Lottery determines that the successful transition to another vendor has been completed, then upon such completion, we acknowledge the Texas Lottery will pay the Hold Back to GTECH. Hold Back amounts will be paid as soon as reasonably possible following successful completion of duties under any Contract resulting from the RFP, but no sooner than thirty (30) days from successful completion of duties. GTECH agrees that services will not be considered complete until transition to another vendor is successful. GTECH further agrees that, in the event GTECH fails to fully and completely perform all of its duties under any Contract resulting from the RFP, or the transition to another vendor is unsuccessful, and such failure is proximately caused in whole or part by any act or omission of GTECH, the Texas Lottery will be entitled to retain the Hold Back or such portion thereof as the Executive Director deems equitable.

3.10 Assignments

GTECH agrees that no right or obligation of GTECH under any Contract may be assigned by GTECH without the prior written approval of the Texas Lottery, and in the event of any such approval, the terms and conditions hereof will apply to and bind the party or parties to whom the right or obligation is assigned as fully and completely as GTECH is hereunder bound and obligated. Further, it is understood that no assignment will operate to release GTECH from its liability for the timely and effective performance of its obligations hereunder; and that assignments made in violation of this provision will be null and void.

3.11 Subcontracting

3.11.1 Subletting, Conveying, Assigning or Disposing of All or Any Portion of the Contract

GTECH acknowledges that if selected by the Texas Lottery as the Successful Proposer, it will be prohibited from subletting, conveying, assigning, or otherwise disposing of all or any portion of any Contract resulting from the RFP, its rights, title, or interest therein, or its power to execute such agreement without the previous written approval of the Texas Lottery. If any part of any Contract between the Texas Lottery and GTECH is to be subcontracted, GTECH will obtain prior written approval from the Texas Lottery, and the Subcontractor must comply with all applicable requirements of the Texas Lottery. Further, it is acknowledged that the Texas Lottery reserves the sole right to require GTECH to terminate any Subcontractor with or without cause.

3.11.2 Responsibility and Obligation to Meet Requirements

In the event the Texas Lottery approves of the use of any Subcontractor in performance of the Contract, GTECH acknowledges that as the Successful Proposer, it will not be relieved of its responsibility and obligation to meet all the requirements of the RFP.

3.11.3 Obligations of Successful Proposer

GTECH acknowledges that the Texas Lottery will incur no additional obligations and its obligations as the Successful Proposer will not be reduced as a result of any such Subcontracts.

3.11.4 Indemnification from Claims or Actions of Subcontractors

GTECH, if the Successful Proposer, agrees to indemnify and hold the Texas Lottery harmless from any of the claims or actions of its Subcontractors. We acknowledge that the Texas Lottery will withhold indemnified losses from payments to GTECH, or, if no payments are made, the Texas Lottery will make demand of payment of indemnified losses. Lastly, the Successful Proposer must make payment within thirty (30) days of the Texas Lottery's demand.

3.11.5

Payment of Subcontractors

GTECH agrees that its obligation to pay Subcontractors is governed by Texas Government Code Ann. § 2251.022 ("Time for Payment by Vendor"), as it may be amended.

3.12

Lottery Approval of Staffing

3.12.1

Employees, Agents, and Subcontractors

GTECH, as Successful Proposer, will not employ or contract with or permit the employment of unfit or unqualified persons or persons not skilled in the tasks assigned to them. We will at all times employ sufficient labor to carry out functions and services in the manner and time prescribed by any Contract awarded pursuant to the RFP. The term "unfit" is defined as any person convicted of a felony, criminal fraud, gambling or gambling-related offense or a person convicted of a misdemeanor involving moral turpitude whose sentence, parole, mandatory supervision or probation ended less than 10 years ago. We agree to be responsible to the Texas Lottery for the acts and omissions of GTECH's employees, agents (including, but not limited to, lobbyists), and Subcontractors and we will enforce strict discipline among GTECH's employees, agents (including, but not limited to, lobbyists), and Subcontractors performing the services under the Contract.

3.12.2

Personnel Changes

GTECH, if selected as the Successful Proposer, agrees to provide the Texas Lottery written notification and justification within three (3) working days of any personnel changes involving key management positions, as defined in RFP Section 4.3.2. In addition, GTECH agrees to provide the Texas Lottery the resume of the person who is hired or placed and must receive written approval from the Texas Lottery prior to the person working on the account. GTECH also agrees that the Texas Lottery must approve key management personnel leaving the Texas Lottery account for another position within GTECH.

3.12.3

Organizational Changes

We acknowledge and agree that GTECH, as the Successful Proposer, will provide the Texas Lottery advanced written notification of any significant organizational changes to the proposed staffing for the Texas Lottery Account, which will include any reductions-in-force, elimination of positions, etc. We acknowledge that the Texas Lottery must approve such changes before they are implemented and that this provision will apply to the period between the submission of a Proposal and Contract Award, as well as the duration of any resulting Contract.

3.12.4

Removal of Any Person Employed by Successful Proposer

GTECH acknowledges that, notwithstanding anything herein to the contrary, any person employed by GTECH, as the Successful Proposer will, at the written request of the Texas Lottery, and within the Texas Lottery's sole discretion, be removed forthwith by GTECH from work relating to the Contract.

3.13

Background Investigations

3.13.1

Background Investigation Specifications

GTECH agrees that, if it is the Successful Proposer, the Texas Lottery Commission may initiate investigations into the backgrounds of (a) GTECH; (b) any of GTECH's officers, directors, investors, owners, partners, and other principals, as more particularly described in Texas Government Code Ann. § 466.155 (collectively, GTECH principals); (c) any of GTECH's employees; (d) any of GTECH's Subcontractors, or Subcontractors' officers, directors, investors, owners, partners, principals, or employees (collectively, Subcontractor Personnel); or (e) any other associates of GTECH it deems appropriate.

We further agree that the Texas Lottery Commission may also request background information for a spouse, child, brother, sister, or parent residing as a member of the same household in the principal place of residence of GTECH, any GTECH principals, or GTECH employees described above and that such background investigations may include fingerprint identification by the Texas Department of Public Safety, the Federal Bureau of Investigation, and any other law enforcement agency. We acknowledge that the Texas Lottery may terminate any Contract resulting from the RFP based solely upon the results of these background investigations.

3.13.2

Obligation to Provide Information

GTECH, if the Successful Proposer, agrees that, during the term of the Contract and any renewal thereof, it will be obligated to provide such information about any GTECH principals, GTECH employees, and Subcontractor Personnel as the Texas Lottery may prescribe. GTECH also agrees that the Texas Lottery may conduct background investigations of such persons.

3.13.3

Objection to an Employee

GTECH agrees that, upon notification by the Texas Lottery to GTECH that the Texas Lottery objects to an employee based on a background investigation, GTECH will prevent that employee from working on the Texas Lottery account and will deny that employee access to the Texas Lottery systems. If chosen as the Successful Proposer, GTECH also acknowledges and agrees that the Texas Lottery may conduct background investigations of such persons at GTECH's expense.

3.14

Compliance

GTECH will comply with all applicable laws, rules, and regulations, including without limitation those involving non-discrimination on the basis of race, color, religion, national origin, age, sex, and disability.

3.15

Term of Contract

3.15.1

Effective Contract Dates

GTECH agrees that any Contract resulting from the RFP will be effective upon execution and continue through August 31, 2018, subject to the termination provisions in the RFP and subject to the Texas Lottery being continued and funded by the Texas Legislature.

3.15.2

Compensation Pending Successful Conversion

GTECH agrees that, as the Successful Proposer, it will not receive compensation prior to successful conversion. It is understood that the conversion period is expected to last approximately twelve (12) months and that the Texas Lottery expects GTECH's system to be fully operational with retailers selling Lottery products on September 1, 2011.

3.15.3

Contract Extensions

GTECH acknowledges that the Texas Lottery reserves the right to extend any Contract resulting from the RFP, at its sole discretion, for up to four (4) additional two-year periods, at a mutually agreed upon rate, prior to the end of the initial Contract period, or any extension thereof, or at a time mutually agreed upon by both parties.

3.15.4

State of Readiness

GTECH, if the Successful Proposer, will maintain its system in a state of readiness for a period of ninety (90) days after the termination of GTECH's role as the operator of the Lottery Gaming System, if a different vendor has been chosen to replace GTECH as Lottery Operator. We agree that at any time during this ninety (90) day period, the Texas Lottery may require GTECH to resume its role as the operator of the Lottery Gaming System for up to two (2) additional years. GTECH acknowledges that exercising this right (i.e., the 90-day extension) will not be construed as conferring any right or expectation for GTECH to continue operating under the Contract after the expiration of any such ninety (90) day period. We acknowledge that GTECH will be entitled to compensation during the renewal period at the then-current contract rate, but only for transactions processed by GTECH's system.

3.16

Termination at Will

GTECH acknowledges that the Texas Lottery, in its sole discretion, may terminate, in whole or in part, any Contract resulting from the RFP at will and without cause upon no less than thirty (30) days' advance written notice. We further acknowledge that the Texas Lottery also may terminate any Contract immediately with written notice, if the Executive Director, in his or her sole judgment, believes that the integrity or security of the Texas Lottery is in jeopardy and it is in the best interest of the Texas Lottery to do so. We also acknowledge that the Texas Lottery's right to terminate for convenience any Contract resulting from the RFP is cumulative of all rights and remedies which exist now or in the future.

3.17 (a-j)

Termination for Cause

GTECH agrees the Texas Lottery reserves the right to terminate, in whole or in part, any Contract resulting from the RFP upon no less than five (5) days' notice upon the following conditions:

- a. A receiver, conservator, liquidator, or trustee of GTECH, or of any of its property, is appointed by order or decree of any court or agency or supervisory authority having jurisdiction; or an order for relief is entered against GTECH under the Federal Bankruptcy Code; or GTECH is adjudicated bankrupt or insolvent; or any portion of the property of GTECH is sequestered by court order and such order remains in effect for more than thirty (30) days after such party obtains knowledge thereof; or a petition is filed against GTECH under any state, reorganization, arrangement, insolvency, readjustment of debt, dissolution, liquidation, or receivership law of any jurisdiction, whether now or hereafter in effect, and such petition is not dismissed within thirty (30) days.
- b. GTECH files a case under the Federal Bankruptcy Code or is seeking relief under any provision of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution, receivership or liquidation law of any jurisdiction, whether now or hereafter in effect, or consents to the filing of any case or petition against it under any such law.
- c. GTECH makes an assignment for the benefit of its creditors, or admits in writing its inability to pay its debts generally as they become due, or consents to the appointment of a receiver, trustee, or liquidator of GTECH or of all or any part of its property; or judgment for the payment of money in excess of \$50,000.00 (which is not covered by insurance) is rendered by any court or governmental body against GTECH, and GTECH does not discharge the same or provide for its discharge in accordance with its terms, or procure a stay of execution thereof within thirty (30) days from the date of entry thereof, and within said 30-day period or such longer period during which execution of such judgment will have been stayed, appeal therefrom and cause the execution thereof to be stayed during such appeal while providing such reserves therefore as may be required under generally accepted accounting principles; or a writ or warrant of attachment or any similar process will be issued by any court against all or any material portion of the property of GTECH, and such writ or warrant of attachment or any similar process is not released or bonded within thirty (30) days after its entry.
- d. A court of competent jurisdiction finds that GTECH has failed to adhere to any laws, ordinances, rules, regulations, or orders of any public authority having jurisdiction.

- e. GTECH fails to communicate with the Texas Lottery as required by the Contract.
- f. GTECH fails to remove any person from work relating to the Contract upon written notice from the Texas Lottery.
- g. GTECH breaches the RFP's standard of confidentiality with respect to the RFP or the goods or services provided thereunder.
- h. The Texas Lottery makes a written determination that GTECH has failed to substantially perform under the Contract and specifies the events resulting in the Texas Lottery's determination thereof.
- i. GTECH fails to comply with any of the terms, conditions, or provisions of the Contract, in any manner whatsoever.
- j. GTECH engages in any conduct that results in a negative public impression including, but not limited to, creating even an appearance of impropriety with respect to the Texas Lottery, Texas Lottery games, GTECH, or the State of Texas.

3.18 (a-b)

Termination for Impossibility of Performance

GTECH acknowledges that the Texas Lottery reserves the right to terminate, in whole or in part, any Contract resulting from the RFP upon no less than five (5) days' notice upon any of the following conditions:

- a. The failure of the Texas Legislature to appropriate funds to the Texas Lottery for any Contract resulting from the RFP.
- b. Any act or omission by the Texas Legislature which renders performance by the Texas Lottery impossible.

3.19

Termination Without Penalty

GTECH agrees that, pursuant to Texas Government Code ANN. § 466.014(c), the Executive Director is permitted to terminate any Contract entered into as a result of the RFP, without penalty, if an investigation reveals that GTECH would not be eligible for a sales agent license under Texas Government Code ANN. § 466.155.

3.20

No Liability Upon Termination

GTECH acknowledges that if any Contract entered into as a result of the RFP is terminated for any reason, the Texas Lottery and the State of Texas will not be liable to GTECH for any damages, losses, financial obligations, breach of contract, or any other claims or amounts arising from or related to any such termination. We acknowledge, however, that GTECH may be entitled to the remedies provided in Texas Government Code, Chapter 2260.

3.21 (a-e)

Effect of Termination

Upon any termination or expiration of this Contract, the following terms will apply:

- a. The permissions, licenses, and authorizations granted by GTECH to the Texas Lottery pursuant to the terms of the RFP or any resulting Contract will remain in full force and effect.
- b. The Texas Lottery may, at its option, purchase the Lottery Gaming System equipment at its depreciated value as determined by the lower of the GAAP basis or Federal Tax basis.
- c. In the event that the contracts and assets related to the Lottery Network have not been assigned by GTECH to the Texas Lottery, GTECH will immediately assign all such contracts and assets to the Texas Lottery. Upon such assignment, GTECH will provide a detailed inventory and network diagrams of the Lottery Network, which will include all components necessary for the operation of the Lottery Network.

- d. GTECH will immediately surrender to the Texas Lottery all memoranda, notes, records, drawings, manuals, computer software, and other documents or materials (and all copies of same) pertaining to the works, reports, and other data or materials generated or developed by GTECH or furnished by the Texas Lottery to GTECH, including all materials embodying any Texas Lottery confidential information, regardless of whether the works or materials are complete or incomplete; provided however, that as to memoranda, notes, records, drawings, manuals, computer software and other documents or materials pertaining to the Works, GTECH will be required to provide only copies thereof, and GTECH will be entitled to retain copies thereof to facilitate its exploitation of the works as permitted by this Contract. This section will apply to all materials made or compiled by GTECH, as well as to all materials furnished to GTECH by the Texas Lottery or by anyone else that pertains to the Works.
- e. If this Contract is terminated for cause by the Texas Lottery, the Texas Lottery will be entitled to receive delivery of the source code for all of the software necessary for operation of the Lottery Gaming System from the source code escrow established pursuant to the requirements contained in this Contract.

3.22

Warranties

3.22.1

Lawfully Organized

GTECH warrants and agrees that it is lawfully organized and constituted under all applicable national, international, state and local laws, ordinances and other authorities of its domicile and is otherwise in full compliance with all legal requirements of its domicile.

3.22.2

Legal Authority

GTECH warrants and agrees that it has the legal authority and capacity to enter into and perform any Contract resulting from its response to the RFP, and that it has the financial ability to perform its obligations under such Contract.

3.22.3

Duly Authorized to Operate and Do Business

GTECH hereby warrants and agrees that it has been duly authorized to operate and do business in all places where it will be required to do business under any Contract awarded pursuant to the RFP; that it has obtained or will obtain all necessary licenses and permits required in connection with such Contract; and that it will fully comply with all laws, decrees, labor standards and regulations of its domicile and wherever performance occurs during the term of such Contract.

3.22.4

Conflict of Interest

GTECH warrants and agrees that it has no present interest and will not acquire, or assign to any third party, any interest that would conflict in any manner with our duties and obligations under any Contract awarded pursuant to the RFP.

3.22.5

Goods and Services

GTECH warrants and agrees that, if selected as the Successful Proposer, all goods and services it supplies in its performance under any Contract awarded pursuant to the RFP will meet the performance standards required thereunder and will be performed in a prompt, high-quality, professional, and competent manner using only qualified personnel.

3.22.6

Tickets, Games, Goods and Services

GTECH, if the Successful Proposer, warrants and agrees that its tickets, games, goods, and services will in all respects conform to, and function in accordance with, Texas Lottery-approved specifications and designs.

3.22.7

Terms, Conditions, Agreements or Covenants

GTECH warrants and agrees that it will not take any action inconsistent with any of the terms, conditions, agreements, or covenants set forth in the RFP without the express written consent of the Texas Lottery.

3.22.8

Sales Agent License

GTECH warrants that it is eligible for a sales agent license under Texas Government Code Ann. § 466.155 (Chapter 466 is also known as the State Lottery Act).

3.22.9

Misprinted On-Line Tickets

GTECH warrants and agrees that it will pay and agrees to pay any amount paid by the Texas Lottery and any costs incurred by the Texas Lottery as a result of and/or in connection with a misprinted On-line Ticket as set forth in RFP Amendment 6.

3.22.10

Equipment in Good Condition

GTECH hereby warrants and agrees that, if selected as the Successful Proposer, it will keep all equipment, related to the performance of any Contract resulting from the RFP, in good condition and repair and will not permit anything to be done that may materially impair the value thereof. We will use such equipment only in the ordinary course of its performance under this Contract and will not permit such equipment to be used in violation of any applicable law, regulation, or policy of insurance, nor for any other lawful purpose (e.g., issuing/renewing hunting and fishing licenses, paying utility bills, etc.) unless expressly authorized in writing by the Texas Lottery. We also agree to develop an equipment maintenance and replacement schedule subject to approval by the Texas Lottery and agree to comply with that schedule.

3.22.11

Proposed Goods

GTECH warrants and agrees that, if selected as the Successful Proposer, we will not sell, assign, lease, transfer, pledge, hypothecate, or otherwise dispose of any component of any goods or system proposed in response to the RFP or any interest therein, or permit any of it to become a fixture or accession to other goods or property.

3.22.12

Code Disabling the Lottery Gaming System

GTECH warrants and agrees that, if selected as the Successful Proposer, the Lottery Gaming System will be free from any code which would, or is designed to, disable the Lottery Gaming System (or any component of the Lottery Gaming System) automatically after the passage of time or under the control of a person other than the Texas Lottery and free from any code which would permit unauthorized access to the Lottery Gaming System (or any component of the Lottery Gaming System), such as a virus. We agree that GTECH's use of remote diagnostic software to disable any portion of the Lottery Gaming System (other than as necessary for support or maintenance) or to gain unauthorized access to the Lottery Gaming System will be deemed a breach of this warranty.

3.22.13

Clock, Counter, Virus or Other Limiting Design or Routine

GTECH, if the Successful Proposer, warrants and agrees that the Lottery Gaming System delivered to the Texas Lottery under this Contract will be free from any clock, counter, virus, or other limiting design or routine that will cause the Lottery Gaming System to be erased, made inoperable, or otherwise become incapable of being used by the Texas Lottery after being used a certain number of times, or after the lapse of a certain period of time, or after the occurrence or lapse of any other triggering event.

3.22.14

Integrity of Data

GTECH, if the Successful Proposer, warrants and agrees that the Lottery Gaming System will maintain the integrity of the data that is used or displayed by the Lottery Gaming System throughout the Contract term and any renewal periods.

3.22.15

Secure Operation

GTECH, if the Successful Proposer, warrants and agrees that the Lottery Gaming System shall operate in a secure manner and will be designed and operated so as to prevent intrusions and unauthorized use. We also warrant that we will immediately report to the Executive Director any intrusions or unauthorized uses of the Lottery Gaming System.

3.22.16

Title and License to Lottery Gaming System

GTECH warrants and agrees that it has good and marketable title to and/or the right to license, all of the Lottery Gaming System, free and clear of all liens, security interests and other encumbrances.

3.22.17

Outstanding Assignments, Grants, Licenses, etc.

GTECH warrants, informs, discloses, and represents that it has no outstanding assignments, grants, licenses, encumbrances, obligations, or agreements which relate to the Lottery Gaming System, whether written, oral or implied, and are inconsistent with this Contract or the rights, duties, and obligations stated in this Contract.

We acknowledge that all of the above warranties contained in RFP Section 3.22 will survive expiration or termination of the Contract.

3.23

Licenses and Permits

GTECH, if the Successful Proposer, agrees to obtain, maintain, and pay for all licenses, permits, and certificates including all professional licenses required by any statute, ordinance, rule, or regulation. We will immediately notify the Texas Lottery of any suspension, revocation, or other detrimental action against its licenses, permits, or certificates.

3.24

Successful Proposer Site Visits

GTECH acknowledges that, as the Successful Proposer, the Texas Lottery will have the free and unrestricted right, acting by itself or through its authorized representatives, to enter the premises of GTECH and any Subcontractors, and to enter any other sites involved in providing goods and/or services under any Contract resulting from the RFP, to examine their operations and to inspect and copy the records of GTECH and/or Subcontractors pertaining to goods and services provided under any Contract resulting from the RFP. GTECH and its subcontractors will implement all reasonable quality control and security procedures requested by the Texas Lottery or representatives as designated by the Texas Lottery. We also acknowledge the Texas Lottery will use reasonable efforts not to disrupt the normal business operations of GTECH (or Subcontractor, as applicable) during site visits announced or unannounced.

3.25

Intellectual Property Rights

3.25.1

Ownership

We acknowledge and agree that, between us and the Texas Lottery, the Works and Intellectual Property Rights in the Works are and will be owned exclusively by the Texas Lottery, and not GTECH. We specifically agree that all Works will be considered "works made for hire" and that the Works will, upon creation, be owned exclusively by the Texas Lottery. We acknowledge that to the extent that the Works, under applicable law, may not be considered works made for hire, GTECH hereby agrees that the Contract resulting from the RFP transfers, grants, conveys, assigns, and relinquishes exclusively to the Texas Lottery all right, title and interest in and to the Works, and all Intellectual Property Rights in the Works, without the necessity of any further consideration, and the Texas Lottery will be entitled to obtain and hold in its own name all Intellectual Property Rights in and to the Works, subject to any exceptions with respect to pre-existing or third-party rights as set forth below.

3.25.2

Ownership of Prior Rights by the Texas Lottery

GTECH agrees that all property and tangible or intangible items, including the Intellectual Property Rights therein, that were created, developed, or owned by the Texas Lottery prior to the issuance of the RFP or execution of any Contract resulting therefrom (e.g., copyrights, trademarks, etc.) will continue to be exclusively owned by the Texas Lottery, and GTECH will have no ownership thereof, and no rights thereto, other than the limited, non-exclusive right to use such property or tangible and intangible items solely for the purposes set forth in the RFP or resulting Contract, if any, and only for the duration of such Contract.

3.25.3

Ownership of Prior Rights by the Successful Proposer

We agree that, if we are the Successful Proposer, all property and tangible or intangible items, including the Intellectual Property Rights therein, that were created, developed, or owned by GTECH prior to the issuance of the RFP will continue to be exclusively owned by GTECH, and the Texas Lottery will have no ownership thereof, and no rights thereto, other than the limited, non-exclusive right to use such property or tangible or intangible items solely for the purposes set forth in the RFP or resulting Contract, if any.

We also acknowledge and agree that all tangible and intangible items relating to the goods and/or services set forth herein or under the Contract, including the Intellectual Property Rights in those tangible or intangible items, that were created, developed, or licensed by GTECH prior to the issuance of the RFP or the execution of the Contract, or during the term of the Contract, to the extent such tangible or intangible items are not considered works as defined above, will be, and are, licensed to the Texas Lottery on a non-exclusive, perpetual, irrevocable, royalty-free, worldwide basis, to allow the Texas Lottery or its designees to provide, and continue to provide, the goods and services set forth herein or under the Contract, including after the expiration or termination of the Contract.

3.25.4 Further Actions

GTECH, if the Successful Proposer, upon request and without further consideration, will perform any acts that may be deemed necessary or desirable by the Texas Lottery to evidence more fully the transfer of ownership of all Works to the Texas Lottery to the fullest extent possible, including but not limited to the execution, acknowledgement, and delivery of such further documents in a form determined by the Texas Lottery. We agree that in the event the Texas Lottery will be unable for any reason to obtain GTECH's signature on any document necessary for any purpose set forth in the foregoing sentence, GTECH hereby irrevocably designates and appoints the Texas Lottery and its duly authorized officers and agents as GTECH's agent and GTECH's attorney-in-fact to act for and in GTECH's behalf and stead to execute and file any such document and to do all other lawfully permitted acts to further any such purpose with the same force and effect as if executed and delivered by GTECH.

3.25.5 Waiver of Moral Rights

GTECH, if the Successful Proposer, hereby irrevocably and forever waives, and agrees never to assert, any Moral Rights in or to the Works which GTECH may now have or which may accrue to GTECH's benefit under U.S. or foreign copyright laws and any and all other residual rights and benefits which arise under any other applicable law now in force or hereafter enacted. We acknowledge that the term "Moral Rights" will mean any and all rights of paternity or integrity of the Works and the right to object to any modification, translation, or use of the Works, and any similar rights existing under the judicial or statutory law of any country in the world or under any treaty, regardless of whether or not such right is denominated or referred to as a moral right.

3.25.6 Confidentiality

GTECH agrees that all Works and all materials forwarded to GTECH, as Successful Proposer, by the Texas Lottery for use in and preparation of the Works, will be deemed the confidential information of the Texas Lottery, and that we will not use, disclose, or permit any person to use or obtain the Works, or any portion thereof, in any manner without the prior written approval of the Texas Lottery.

3.25.7 Injunctive Relief

We acknowledge that the RFP and Contract are intended to protect the Texas Lottery's proprietary rights pertaining to the Works, and the intellectual property rights therein, and any misuse of such rights would cause substantial and irreparable harm to the Texas Lottery's business. Therefore, if the Successful Proposer, GTECH acknowledges and stipulates that a court of competent jurisdiction should immediately enjoin any material breach of the intellectual property, licensing, and confidentiality provisions of the RFP or Contract, upon a request by the Texas Lottery, without requiring proof of irreparable injury as same should be presumed.

3.25.8 Return of Works

GTECH agrees that, upon the request of the Texas Lottery, but in any event upon expiration or termination of any Contract resulting from the RFP, GTECH, if the Successful Proposer, will surrender to the Texas Lottery all documents and things pertaining to the Works, including but not limited to drafts, memoranda, notes, records, drawings, manuals, computer software, reports, data, and all other documents or materials (and copies of same) generated or developed by GTECH or furnished by the Texas Lottery to GTECH, including all materials embodying the Works, any Texas Lottery confidential information, or Intellectual Property Rights, regardless of whether complete or incomplete. We acknowledge this section is intended to apply to all Works made or compiled by GTECH, as well as to all documents and things furnished to GTECH by the Texas Lottery or by anyone else that pertains to the Works.

3.25.9 Successful Proposer's Name or Logo

GTECH agrees that, if the Successful Proposer, we will not affix our company name, label, logo, or any other similar identifying information to or on any products, equipment, or any other goods provided under any Contract resulting from the RFP.

3.26

Pre-Existing and Third-Party Rights

3.26.1

Pre-Existing and Third-Party Rights Provisions

GTECH agrees that to the extent that any pre-existing rights and/or third-party rights or limitations are embodied, reserved, or reflected in the Works, GTECH, if the Successful Proposer, will either (a) grant to the Texas Lottery the irrevocable, perpetual, non-exclusive, worldwide, royalty-free right and license to (i) use, execute, reproduce, display, perform, distribute copies of, and prepare derivative works based upon such pre-existing rights and any derivative works thereof and (ii) authorize others to do any or all

of the foregoing, or (b) where the obtaining of worldwide rights is not reasonably practical or feasible, provide written notice to the Texas Lottery of such pre-existing or third-party rights or limitations, request the Texas Lottery's approval of such pre-existing or third-party rights, obtain a limited right and license to use such pre-existing or third-party rights on such terms as may be reasonably negotiated, and obtain the Texas Lottery's written approval of such pre-existing or third-party rights and the limited use of same. We agree to provide the Texas Lottery with documentation indicating a third party's written approval for GTECH to use any pre-existing or third-party rights that may be embodied, reserved, or reflected in the works.

GTECH will indemnify, defend, and hold the Texas Lottery harmless from and against any and all claims, demands, regulatory proceedings and/or causes of action, and all losses, damages, and costs (including attorneys' fees and settlement costs) arising from or relating to, directly or indirectly, any claim or assertion by any third party that the Works infringe any third-party rights. We acknowledge the foregoing indemnity obligation will not apply to instances in which the Texas Lottery either (y) exceeded the scope of the limited license that was previously obtained by GTECH and agreed to by the Texas Lottery, or (z) obtained information or materials, independent of GTECH's involvement or creation, and provided such information or materials to GTECH for inclusion in the Works, and such information or materials were included by GTECH, in an unaltered and unmodified fashion, in the Works.

3.26.2

Written Agreements

GTECH, if the Successful Proposer, hereby agrees that it will have and maintain, during performance of any Contract arising from the RFP, written agreements with all employees, Subcontractors, or agents engaged by GTECH in performance hereunder, granting GTECH rights sufficient to support all performance and grants of rights by GTECH. We also agree to provide copies of such agreements to the Texas Lottery promptly upon request.

3.27

Remediation

We acknowledge that if the Works or the Intellectual Property Rights therein become the subject of a lawsuit or claim of infringement, or GTECH becomes aware that such items are likely to become the subject of a lawsuit or claim of infringement, GTECH will exercise one (1) of the following two (2) options in order to provide the Texas Lottery with continued and uninterrupted use of the Works and intellectual property rights therein: (a) obtain for the Texas Lottery the right to continue the use of the alleged infringing Works at no additional cost to the Texas Lottery, or (b) obtain alternative, substitute, or new Works for the allegedly infringing Works, which are of equivalent or superior quality to the allegedly infringing Works, at no additional cost to the Texas Lottery, and subject to the acceptance of the Texas Lottery in its sole discretion.

3.28

Intellectual Property Search

GTECH agrees that, if the Successful Proposer, we will, at our expense, conduct all appropriate intellectual property searches (e.g., full copyright, trademark or service mark or patent searches) for all proposed Works, to ensure that the proposed Works are protectable by the Texas Lottery and do not infringe the Intellectual Property Rights of any third person or entity. We also agree to hold the Texas Lottery harmless from the infringement of such Works, as set forth above. We acknowledge the Texas Lottery retains the right and option to obtain or secure registration of the Works in its own name, and on its own behalf, without the substantive involvement of GTECH. We also acknowledge the Texas Lottery will withhold indemnified losses from payments to GTECH, or, if no payments are made, the Texas Lottery will make demand of payment of indemnified losses. GTECH agrees to make payment within thirty (30) days of the Texas Lottery's demand.

3.29

Accounting Records

We acknowledge that, if the Successful Proposer, GTECH and its Subcontractors will maintain their books, records, information, and other materials pertaining to any Contract awarded pursuant to the RFP in accordance with generally accepted accounting principles. GTECH agrees that these records will be available to the Texas Lottery, its internal auditor or external auditors (and other designees), and the Texas State Auditor at all times during the Contract period and for a period of five (5) full years after (i) the expiration date of any Contract awarded pursuant to this RFP, or (ii) final payment under any Contract awarded pursuant to the RFP, whichever is later.

3.30

Right to Audit

GTECH acknowledges that, if it is the Successful Proposer, acceptance of state funds under this Contract acts as acceptance of the authority of the State Auditor's Office, or its designee, to conduct an audit, other assurance services or investigation in connection with those funds. GTECH further agrees to cooperate fully with the State Auditor's Office in the conduct of the audit, other assurance services or investigation, including providing all records requested. We will ensure that this provision concerning the State Auditor's Office's authority to audit state funds and the requirement to cooperate fully with the State Auditor's Office is included in any subcontracts we award. Additionally, GTECH agrees the State Auditor's Office will at any time have access to and the rights to examine, audit, excerpt, and transcribe any pertinent books, documents, working papers, and records of GTECH relating to this Contract.

3.31 (a-d)

Audit Requirements

GTECH, if the Successful Proposer, agrees to meet the following specific auditing obligations:

- a. GTECH will complete financial audit conducted annually, and provide a copy of such audited financial statements to the Texas Lottery annually.
- b. In addition, a complete internal control audit, in compliance with Statement on Auditing Standards No. 70 (SAS 70) requirements, of GTECH's Texas operations will be conducted annually by an independent certified public accounting firm. GTECH will pay for all audit services. This audit will be conducted pursuant to SAS 70, as issued by the American Institute of Certified Public Accountants as it may be updated or amended from time to time. We acknowledge the Texas Lottery reserves the right to specify the type of report and the control objectives to be examined as well as the accounting firm to perform the audit. We also acknowledge the Texas Lottery reserves the right to designate the annual period to be covered by the report relating to the internal control audit. GTECH agrees (i) to fully cooperate with any auditor retained to perform such audit; (ii) to generally release and waive any and all claims against the auditor other than those based upon intentional misconduct occurring during such audit; and (iii) to indemnify and hold harmless any auditor retained to perform such audit. Further, it is agreed that any such auditor is a direct and intended third-party beneficiary of this provision.
- c. The Texas Lottery's internal auditor or external auditors (and other designees) and the Texas State Auditor will be given the right to review the work papers of the audits conducted by any independent certified public accounting firm, if considered necessary or desirable by the Texas Lottery.
- d. The Texas Lottery's internal auditor and Executive Director will be given a copy of all reports including any management letters issued as a result of the specified audits within ten (10) days of issuance. Ten (10) additional copies of all reports will be made available to the Texas Lottery upon request.

3.32

Right to Additionally Audit the Successful Proposer's Texas Operations

3.32.1

Right to Audit Records and Operations

GTECH acknowledges that, in the event it is selected as the Successful Proposer, the Texas Lottery reserves the right to audit GTECH's records and operations as they relate to the Texas Lottery. It is understood and acknowledged that GTECH's records are subject to audit by the Texas Lottery and the state auditor. We agree, for the purpose of this provision, the Texas Lottery or state auditor may examine all books, records, papers, or other objects, as well as data and systems that the Texas Lottery or state auditor determines are necessary for conducting a complete examination. We further acknowledge and agree the Texas Lottery or state auditor may also examine under oath any officer, director, or employee of GTECH. In addition, we acknowledge the Texas Lottery or state auditor may conduct an examination at the principal office or any other office of GTECH or may require GTECH to produce the records at the office of the Texas Lottery or state auditor. We acknowledge that if GTECH refuses to permit an examination or to answer any question during the course of an audit, GTECH is subject to sanctions as provided in the Contract.

3.32.2

Auditor Agreements

GTECH, if the Successful Proposer, hereby agrees (i) to fully cooperate with any auditor retained to perform such audit; (ii) to generally release and waive any and all claims against the auditor other than those based upon intentional misconduct occurring during such audit, and (iii) to indemnify and hold harmless any auditor retained to perform such audit. Further, we agree that any such auditor is a direct and intended third-party beneficiary of this provision.

3.33

Indemnification

3.33.1

Indemnification Provisions

If the Successful Proposer, GTECH will indemnify, defend, and hold the Texas Lottery, its commission members, the State of Texas, and its agents, attorneys, employees, representatives, and assigns (the Indemnified Parties) harmless from and against any and all claims, demands, causes of action, liabilities, lawsuits, losses, damages, costs, expenses or attorneys' fees (collectively, Claim), and including any liability of any nature or kind arising out of a Claim for or on account of the Works, or other goods, services, or deliverables provided as the result of any Contract resulting from the RFP, which may be incurred, suffered, or required in whole or in part by an actual or alleged act or omission of GTECH, or a subcontractor of GTECH, or any person directly or indirectly employed by GTECH or a subcontractor of GTECH, whether the Claim is based on negligence, strict liability, intellectual property infringement, or any other culpable conduct, whether frivolous or not. The foregoing indemnity obligations of GTECH will not apply to Claims arising out of or related to the exceptions (y) and (z) set forth in RFP Section 3.26.1.

3.33.2

Liability

If the Successful Proposer, GTECH acknowledges that its liability will extend to and include all reasonable costs, expenses, and attorneys' fees incurred or sustained by the Indemnified Parties in: (a) making any investigation and in prosecuting or defending any Claim arising out of or in connection with the Works, or other goods, services, or deliverables provided under any contract resulting from the RFP (including but not limited to any claim that all or any portion of the Works infringes the patent, copyright, trade secret, trademark, confidential information, or other Intellectual Property Rights of any third party); (b) obtaining or seeking to obtain a release there from; or (c) enforcing any of the provisions contained in the RFP or the contract. We acknowledge that the Texas Lottery will withhold all indemnification costs and related expenses and fees (incurred or sustained by the Indemnified Parties) from payments to GTECH under any contract resulting from the RFP, or if no contract payments are to be made, the Texas Lottery will make demand of payment from GTECH or seek recovery against GTECH's Performance Bond. The Indemnified Parties, upon giving notice to GTECH, will have the right in good faith to pay, settle or compromise, or litigate any Claim under the belief that the Claim is well founded, whether it is or not, without the consent or approval of GTECH.

GTECH agrees that the Texas Lottery has sole discretion as to the choice and selection of any attorney who may represent the Texas Lottery. We acknowledge that to the extent that GTECH makes any payments to or on behalf of the Indemnified Parties under the contract, and to the extent permissible by law, GTECH will be fully subrogated to all rights and claims of the Indemnified Parties in connection therewith and that in any event, the Indemnified Parties will provide reasonable notice to GTECH of any Claim known to the Indemnified Parties to arise out of the contract.

3.34

Bonds and Insurance

GTECH acknowledges and will comply with the requirement for all required bonds and insurance to be issued by companies or financial institutions which are financially rated Excellent or better as rated by A.M. Best Company and duly licensed, admitted, and authorized to do business in the State of Texas. We will name the Texas Lottery as the obligee in each required bond. We agree that each insurance policy, except those for workers' compensation, employer's liability and professional liability, will name the Texas Lottery (and its officers, agents, and employees) as an additional insured on the original policy and all renewals or replacements.

GTECH's insurance coverage will include a waiver of subrogation in favor of the Texas Lottery, its officers, and employees for bodily injury (including death), property damage, or any other loss. We agree that the insurance will be evidenced by delivery to the Texas Lottery of certificates of insurance executed by the insurer or its authorized agency stating coverage, limits, expiration dates, and compliance with all applicable required provisions. We further agree that upon request, the Texas Lottery will be entitled to receive, without expense, certified copies of the policies and all endorsements.

It is acknowledged that, except as otherwise expressly provided herein, required coverage will remain in full force and effect throughout the term of the contract and any extensions thereof, and provide adequate coverage for incidents discovered after termination of the contract. GTECH agrees that insurance coverage will not be canceled, non-renewed, or materially changed except after thirty (30) days' notice by certified mail to the Texas Lottery. We will submit original certificates of insurance for each required insurance contract, and any renewals thereof, within fifteen (15) days after contract execution. We will submit renewal certificates prior to or within fifteen (15) days after expiration of the existing policy. GTECH has provided the bonds as required in sections of the RFP outlining bond requirements.

3.35

Self Insurance

GTECH acknowledges that, if the Successful Proposer, it may not elect to provide, entirely or in part, any insurance/bond protections described in the RFP through self-insurance. We acknowledge that a deductible provision contained in an insurance policy that meets the requirements of the RFP is not considered as self-insurance unless the deductible amount exceeds ten percent (10%) of the face amount of the insurance policy.

3.36

Performance Bond

3.36.1

Original Performance Bond

If the Successful Proposer, GTECH will provide an original performance bond in the amount of thirty-five million dollars (\$35,000,000) within fifteen (15) days of execution of the contract. We acknowledge that failure to have and keep a bond in place will constitute a breach of any Contract entered into as a result of the RFP.

3.36.2

Bond Maintenance

GTECH agrees that the bond will be maintained in full force and effect for the initial term and any renewal term of the Contract and that the bond will be forfeited to the Texas Lottery if, as the Successful Proposer, GTECH fails to perform as required by the Contract, pay sanctions or liquidated damages, or indemnify the Texas Lottery.

3.37

General Liability Insurance

If the Successful Proposer, GTECH will maintain general liability insurance coverage with limits of not less than two million dollars (\$2,000,000) per occurrence, four million dollars (\$4,000,000) general aggregate, two million dollars (\$2,000,000) products/completed operations aggregate and two million dollars (\$2,000,000) personal and advertising injury. The Policy will be endorsed to include the Amendment of Aggregate Limits per location.

3.38

Property Insurance

If the Successful Proposer, GTECH will maintain insurance on all buildings, furniture, fixtures, computer, and communications equipment used in operating and supporting our operations under any Contract resulting from the RFP in an amount equal to or greater than the actual replacement cost thereof. Coverage will include an All Risk Property Floater to insure personal property including contents, equipment, and mobile items against fire, theft, collision, flood, etc. We acknowledge that the Texas Lottery will not be responsible for insuring any equipment or facilities included in or associated with GTECH's operations.

3.39

Errors and Omissions Insurance

If the Successful Proposer, GTECH will maintain professional liability errors and omissions insurance of not less than ten million dollars (\$10,000,000), to be in force and effect during the term of the Contract including any extension thereof and one year thereafter. Such coverage will indemnify the Texas Lottery for direct loss due to errors, omissions, or problems of any type arising out of the performance of or failure to perform system services or out of the failure of hardware or software to perform the function or serve the purpose intended, for which GTECH is legally liable.

3.40

Crime Insurance

If the Successful Proposer, GTECH will maintain crime insurance with a limit of not less than five million dollars (\$5,000,000) protecting the Texas Lottery against losses, including lost income, lost profits, extra expenses, and other consequential losses suffered by the Texas Lottery, resulting from loss of property (including money, securities, and Texas Lottery tickets) by robbery, burglary, or theft, computer fraud or the loss of money, securities or Texas Lottery tickets because of destruction or disappearance. The policy will also include employee dishonesty coverage with a minimum of five million dollars (\$5,000,000) per person endorsed to cover third-party property and no conviction clause.

3.41

Automobile Liability Insurance

If the Successful Proposer, GTECH will maintain automobile liability insurance covering its employees, drivers and vehicles and each subcontractor will carry the same coverage and limits as those required of GTECH. The automobile liability insurance will have limits of not less than two million dollars (\$2,000,000) for bodily injury to each person, four million dollars (\$4,000,000) for bodily injury each accident, two million dollars (\$2,000,000) for property damage, and a combined single limit of not less than four million dollars (\$4,000,000).

3.42

Workers' Compensation & Employers Liability Insurance

If the Successful Proposer, GTECH will maintain Workers' Compensation insurance coverage in accordance with statutory limits, and Employers Liability insurance coverage with minimum limits for bodily injury:

- a. By accident, \$100,000 per each accident; and
- b. By disease, \$100,000 per employee with a per policy aggregate of \$500,000.

Coverage will include a waiver of subrogation in favor of the Texas Lottery Commission, its officers, and employees.

3.43

Disclosure of Litigation

A complete disclosure of any material civil or criminal litigation or indictment either threatened or pending, as defined in the RFP, involving GTECH has been provided in Section 4.2.5, Performance During the Last Five Years.

GTECH acknowledges that, if it is the Successful Proposer, this is a continuing disclosure requirement, and any litigation commencing after submission of a Proposal (and after Contract Award) will be disclosed in a written statement to the Texas Lottery's General Counsel within fifteen (15) days of its occurrence.

GTECH will file with the Texas Lottery comprehensive monthly reports regarding all threatened or pending litigation involving its Texas operations and all threatened or pending litigation that may be considered material to the overall GTECH operations, as well as all procurement protests or responses to procurement protests involving GTECH or its parents, subsidiaries, or affiliates.

3.44

Disclosure of Sanctions and Liquidated Damages

**Confidentiality Claimed
Not released**

GTECH acknowledges that this is a continuing disclosure requirement and will disclose sanctions or liquidated damages regardless of dollar amount that occurred five times or more in a rolling calendar year, as well as any sanction or liquidated damage in excess of \$50,000, within fifteen (15) days of assessment, settlement, or payment, whichever is first.

If chosen as the Successful Proposer, GTECH will, upon request by the Texas Lottery, provide an updated report of all sanctions and/or liquidated damages assessed against GTECH during the term of any Contract resulting from the RFP.

3.45

Force Majeure/Delay of Performance

3.45.1

Delay Provisions

GTECH agrees that except as otherwise provided, neither GTECH, if the Successful Proposer, nor the Texas Lottery will be liable to the other for any delay in, or failure of performance of, any covenant contained herein caused by force majeure, as defined in the RFP. We acknowledge that the existence of such causes of delay or failure will extend the period of performance in the exercise of reasonable diligence until after the causes of delay or failure have been removed. GTECH will inform the Texas Lottery in writing within three (3) days of the existence of any such force majeure or otherwise waives this right as a defense.

3.45.2

Delays in Performance

If the Successful Proposer, GTECH will notify the Executive Director in writing of any delays in performance regardless of responsibility, fault, or negligence immediately upon discovery of any such delay. If GTECH contends that the delay is the responsibility, fault, or negligence of Texas Lottery staff, it will provide written notice within three (3) calendar days of the discovery, and to the extent possible, identify the event or individual responsible so that the Executive Director may take appropriate action to remedy the situation. Failure to provide such notice to the Executive Director as required in RFP Section 3.45 will constitute a waiver of GTECH's right to assert the Texas Lottery's action/inaction as a defense.

3.46

Security Requirements

3.46.1

Established Security Program

If the Successful Proposer, prior to beginning operations under any contract awarded pursuant to this RFP, GTECH will establish a security program, subject to the prior written approval of the Texas Lottery as specified in the RFP.

3.46.2

Further and Additional Security Measures

GTECH acknowledges that the Texas Lottery reserves the right to require at any time such further and additional security measures as deemed necessary or appropriate to ensure the integrity of its goods and services.

3.47

Taxes, Fees and Assessments

3.47.1

Payment of Any Taxes

GTECH agrees that the Texas Lottery will have no responsibility whatsoever for the payment of any federal, state, or local taxes which become payable by GTECH or its subcontractors, or their agents, officers, or employees. If the Successful Proposer, GTECH will pay and discharge when due all such taxes, license fees, levies, and other obligations or charges of every nature.

3.47.2

Tax Payment Responsibilities

If the Successful Proposer, GTECH will be responsible for payment of all taxes attributable to any Contract awarded pursuant to the RFP and any and all such taxes will be identified by GTECH's federal tax identification number. GTECH will pay all federal, state, and local taxes of any kind, including without limitation income, franchise, ad valorem personal property, sales, use, lease, payroll, consumption, distribution and storage taxes, for the goods, services, and systems relating thereto provided by GTECH, whether or not such taxes are in effect as of the date the Contract resulting from the RFP is signed or scheduled to go into effect, or become effective during the initial term and any and all renewal terms, if any.

3.48

News Releases

If selected as the Successful Proposer, GTECH will not issue any news releases or publish information to the public pertaining to this procurement process or the performance of any contract awarded by the Texas Lottery without prior written approval of the Texas Lottery. We further acknowledge and agree that, for any required disclosure or any public release of information of any kind, including a non-required disclosure that is under a deadline imposed by any statutory or regulatory authority, GTECH will seek approval from the Texas Lottery no less than two (2) working days prior to the deadline for the release of the information.

We acknowledge that in any case in which a deadline for the release of information exists, approval of the release by the Texas Lottery will neither be construed as an endorsement of the release, as assent to the content of the release, as an indication of the accuracy of the information in the release, nor as any admission of any kind regarding any subject covered in the release.

3.49

Advertising

3.49.1

Name, Logos, Images, Etc.

If selected as the Successful Proposer, GTECH agrees not to use the Texas Lottery's name, logos, images, nor any data or results arising from this procurement process or Contract awarded pursuant to the RFP as a part of any commercial advertising, or to promote GTECH in another jurisdiction's procurement process, without prior written approval by the Texas Lottery.

3.49.2

Pre-Approval by the Lottery

We acknowledge and agree that any advertising, promotions, and Point-Of-Sale (POS) material produced by GTECH, as the Successful Proposer, under the Contract or proposed for use by GTECH in Texas must be pre-approved by the Texas Lottery in writing.

3.50

Hiring of Texas Lottery Personnel

3.50.1

Employment Officers or Business Arrangements

We acknowledge and agree that, at all times following issuance of the RFP and ending with either the award of a Contract or the rejection of all Proposals, prospective Proposers are prohibited from officially or unofficially making any employment offer or proposing any business arrangement whatsoever to any Texas Lottery employee involved in the evaluation of Proposals, the Contract award, or Contract negotiations. We also acknowledge that a prospective Proposer making such an offer or proposition may be disqualified from further consideration.

3.50.2

Engaging Services of Any Texas Employee

We acknowledge and agree that, at all times following the issuance of the RFP and ending with either the award of a Contract or the rejection of all Proposals, Proposers will not engage the services of any State of Texas employee while such person remains employed by the State without the written consent of the Texas Lottery. We also acknowledge that, during the term of the Contract, if the Successful Proposer, GTECH will not engage the services of any State of Texas employee while such person remains employed by the State without the written consent of the Lottery.

3.51

Hiring of Lobbyist, Consultant and/or Advisor; Supplemental Information

In the following figure, GTECH has provided a list of names, addresses, and telephone numbers for all lobbyists, consultants, and/or advisors who will perform services related to GTECH's operations or interests in the State of Texas, pursuant to previously executed contracts, or during the three (3) years prior to the issuance of the RFP, who have performed services related to GTECH's operations or interests in the State of Texas for GTECH or any subcontractors of GTECH. GTECH agrees that it will immediately notify the Texas Lottery in the event of change of lobbyist, consultant, or advisor information.

Confidentiality Claimed
Not released

3.52

Notices

All notices from GTECH will be made by personal delivery or by certified (or registered) mail return receipt requested to the address below unless it is notified in writing by the Texas Lottery of any change:

- Texas Lottery Commission
Attention: Contracts Administration
P.O. Box 16630
Austin, Texas 78761-6630
Fax: (512) 344-5058
Contracts@lottery.state.tx.us

All notices from the Lottery should be addressed to:

- Mr. Alan Eland, Senior Vice President, GTECH Americas
GTECH Corporation
10 Memorial Boulevard
Providence, RI 02903
Fax: (401) 392-4945

3.53

Non-Disclosure

If selected as the Successful Proposer, in addition to maintaining confidentiality of information as prescribed in the Non-Disclosure Statement (RFP Section 2.4), GTECH agrees to maintain as confidential, and not disclose to third parties without the Texas Lottery's prior written consent, any Texas Lottery information including but not limited to the Texas Lottery's business activities, practices, systems, conditions, products, services, public information and education plans and related materials, and game and marketing plans.

3.54

Usufruct

GTECH acknowledges that if, for any reason other than breach of contract by the Texas Lottery, GTECH, as the Successful Proposer, should lose its ability to service a Contract resulting from the RFP, the Texas Lottery will acquire a usufruct in all contractual items owned by GTECH in conjunction with the Contract and which are necessary to provide such services. We acknowledge that the said usufruct will be limited to the right of the Texas Lottery to possess and make use of such contractual items solely for the use and benefit of the Texas Lottery in operating, maintaining, altering, replacing, and improving the programs and systems being used by the Texas Lottery under the Contract. We further acknowledge that such usufruct will be limited in time to the duration of the Contract and any extension thereof, and in scope for programs, systems, and other items being used by the Texas Lottery under the Contract.

3.55

Ticket Purchase

GTECH acknowledges that, if it is selected as the Successful Proposer, in accordance with Texas Government Code ANN. § 466.254 (Purchase of Ticket by or Payment of Prize to Certain Persons), no member, officer, or employee of GTECH will purchase a Texas Lottery ticket or be paid a prize in any Texas Lottery game. We agree that no spouse, child, brother, sister, or parent of such member, officer, or employee who resides in the household of such member, officer, or employee (collectively, Family Members), will purchase a Texas Lottery ticket or be paid a prize in any Texas Lottery game.

GTECH will ensure that these statutory prohibitions are made known to each member, officer, and employee, prior to that person becoming involved in selling or leasing the goods or performing the services that are the subject of the Contract. We will also require our members, officers, and employees to make the statutory prohibition known to Family Members, and promptly notify the Texas Lottery of any violation of Texas Government Code ANN.466.254.

Following contract execution, GTECH agrees to provide to the Texas Lottery the names, addresses, and any other identifying information requested by the Texas Lottery, of all members, officers, and employees, or of any subcontractor(s), providing goods or performing the services that are the subject of the contract with the Texas Lottery. GTECH agrees to update such information when there is a change in the direct involvement status of any of its members, officers, and employees, or of any subcontractor(s).

3.56

End of Contract Conversion

3.56.1

Conversion Identification and Time

GTECH acknowledges that the Texas Lottery will be solely responsible for the identification of and time for conversions (transfers) of retailer terminals. If selected as the Successful Proposer, GTECH will cooperate fully and in good faith in said conversion (transfer). Cooperation may include, but is not limited to, sharing of liability files and cross-validation of winning tickets.

3.56.2

Removal of All Equipment

At the direction of the Texas Lottery, GTECH, if the Successful Proposer, will remove all equipment and materials relating solely to its system from each retailer location within fourteen (14) calendar days after the successful conversion (transfer) of the location to the new system.

3.56.3

Cooperation with Texas Lottery

If selected as the Successful Proposer, GTECH will cooperate fully with the Texas Lottery throughout the period in which the administration of responsibilities under the Contract is transitioned or turned over to the Texas Lottery or a third party. We will continue to provide all goods and services required under the Contract without interruption or degradation in service levels during the turnover period. In addition, we will support the successor, including the sharing of files, until the Texas Lottery determines that the successor can satisfactorily maintain contract services without interruption.

GTECH will provide to the Texas Lottery or its designee promptly and without delay, at no cost, copies of all current software specifications, data files, job control language, program designs, procedures and all other elements required to install and operate the games in machine readable form and/or to perform the other services required of the successor.

We will, promptly and without delay, provide the Texas Lottery or its designee all required technical, user, and programmer documentation as the Texas Lottery may require. We acknowledge that the Texas Lottery will determine when our transition services are not necessary and will provide written notice to GTECH. In addition to cooperating with the Texas Lottery as the end of the current contract period approaches, GTECH will, if selected as the Successful Proposer, cooperate at the end of the next contract period. GTECH's End of Contract activity is described in Part 10.6, End of Contract Conversion Plan.

3.56.4

Experienced Personnel, Resources and Facilities

Through the conversion period, we will provide sufficient experienced personnel, resources, and facilities to ensure that the system and services called for by the Contract are maintained at a high level of proficiency. These will include technical experts and services personnel who will oversee the transfer of knowledge and operations. GTECH has a track record of maintaining services at a very high level while transitioning lottery operations.

3.57

Equipment

GTECH represents and warrants that, if selected as the Successful Proposer, all equipment provided for which the Lottery has established performance standards and specifications in the RFP will be new, will be free from defects in materials and workmanship, will be merchantable and fit for the purpose for which it is intended, and will meet or exceed the performance standards and specifications required in this Contract. It is agreed that any equipment, or component thereof, used by GTECH pursuant hereto that does not conform to the foregoing will be repaired or replaced by GTECH without cost to the Texas Lottery in addition to other amounts the Texas Lottery may be entitled to in law or in equity, or as specified in the Contract.

3.58 Programs

3.58.1 Systems Analysis, Design and Programming

If selected as the Successful Proposer, GTECH represents and warrants that all systems analysis, systems design, and programming prepared or done, or to be prepared or done, by GTECH, its Subcontractors, or its officers, employees, or agents in providing all required goods and services under the Contract has been and will be prepared or done in a professional manner. We will fully document all systems analyses, systems design, and programs. We agree that all documentation will also include a security risk and analysis. We also agree and do hereby represent and warrant that all programs provided under the Contract will meet the performance standards required in the Contract and will correctly and accurately perform their intended functions.

3.58.2 Maintainable and Reusable Software

GTECH warrants that, if selected as the Successful Proposer, all Lottery Gaming System software is maintainable and reusable. We further warrant and represent that all software used by GTECH in the performance of any and all Contract requirements in the Lottery Gaming System will be written in languages that can be maintained and supported by the Texas Lottery and/or any third-party contractor selected by the Texas Lottery. We warrant that all Lottery Gaming System software will be documented.

We warrant that all software developed for the Texas Lottery and all modifications to existing software developed pursuant to this Contract will be delivered in a format including both source code and object code, such that such software can be readily modified, compiled, and maintained by the Texas Lottery and/or a third-party contractor selected by the Texas Lottery; provided however, that delivery of the source code format, to the extent such software does not constitute Works, will be only into escrow pursuant to RFP Section 3.58.5, and subject to the terms and conditions of the Source Code Escrow Agreement contemplated by said RFP Section 3.58.5.

3.58.3

Supportable Programming Languages, Tools and Methodologies

GTECH, if the Successful Proposer, acknowledges and agrees that all programming languages, tools, and methodologies used in performance of Contract obligations must be approved as supportable by the Texas Lottery prior to their use by GTECH. We also agree to support all Lottery Gaming System software for the term of the Contract and any extension thereof. If the programming support software is not available in the open normal data processing market, then GTECH agrees to supply to persons designated by the Texas Lottery all compilers and all normal programming support software, which is available to software staff, as well as appropriate and necessary training.

3.58.4

Delivery of Copies of Works

GTECH, if selected as the Successful Proposer, agrees to deliver copies of all Works to the Texas Lottery promptly after they are completed. If the Works include computer software, GTECH will deliver copies of source code as well as object code of such software, and entity relationship diagrams, in addition to technical documentation sufficient for an average programmer to understand, modify, compile, and execute the software. We will also clearly label the media containing any Works to identify the Works contained in the media.

3.58.5

Source Code Escrow Agreement

If selected as the Successful Proposer, GTECH agrees to enter into a source code escrow agreement with the Texas Lottery and designate an escrow agent acceptable to the Texas Lottery for the source code and system and/or technical documentation for those portions of the software that do not constitute works (the "Source Code Escrow Agreement"). We agree that we will be responsible for all charges associated with the escrow of the source code. We will continuously maintain and perform all of the respective obligations of the Source Code Escrow Agreement in accordance with the terms of the Source Code Escrow Agreement.

We agree that at a minimum, the Source Code Escrow Agreement will provide for release of the source code to the Texas Lottery in the event of termination for cause of this Contract under RFP Section 3.17. We acknowledge that the Source Code Escrow Agreement will not permit GTECH, as the Successful Proposer, to give contrary instructions to the escrow agent in the event that the Texas Lottery sends the agent a certified letter indicating that a release condition has occurred. We acknowledge that the Texas Lottery will have full rights of inspection during the term of the Source Code Escrow Agreement.

We acknowledge that by executing the Contract, GTECH grants the Texas Lottery a non-exclusive, worldwide, perpetual, irrevocable, and royalty-free right and license to use, have used, modify, have modified, compile, have compiled, execute, have executed, display, have displayed, and operate and have operated the source code for the software necessary to operate the Lottery; it being understood, however, that the Texas Lottery will only exercise its rights under this license with respect to the source code released from the source code escrow pursuant to the terms and conditions of the escrow agreement. We agree that in such event, the Texas Lottery may allow access to the source code by third-party contractors, but only if the Texas Lottery enters into a non-disclosure agreement with such third party requiring the third party to maintain the source code in confidence, not to use the source code for any other purpose other than to support the Texas Lottery, and naming GTECH as a third-party beneficiary of such non-disclosure agreement. The Texas Lottery and GTECH intend that the Texas Lottery shall have all rights afforded to licensees under section 365(n) of the U.S. Bankruptcy Code (and any successor thereto) in connection with any bankruptcy of GTECH.

3.59

Lottery Purchase Option

As the Successful Proposer, GTECH agrees that, in the event that the Texas Lottery exercises its option to purchase the Lottery Gaming System equipment pursuant to RFP Section 3.21(b) of the RFP or any resulting Contract, the Texas Lottery will have an irrevocable, perpetual, worldwide, royalty-free right and exclusive license to use third-party software or software developed by GTECH and received by the Texas Lottery from GTECH under the Contract in order to operate in Texas any equipment provided under the contract by GTECH.

3.60

Sanctions and Remedies Schedule

3.60.1

General

GTECH acknowledges that Section 2261.101 of the Texas Government Code requires that all state contracts contain a remedies schedule, a graduated sanctions schedule, or both. We acknowledge that pursuant to that statutory provision, sanctions and remedies will apply for the incidents specified in this section and that the sanctions and remedies will be referred to as sanctions.

3.60.2

Assessment of Sanctions

If the Successful Proposer, GTECH acknowledges that once the Texas Lottery has determined that sanctions are to be assessed, the Executive Director or Executive Director's designee may notify GTECH of the assessment(s). We acknowledge that failure or delay in notifying does not impact the Texas Lottery's assessment of sanctions and providing notice is not a condition precedent thereto. We further acknowledge that the Texas Lottery will withhold sanctions from payments to GTECH, or, if no payments are to be made, the Texas Lottery will make demand of payment of sanctions. GTECH will make payment within ten (10) days of the Texas Lottery's demand. In the event GTECH fails to pay within the ten (10) day period, we acknowledge that the Texas Lottery may make a claim for payment against the performance bond under RFP Section 3.36, with or without notice to GTECH.

3.60.3

Failure to Assess Sanctions

GTECH acknowledges that the failure of the Texas Lottery to assess sanctions in any instance where the Texas Lottery is entitled to sanctions pursuant to the terms of the RFP and/or the Contract will not constitute waiver in any fashion of the Texas Lottery's rights to assess sanctions.

3.60.4

Severability of Individual Sanctions Clause

GTECH agrees that, if any portion of this sanctions schedule is determined to be unenforceable, the other portions of this schedule will remain in full force and effect.

3.60.5 Sanction Schedule

GTECH acknowledges and agrees to the sanctions and remedies set forth in Sections 3.60.6 through 3.60.65 and to the definitions within RFP 3.60.5.

3.60.6 Failure to Permit an Audit or Examination

Accepted and agreed.

3.60.7 Failure to Produce Accurate Records or Provide Accurate Information

Accepted and agreed.

3.60.8 Failure to Produce Timely Records and/or Information

Accepted and agreed.

3.60.9 Failure to Disclose Litigation

Accepted and agreed.

3.60.10 Failure to Obtain Prior Written Approval Before Issuing News Release

Accepted and agreed.

3.60.11 Failure to Notify the Texas Lottery of Changes of Lobbyist, Consultant and/or Advisor Information

Accepted and agreed.

3.60.12 Failure to Comply with Non-Disclosure Terms

Accepted and agreed.

3.60.13**Unauthorized Purchase of Texas Lottery Tickets**

Accepted and agreed.

3.60.14**Failure to Report Significant Incidents and Anomalies**

Accepted and agreed.

3.60.15**Failure to Timely Notify the Texas Lottery of a Change in Financial Condition, Change in Key Management, or Change of Ownership**

Accepted and agreed.

3.60.16**Failure to Provide Information and/or Cooperate Fully with Contract Compliance Review**

Accepted and agreed.

3.60.17**Failure to Correct Audit and/or Compliance Finding**

Accepted and agreed.

3.60.18**Failure to Receive Texas Lottery Written Approval at Least Twenty-Four (24) Hours in Advance for Visitors to the Central Distribution Warehouse**

Accepted and agreed.

3.60.19**Failure to Comply with Title 1 TAC 202 Information Security Standards**

Accepted and agreed.

3.60.20**Failure to Backup and Restore Data in a Manner and/or Format for Business Processing**

Accepted and agreed.

3.60.21**Failure to Perform Retailer Training**

Accepted and agreed.

3.60.22**Failure to Perform Retailer Retraining**

Accepted and agreed.

3.60.23**Failure to Implement New On-Line Games**

Accepted and agreed.

3.60.24**Failure to Conduct Intellectual Property Search**

Accepted and agreed.

3.60.25**Failure to Update Jackpot Amount**

Accepted and agreed.

3.60.26**Inability to Cash Winning Tickets at a Retailer Location
(All On-Line or All Instant Ticket Games)**

Accepted and agreed.

3.60.27**Inability to Cash Winning Tickets at a Retailer Location
(Specific On-Line Game or One or More Instant Ticket Games)**

Accepted and agreed.

3.60.28**Inability to Cash Winning Tickets at a Texas Lottery Claim Center**

Accepted and agreed.

3.60.29**Inability to Conduct Retailer, Licensing, Inventory, Accounting, or Other Management Functions**

Accepted and agreed.

3.60.30**Performance Degradation**

Accepted and agreed.

3.60.31**Failure to Test Backup Lottery Gaming System**

Accepted and agreed.

3.60.32**Failure to Execute Planned On-Line Promotion**

Accepted and agreed.

3.60.33**Failure to Provide Software Fixes and/or Enhancements**

Accepted and agreed.

3.60.34**Failure to Implement Change or Release Management Without Incident**

Accepted and agreed.

3.60.35**Failure to Comply with Title 1 TAC 202 Resulting in a Security Incident**

Accepted and agreed.

3.60.36**Failure to Provide New Reports and/or to Modify Existing Reports**

Accepted and agreed.

3.60.37**Inability of ICS to Update Lottery Applications**

Accepted and agreed.

3.60.38**Out-of-Balance Condition Between ICS and Lottery Gaming Systems**

Accepted and agreed.

3.60.39**Failure to Load Debit, Credit, and/or New Retailer Files**

Accepted and agreed.

3.60.40**Inability to Confirm or Activate Instant Ticket Packs (All Retailers)**

Accepted and agreed.

3.60.41**Inability to Confirm or Activate Instant Ticket Packs (Single Retailer)**

Accepted and agreed.

3.60.42**Inability to Produce Accurate Terminal Reports or Make Terminal Reports Available**

Accepted and agreed.

3.60.43**Failure to Install, Relocate or Remove Lottery Sales and/or Validation Equipment**

Accepted and agreed.

3.60.44**Failure to Install, Relocate or Remove Lottery Non-Sales and/or Validation Equipment**

Accepted and agreed.

3.60.45**Failure to Resolve a Lottery Non-Sales and/or Validation Equipment Problem within the Specified Timeframe**

Accepted and agreed.

3.60.46**Call Center Answer Time**

Accepted and agreed.

3.60.47**Call Center Busy Signal Time**

Accepted and agreed.

3.60.48**Call Center Abandonment Rate**

Accepted and agreed.

3.60.49**Call Center Hold Time**

Accepted and agreed.

3.60.50**Call Center Availability**

Accepted and agreed.

3.60.51**LSR Visits**

Accepted and agreed.

3.60.52**Retailer Satisfaction**

Accepted and agreed.

3.60.53**Failure to Properly Process or Assign On-Line Ticket Stock**

Accepted and agreed.

3.60.54**Improperly Processed Packs of Instant Tickets**

Accepted and agreed.

3.60.55**Failure to Support a Promotional Event**

Accepted and agreed.

3.60.56**Inability to Program the Programmable Signs**

Accepted and agreed.

3.60.57**Inability of the Programmable Signs to Communicate**

Accepted and agreed.

3.60.58**Failure to Load Instant Game Files within Specified Timeframe**

Accepted and agreed.

3.60.59**Instant Ticket Packs not Delivered to Texas Lottery Retailers**

Accepted and agreed.

3.60.60**Instant Ticket Packs not Returned to the Warehouse**

Accepted and agreed.

3.60.61**Warehouse Instant Ticket Return Verification**

Accepted and agreed.

3.60.62**Failure to Timely Provide Accurate Annual Instant Ticket Inventory Report**

Accepted and agreed.

3.60.63**Failure to Cooperate Fully and in Good Faith in the Conversion to any New System**

Accepted and agreed.

3.60.64**Failure to Provide a Detailed Conversion Plan within 45 Days of Contract Execution**

Accepted and agreed.

3.60.65**Failure to Deliver According to the Final Approved Detailed Conversion Plan**

Accepted and agreed.

3.61**Liquidated Damages****3.61.1****Liquidated Damages Schedule**

GTECH accepts and agrees to the definitions set forth in the RFP for the liquidated damages schedule.

3.61.2

General

If the Successful Proposer, GTECH and the Texas Lottery agree to the following:

- a. If GTECH does not provide or perform the requirements referred to or listed in the RFP or fulfill the obligations of the Contract, damage to the Texas Lottery will result;
- b. Establishing the precise measure of damages in the event of default by GTECH may be (i) costly, (ii) time consuming, or (iii) difficult or impossible to calculate;
- c. The liquidated damage assessments contained herein represent a good faith effort to quantify the damages that could reasonably be anticipated at the time of execution of the Contract;
- d. The damages set forth herein are just and reasonable;
- e. Nothing contained in this section will be construed as relieving GTECH from performing all Contract requirements whether or not said requirements are set forth herein; and
- f. The Texas Lottery may, therefore, in its sole discretion, deduct damages from the compensation otherwise due to GTECH.

3.61.3

Liquidated Damages Assessment

If the Successful Proposer, once the Texas Lottery has determined that liquidated damages are to be assessed, GTECH acknowledges the Executive Director's designee will notify GTECH of the assessment(s). Further, GTECH agrees to the following:

- Failure to notify does not impact the Texas Lottery's assessment of damage and is not a condition precedent thereto.
- The Texas Lottery will withhold liquidated damages from payments to GTECH, or, if no payments have been made, the Texas Lottery will make demand of payment of liquidated damages.
- GTECH must make payment within ten (10) days of the Texas Lottery's demand.
- In the event GTECH fails to pay within the ten (10) day period, the Texas Lottery may then make a claim for payment against the performance bond, with or without notice to GTECH.

3.61.4

Severability of Individual Liquidated Damages Clauses

GTECH accepts and agrees if any portion of this liquidated damages provision is determined to be unenforceable, the other portions of this provision will remain in full force and effect.

3.61.5

On-Line Game Unavailability

GTECH acknowledges and agrees to the liquidated damages set forth in Sections 3.61.5 through 3.61.8.

Accepted and agreed.

3.61.6

Inability of the Texas Lottery Retailer Terminals to Communicate with the Lottery Gaming System

Accepted and agreed.

3.61.7

Failure to Resolve Terminal and Related Sales Equipment Problems

Accepted and agreed.

3.61.8

Unassigned Packs of Instant Tickets Missing from the Warehouse

Accepted and agreed.

3.62

Dispute Resolution

In the event GTECH is the Successful Proposer and a dispute should arise under a resulting Contract, GTECH will use the dispute resolution process provided for in Texas Government Code Chapter 2260 and 16 Texas Administrative Code Ch. 403 to attempt to resolve any such dispute.

3.63

Certifications

3.63.1

Sales Agent License Specifications

GTECH acknowledges that pursuant to Texas Government Code Ann. § 466.103, the Executive Director may not award a contract for the purchase or lease of facilities, goods, or services related to lottery operations to a person who would be denied a license as a sales agent under Texas Government Code Ann. § 466.155. GTECH has read and is familiar with Texas Government Code Ann. § 466.155 (RFP Attachment D). GTECH has completed the Background Information Certification Form, attached hereto as Attachment D-1, which certifies that it has reviewed Texas Government Code Ann. § 466.155 and neither GTECH nor any of the following persons would be denied a license as a sales agent pursuant to said section: (a) GTECH's officers, directors, investors, owners, partners, and other principals, as more particularly described in Texas Government Code Ann. § 466.155 (collectively, Proposer Principals); or (b) any spouse, child, brother, sister, or parent residing as a member of the same household in the principal place of residence of GTECH or any of GTECH's Principals.

Please refer to **Attachment D**, which is located on the following page.

3.63.2

Section 231.006 of Texas Family Code

Under § 231.006 of the Texas Family Code, GTECH certifies that the individual or business entity named in the Proposal or Contract is not ineligible to receive the specified grant, loan, or payment and acknowledges that any Contract resulting from the RFP may be terminated and payment may be withheld if this certification is inaccurate. No person has a 25 percent or more ownership of GTECH.

3.63.3

Section 2261.053 of Texas Government Code

By submission of this Proposal under the RFP, GTECH certifies the following: Under Section 2261.053 of the Texas Government Code, GTECH certifies that the individual or business entity named in this bid or contract is not ineligible to receive the specified contract and acknowledges that this contract may be terminated and payment withheld if this certification is inaccurate.

3.63.4 Submitted Proposal

GTECH certifies that: (a) GTECH has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted Proposal; and (b) neither GTECH nor the firm, corporation, partnership, or institution represented by GTECH, nor anyone acting for such firm, corporation, partnership, or institution has violated the antitrust laws of the State of Texas (Tex. Bus. & Comm. Code Sec. 15.01, et seq.), or the antitrust laws of the United States (15 U.S.C.A. Section 1, et seq.), nor communicated directly or indirectly the submitted Proposal to any competitor or any other person engaged in such line of business.

3.63.5 Section 669.003 of Government Code

GTECH certifies that it is in compliance with Texas Government Code, Title 6, Subtitle B, Section 669.003 of the Government Code, relating to contracting with the executive head of a state agency.

3.63.6 Texas Resident Bidder

GTECH is not a Texas Resident Bidder as defined in Texas Administrative Code, Title 34, Part 1, Chapter 20.

3.63.7 President's Executive Order (EO) 13224

GTECH acknowledges that the Texas Lottery is federally mandated to adhere to the directions provided in the President's Executive Order (EO) 13224, Executive Order on Terrorist Financing – Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism, effective 9/24/2001 and any subsequent changes made to it via cross-referencing respondents/vendors with the Federal General Services Administration's Excluded Parties List System (EPLS, <http://www.epls.gov>), which is inclusive of the United States Treasury's Office of Foreign Assets Control (OFAC) Specially Designated National (SDN) list.



ATTACHMENT D
V.T.C.A., GOVERNMENT CODE § 466.155

(a) After a hearing, the director shall deny an application for a license or the commission shall suspend or revoke a license if the director or commission, as applicable, finds that the applicant or sales agent:

(1) is an individual who:

(A) has been convicted of a felony, criminal fraud, gambling or a gambling-related offense, or a misdemeanor involving moral turpitude, if less than 10 years has elapsed since the termination of the sentence, parole, mandatory supervision, or probation served for the offense;

(B) is or has been a professional gambler;

(C) is married to an individual:

(i) described in Paragraph (A) or (B); or

(ii) who is currently delinquent in the payment of any state tax;

(D) is an officer or employee of the commission or a lottery operator; or

(E) is a spouse, child, brother, sister, or parent residing as a member of the same household in the principal place of residence of a person described by Paragraph (D);

(2) is not an individual, and an individual described in Subdivision (1):

(A) is an officer or director of the applicant or sales agent;

(B) holds more than 10 percent of the stock in the applicant or sales agent;

(C) holds an equitable interest greater than 10 percent in the applicant or sales agent;

(D) is a creditor of the applicant or sales agent who holds more than 10 percent of the applicant's or sales agent's outstanding debt;

(E) is the owner or lessee of a business that the applicant or sales agent conducts or through which the applicant will conduct a ticket sales agency;

(F) shares or will share in the profits, other than stock dividends, of the applicant or sales agent; or

(G) participates in managing the affairs of the applicant or sales agent;

(3) has been finally determined to be:

(A) delinquent in the payment of a tax or other money collected by the comptroller, the Texas Workforce Commission, or the Texas Alcoholic Beverage Commission;

(B) in default on a loan made under Chapter 52, Education Code; or

(C) in default on a loan guaranteed under Chapter 57, Education Code;

(4) is a person whose location for the sales agency is:

(A) a location licensed for games of bingo under Chapter 2001, Occupations Code;

(B) on land that is owned by:

(i) this state; or

(ii) a political subdivision of this state and on which is located a public primary or secondary school, an institution of higher education, or an agency of the state; or



(C) a location for which a person holds a wine and beer retailer's permit, mixed beverage permit, mixed beverage late hours permit, private club registration permit, or private club late hours permit issued under Chapter 25, 28, 29, 32, or 33, Alcoholic Beverage Code; or

(5) has violated this chapter or a rule adopted under this chapter.

(b) If the director proposes to deny an application for a license or the commission proposes to suspend or revoke a license under this section, the applicant or sales agent is entitled to written notice of the time and place of the hearing. A notice may be served on an applicant or sales agent personally or sent by certified or registered mail, return receipt requested, to the person's mailing address as it appears on the commission's records. A notice must be served or mailed not later than the 20th day before the date of the hearing. The commission shall provide for a formal administrative hearings process.

(c) At a hearing, an applicant or sales agent must show by a preponderance of the evidence why the application should not be denied or the license suspended or revoked.

(d) The director shall give an applicant or sales agent written notice of a denial of an application or a suspension or revocation of a license.

(e) The director may not issue a license to a person who has previously had a license under this chapter revoked unless the director is satisfied the person will comply with this chapter and the rules adopted under this chapter. The director may prescribe the terms under which a suspended license will be reissued.

(f) The director may not issue a license to an applicant who fails to certify to the director the applicant's compliance with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Section 12101 et seq.).

(g) For purposes of Subsection (a)(3), the comptroller, Texas Workforce Commission, Texas Alcoholic Beverage Commission, Texas Higher Education Coordinating Board, and Texas Guaranteed Student Loan Corporation shall each provide the executive director with a report of persons who have been finally determined to be delinquent in the payment of any money owed to or collected by that agency. The commission shall adopt rules regarding the form and frequency of reports under this subsection.

Added by Acts 1993, 73rd Leg., ch. 107, § 4.03(b), eff. Aug. 30, 1993. Amended by Acts 1995, 74th Leg., ch. 76, § 6.21, eff. Sept. 1, 1995; Acts 1995, 74th Leg., ch. 696, § 1, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 1275, § 51, eff. Sept. 1, 1997.

Amended by Acts 2001, 77th Leg., ch. 394, § 1, eff. Sept. 1, 2001; Acts 2001, 77th Leg., ch. 1420, § 14.760, eff. Sept. 1, 2001.



ATTACHMENT D-1 BACKGROUND INFORMATION CERTIFICATION

Texas Government Code §466.155

Pursuant to Texas Government Code §466.103, the Executive Director of the Texas Lottery Commission may not award a contract for the purchase or lease of facilities, goods or services related to lottery operations to a person who would be denied a license as a sales agent under Texas Government Code §466.155.

GTECH Corporation

(Company Name)

certifies that it has reviewed Texas Government Code §466.155 and that it would not be denied a license as a sales agent pursuant to said section.

A handwritten signature in black ink, appearing to read "Alan Eland", written over a horizontal line.

(signature of person authorized to contractually bind the Proposer)

Alan Eland

(printed name)

Senior Vice President, GTECH Americas

(title)

May 28, 2010

(date)

[BLANK PAGE]

3.63.8

Section 2155.004 of Texas Government Code

Pursuant to Section 2155.004 of the Texas Government Code, GTECH has not received compensation from the Texas Lottery for participating in the preparation of the specifications for the RFP and certifies as follows: Under Section 2155.004, Government Code, GTECH certifies that the individual or business entity named in this bid or contract is not ineligible to receive the specified contract and acknowledges that this contract may be terminated and payment withheld if this certification is inaccurate.

3.64

Preferences

GTECH is not entitled to a preference under Texas law.

3.65

Deceptive Trade Practices; Unfair Business Practices

GTECH, if the Successful Proposer, represents and warrants that it has not been the subject of allegations of Deceptive Trade Practices violations under Tex. Bus. & Com. Code, Chapter 17, or allegations of any unfair business practice in any administrative hearing or court suit and that GTECH has not been found to be liable for such practices in such proceedings. GTECH certifies that it has no officers who have served as officers of other entities that have been the subject of allegations of Deceptive Trade Practices violations or allegations of any unfair business practices in an administrative hearing or court suit and those officers have not been found to be liable for such practices in such proceedings.

3.66

Immigration

GTECH, if selected as the Successful Proposer, represents and warrants that it will comply with the requirements of the Immigration Reform and Control Act of 1986, the Immigration Act of 1990, and the Illegal Immigrant Reform and Immigrant Responsibility Act of 1996 regarding employment of any individual who will perform labor or services under any Contract entered into as a result of the RFP.

3.66.1

State of Texas Accessibility Requirements

Per Amendment No. 10, GTECH has responded to this requirement in 3.67.1.

3.66.2

Voluntary Product Accessibility Template (VPAT)

Per Amendment No. 10, GTECH has responded to this requirement in 3.67.2.

3.67

Electronic and Information Resources Accessibility Standards

3.67.1

State of Texas Accessibility Requirements

GTECH acknowledges that state agencies and institutions of higher education will procure products which comply with the State of Texas Accessibility 61 requirements for Electronic and Information Resources specified in 1 TAC Chapter 213 when such products are available in the commercial marketplace or when such products are developed in response to a procurement solicitation.

3.67.2

Voluntary Product Accessibility Template (VPAT)

GTECH, if chosen as the Successful Proposer, will provide DIR with the URL to its Voluntary Product Accessibility Template (VPAT) for reviewing compliance with the State of Texas Accessibility requirements (based on the federal standards established under Section 508 of the Rehabilitation Act).

3.68

False Statements; Breach of Representations

By submitting a Proposal, GTECH makes all the representations, warranties, guarantees, certifications, and affirmations included in its Proposal. GTECH acknowledges that if it signed its Proposal with a false statement or is selected as the Apparent Successful Proposer and signs any contract resulting from the RFP with a false statement, or it is subsequently determined that GTECH has violated any of the representations, warranties, guarantees, certifications, or affirmations included in the RFP or resulting contract, GTECH will be in default and if the determination is made before Contract Award, the Texas Lottery may reject the Proposal or if the determination is made after Contract

Award, the Texas Lottery may terminate the contract for cause and pursue all other remedies available to the Texas Lottery under the RFP, contract, and applicable law.

3.69

Limitation on Authority; No Other Obligations

If chosen as the Successful Proposer, GTECH agrees that it will have no authority to act for or on behalf of the Texas Lottery or the State of Texas except as expressly provided for in the RFP or any resulting contract. It is acknowledged that GTECH will not incur any debts, obligations, expenses, or liabilities of any kind on behalf of the State of Texas or the Texas Lottery.

3.70

Proposer Assignment

GTECH, if chosen as the Successful Proposer, hereby assigns to the Texas Lottery any and all claims for overcharges associated with any contract resulting from the RFP arising under the antitrust laws of the United States, 15 U.S.C.A. Section 1, et seq., and the antitrust laws of the State of Texas, Tex. Bus. & Comm. Code Sec. 15.01, et seq.

3.71 (a-g)

Code of Conduct

GTECH acknowledges that the Texas Lottery is an extremely sensitive enterprise because its success depends on maintaining the public trust by protecting and ensuring the security of Lottery Products. We acknowledge that the Texas Lottery incorporates the highest standards of security and integrity in the management and sale of entertaining lottery products, and lottery vendors are held to the same standards. Therefore, we realize that it is essential that operation of the Texas Lottery, and the operation of other enterprises which would be linked to it in the public mind, avoid not only impropriety, but also the appearance of impropriety. Because of this, GTECH, if chosen as the Successful Proposer, will:

- a. Offer goods and services only of the highest quality and standards.
- b. Use its best efforts to prevent the industry from becoming embroiled in unfavorable publicity.
- c. Make presentations in a responsible manner and when it is felt necessary to point out the superiority of its goods or services over those of its competitors, do so in such a manner as to avoid unfavorable publicity for the industry.

- d. Avoid activities, operations, and practices that could be interpreted as improper and cause embarrassment to the Texas Lottery and/or to the industry.
- e. Report security problems or potential security problems with any services provided pursuant to the RFP immediately and only to the Texas Lottery.
- f. Otherwise comply with the State Lottery Act (Texas Gov't Code Ann. Ch. 466) and Texas Lottery rules, procedures, and policies.
- g. Provide best practices related to security and integrity standards within the industry.

3.72

Contact with Texas Lottery Commission

3.72.1

Meetings at Texas Lottery Headquarters

GTECH agrees that, except when circumstances require otherwise, employees and Commissioners of the Texas Lottery and employees, subcontractors, and agents of all prospective Proposers and employees, subcontractors, and agents GTECH (if the Successful Proposer) will meet only at Texas Lottery headquarters.

3.72.2

Gifts

GTECH agrees that its employees, subcontractors, and agents will not offer or give a gift to a Texas Lottery employee. We acknowledge that for purposes of this section, "gift" has the meaning as defined in Tex. Gov't Code Ann. § 467.001(4) and as may be subsequently changed or amended by acts of the Texas Legislature.

3.72.3

Nonprofessional Socialization

GTECH agrees that its employees, subcontractors, and agents will not engage in nonprofessional socialization (socialization outside of a work context) with a Texas Lottery employee. We acknowledge that there may be circumstances, however, in which nonprofessional socialization is acceptable, for example, because of family relationships, common acquaintances, or common outside activities. We also acknowledge that the restrictions on nonprofessional socialization are not meant to apply to unplanned, incidental social contact. In such circumstances, GTECH agrees that its employees, subcontractors, and agents will not discuss Texas Lottery business.

3.72.4

Professional Socialization

GTECH acknowledges that professional socialization at activities such as industry trade conferences and site visits is permitted.

3.73

Incidents and Anomalies

3.73.1

Reporting of Significant Incidents and Anomalies

GTECH, if chosen as the Successful Proposer, will report immediately all significant incidents and anomalies to the Texas Lottery, followed by a written report to be submitted within one work day of the incident or anomaly. We acknowledge that at a minimum, incident and anomaly reporting will include a description of the incident, its cause, and corrective action taken. GTECH agrees that for purposes of this RFP section, "significant" incidents include, by way of illustration only, any occurrence that affects the Texas Lottery, Lottery retailers, or players, and deviation from established procedures and those items where sanctions or liquidated damages are applicable.

3.73.2

Monitoring of Successful Provider

If chosen as the Successful Proposer, GTECH acknowledges that the Texas Lottery will assign an investigator to monitor GTECH throughout the contract term and during any renewal period. GTECH will maintain close contact and regular communication with the investigator regarding all matters under the Contract.

3.74

Attachment of Third-Party Systems, Terminals or Products

3.74.1

Access and Support

If chosen as the Successful Proposer, GTECH acknowledges that the Texas Lottery reserves the right to require GTECH to allow any required access to, and provide support to, the Texas Lottery and to a Texas Lottery vendor or Retailer in attaching to the Lottery Gaming System or otherwise installing terminals, terminal peripherals, products, or systems other than those required by the Lottery Operator RFP.

3.74.2

Attaching Products to the Lottery Gaming System

GTECH agrees that, if chosen as the Successful Proposer, it will supply the Texas Lottery specifications to permit products other than products produced by GTECH to attach to the Lottery Gaming System and carry out all functions and capabilities required by the Texas Lottery. GTECH will provide support and access to the Texas Lottery and to a Texas Lottery vendor or retailer for additional products including, but not limited to, providing facilities and support to allow other parties to attach, install, and/or test products. We acknowledge that the Texas Lottery will monitor progress to ensure full cooperation.

3.74.3

Intellectual Property

GTECH, if chosen as the Successful Proposer, agrees that it is solely responsible for ensuring its interests in its intellectual property are protected by appropriate confidentiality agreements. We agree that should the Texas Lottery propose to add terminals, products, or systems not provided for in the RFP or the contract but for which GTECH would be responsible, appropriate compensation to GTECH would be negotiated.

3.75

Records Retention

GTECH, if chosen as the Successful Proposer, will review the Records Retention Schedule prepared by the Texas Lottery and approved by the Texas State Library and Archives Commission (the "Retention Schedule"), including periodic revisions thereto, and, in cooperation with the Texas Lottery, determine which records generated or held by GTECH are subject to the Retention Schedule. We acknowledge that the Records Retention Schedule will be provided to GTECH after Contract Award. GTECH will conform to the Retention Schedule and other applicable law regarding retention of records, including Texas Government Code Section 441.180 et seq. GTECH will give the Texas Lottery at least thirty days advance notice of any planned destruction of records subject to the Retention Schedule. No record subject to the Retention Schedule or Texas Government Code Chapter 441 will be destroyed without prior written approval from the Texas Lottery.



Part 4

Required Information

4.1

Statement of Understanding

4.1.1

Certificate Executed by an Authorized Representative

For the certificate executed by an authorized representative of GTECH certifying items (i) – (viii) as stated in requirement 4.1.1, please refer to the **Authorized Certificate insert** on the following page.

4.1.2

Exceptions to the Requirements

GTECH takes no exceptions to any requirement set forth in the RFP.

4.2

Experience of Responding Firm and Product

The information relating to GTECH's experience as specified in this section of the RFP is provided in the following subsections.

4.2.1

Years of Experience

Experience of Responding Firm and Product

While the longevity and the sum of all contracts are important credentials, they are only two facets of our credibility. It is equally important to assess how the knowledge gained from lessons learned is applied to drive value for each of our customers.

Texas will benefit from the experience we have gained in serving other customers, like the California Lottery, which boasts more than 21,000 terminals; the New York Lottery, with more than 18,500 points of access; and the United Kingdom National Lottery (as Camelot's technology and service provider), with more than 50,000 points of access.

We can also share best practices learned and documented by our parent company, Lottomatica, in support of Sales Force Management in Italy, to help the Texas Lottery grow its Instant Ticket sales.

Additionally, what we've learned from the experience of more than 150 system, product, and service deliveries since 2000 and more than 50 deployed on six continents is that, for large customers like the TLC, it can take more than a year to document thousands of business processes and convert a complex gaming system.

As a result, over the course of the last two years, we have identified and documented more than 120 of the TLC's business processes and converted its central system, including 7,000 of its existing business rules. It would take another vendor considerable time to duplicate this effort.

Detailed Experience Descriptions

GTECH's Texas management team has more than 270 combined years of Texas experience and 630 combined years of industry experience. As each of our employees contributes to the success of our operation, consider a more reflective view of our Texas team's total experience serving the Texas Lottery Commission as well as Lottery retailers and players: combined, it is more than 3,000 years of experience.

As a company, we have provided full-service solutions to lotteries for 30 years, and accumulated 740 years of contract experience. The largest lotteries in the world, in terms of both sales and scope of services, employ GTECH as their vendor. Detailed descriptions of GTECH's experience for all engagements, as well as those of comparable complexity and scale for the past 10 years, are documented in the **Experience Insert** that appears after the **Authorized Certificate Insert**.

Information Redacted
§552.101/466.022/552.139



I, Alan Eland, certify the following statements as required in Section 4.1.1 of the RFP.

- (i) GTECH has read this RFP prior to the submission of its Proposal.
- (ii) GTECH understands the information contained in this RFP.
- (iii) GTECH has had an opportunity to consult with any experts it deems knowledgeable or helpful in any way.
- (iv) GTECH is a sophisticated business entity capable of analyzing the risks and potential benefits inherent in responding to this RFP and in entering into any Contract resulting from this RFP.
- (v) GTECH has been and is represented by counsel of its choice.
- (vi) GTECH has fully investigated any facts that it deems relevant.
- (vii) GTECH is not under duress to respond to this RFP or to enter into any Contract resulting from this RFP.
- (viii) After careful consideration and investigation, and after receiving the advice of counsel, GTECH has analyzed the risks associated with responding to this RFP and with performing under any Contract resulting from this RFP, and GTECH has decided to accept such risks of its own free will in order to compete to obtain the benefits associated with any Contract resulting from this RFP. GTECH waives any claim that the exercise by the Texas Lottery of any of the rights or remedies specified hereunder, to which GTECH has not objected and negotiated out from inclusion in any Contract resulting from this RFP based upon due process concerns, violates GTECH's rights of due process.

Alan Eland, Senior Vice President, GTECH Americas

5/28/10

Date

[BLANK PAGE]

Confidentiality Claimed
Not released

Confidentiality Claimed
Not released

Confidentiality Claimed
Not released

Confidentiality Claimed
Not released

Confidentiality Claimed
Not released

Confidentiality Claimed
Not released

Confidentiality Claimed
Not released

Confidentiality Claimed
Not released

Confidentiality Claimed
Not released

Confidentiality Claimed
Not released

Confidentiality Claimed
Not released

Confidentiality Claimed
Not released

Confidentiality Claimed
Not released

[BLANK PAGE]

Confidentiality Claimed
Not released

[BLANK PAGE]

As a subset of the Experience Insert, the following table, which includes U.S. experience broken down by jurisdiction, illustrates our experience supporting customers with either comparable terminal counts, sales, and services, or comparable scales of complexity. The "Similar" column denotes how each jurisdiction is comparable to the TLC.

Figure 4 – 1:

Domestic Services of Comparable Complexity and Scale												
	Infrastructure				Operational Services and Support						Sales	Similar
	Terminals	Central System	Network	Software	Computer Operations	Call Center	Field Service	Sales Force	Warehousing/ Distribution	Instant Ticket Systems		
Texas	16,700 Isys	•	•	•	•	•	•	•	•	•	3,792,922,275	Size
California	21,100 Altura 635 LVT	•	•	•	•	•	•	Lottery	Lottery	•	3,033,651,379	Size
Florida	13,700 Altura	•	•	•	•	•	•	Lottery		•	3,986,554,230	Size
Georgia	9,300 Altura	•	•	•	•	•	•	Lottery		•	3,462,299,784	Size
Massachusetts	8,800 Altura	•	Lottery	•	Lottery	Lottery	Lottery	Lottery	Lottery	Lottery	4,574,108,006	Size
Michigan	11,100 Altura	•	•	•	•	•	•	Lottery	•	•	2,400,061,831	Size
Nebraska					•			•	•	•	129,714,481	Services (Sales Force)
New Jersey	6,200 Altura	•	•	•	•	•	•	Lottery	•	•	2,618,480,447	Size
New York	17,000 GT1200	•	•	•	•	•	•	Lottery	•	•	6,897,562,447	Size
West Virginia	1,675 Altura	•	•	•	•	•	•	•	•	•	190,710,680	Services (Sales Force)
• Represents GTECH defined system or service												

Additionally, eight of the top 10 U.S. lotteries employ GTECH as their vendor of choice. The following table reflects these customers, along with their annual sales volume:

**Figure 4 – 2:
Eight of the Top 10 Lotteries Rely on GTECH**

U.S. Lottery	2009 Total Sales (in U.S. millions)	Vendor
New York Lottery	\$6,776.0	GTECH
Massachusetts Lottery	\$4,394.3	GTECH Product Sale (Lottery-run)
Florida Lottery	\$3,909.2	GTECH
Texas Lottery	\$3,773.6	GTECH
Georgia Lottery	\$3,676.3	GTECH
California Lottery	\$2,984.1	GTECH
New Jersey Lottery	\$2,575.3	GTECH
Michigan Lottery	\$2,382.7	GTECH

4.2.2 Previous Lottery Experience

Based on online sales, GTECH's customer listing makes up approximately 75 percent of the U.S. market. We currently serve 25 online lottery contracts in the U.S. and an additional 100 contracts in more than 50 countries.

For a complete picture of our experience, please refer to the **Experience Insert** provided previously in this section. This insert shows all of GTECH's previous experience providing similar lottery services to government or private entities. Nearly all of GTECH's lottery experience involves government entities.

Our technology deployment experience is unmatched. We have nearly 50 solutions deployed or underway worldwide, and the following Point-of-Access (POA) solutions located around the world:

- 289,997 Altura® terminals.
- 82,159 ISYS® terminals.
- 19,909 Instant To Go®/EDS-Q Instant Ticket Vending Machines (ITVMs).
- 4,430 Lottery To Go®/GamePoint Lottery Vending Machines (LVMs).
- 3,401 Lotto To Go® LVMs.
- 19,314 Video Lottery Terminals (VLTs).
- 637 Instant Showcase® devices.
- 580 Instant To Go 4 ITVMs.
- 131,002 Ticket-Scan™ devices.
- 120,000 displays powered by

Our experience goes well beyond points of access and online gaming systems. More U.S. lotteries rely upon GTECH for their Instant Ticket systems than any other vendor. Based on sales volume, GTECH systems process nearly 75 percent of the world's Instant Ticket transactions.

Based on sales volume, GTECH systems process nearly 75 percent of the world's Instant Ticket transactions.

4.2.3

Previous Experience in Transition Activities

GTECH has successfully completed more than 180 implementations and conversions over the last 20 years, with more than 12 conversions in jurisdictions with greater than 8,000 terminals. We are *the only vendor* that has converted every U.S. lottery with 10,000 or more retailers, including Texas.

We are *the only vendor* that has converted every U.S. lottery with 10,000 or more retailers...

Most of GTECH's conversion experience is from a GTECH system to a GTECH system. In the table below, Chile, Florida, and West Virginia transitions are noted and represent our most recent conversion experience between vendors in which we provide services similar in scope and size. While West Virginia does not compare to Texas relative to size, GTECH does provide the Sales Management workforce. No service interruptions were encountered during these conversions.

**Figure 4 – 3:
Transition Activities**

Name of Entity	Type of Transition/ Conversion Work Performed	Duration of Project	Service Interruptions
Chile	GTECH conversion from Intralot system	Award: 9/1/2008 Live: 9/1/2009	Several problems with the data received from incumbent. As a consequence, go live was delayed approximately seven hours
Florida	GTECH conversion from IGT/SGL system	Award: 8/31/2003 Live: 1/31/2005	NO DOWNTIME
West Virginia	GTECH conversion from SGL system	Award: 6/5/2008 Live: 6/26/2009	NO DOWNTIME. Backup Data Center (BDC) was delivered later as per contract: 8/23/2009

4.2.4 (a-e) Experience

Detailed descriptions of GTECH's experience is provided in the **Experience Insert** found in Section 4.2.1. The Experience Insert contains the following information covering all contracts held by us:

- a. Size of contract.
- b. Reason for contract termination/expiration, if contract is no longer in effect.
- c. Types of services directly provided by GTECH and whether GTECH was the proposer or subcontractor.
- d. Term and type of contract, including effective dates.

In response to 4.2.4.e, GTECH has not encountered any problems in the contracts listed that would adversely affect its ability to deliver the goods and services contemplated by this RFP.

4.2.5

Performance During Last Five Years

The performance of the Texas Lottery depends heavily upon the performance of its vendor. GTECH has an exceptional track record which is documented in the following subsections.

4.2.5.a

Contracts Terminated

GTECH has never had a contracted terminated.

4.2.5.b

Liquidated Damages

GTECH's practice is to record liquidated damages expenses in its financial system when they are known and quantifiable. The estimate may later be adjusted to reflect the actual liquidated damages expense incurred, whether paid in goods, services, or cash. All liquidated damages are recorded regardless of the amount; however, for internal reporting purposes, GTECH only maintains detailed records of those liquidated damages expenses in excess of \$100,000.

GTECH's internal reporting process is reflected in **Exhibit 14, Liquidated Damages**, which is located in the Exhibits Volume. This exhibit includes a complete list of all sanctions and liquidated damages assessed against GTECH and recorded in accordance with its normal practice during the last five (5) years prior to submission of this proposal, and reflects those amounts incurred during the periods January 2005 through May 2010.

4.2.5.c

Goods or Services in Lieu of Liquidated Damages

Goods or services provided by GTECH in lieu of a cash payment for contractual sanctions are recorded as liquidated damages. The value of any such goods or services is reflected in **Exhibit 14, Liquidated Damages**. Please see Sections 3.44, Disclosure of Sanctions and Liquidated Damages, and 4.2.5.b, Liquidated Damages, for a detailed description of how GTECH records liquidated damages.

4.2.5.d

Audit Findings

Confidentiality Claimed
Not released

4.2.5.e

Disciplinary Action

GTECH has never been the subject of any disciplinary action for substandard work and unethical practices or any order, judgment, or decree of any federal or state authority barring, suspending, or otherwise limiting our right to engage in any business, practice, or activity. GTECH or its parent company has never had its stock trading suspended for failure to meet stock exchange rules or regulations.

4.2.5.f

Material Litigation

The following list is a complete disclosure of all material civil or criminal litigation and indictments, whether threatened or pending, including any actions that a reasonable person knowledgeable in the gaming industry would consider relevant to any gaming operation or development.

Confidentiality Claimed
Not released

Confidentiality Claimed
Not released

Confidentiality Claimed
Not released

Confidentiality Claimed
Not released

Confidentiality Claimed
Not released

Confidentiality Claimed
Not released

Confidentiality Claimed
Not released

4.2.5.g

Gaming License Information Disclosure

For the required information regarding gaming licenses of any kind, please refer to **Exhibit 10, Gaming Licenses Chart**, which is located in the Exhibits Volume. This chart contains information regarding instances where GTECH 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.

GTECH has never had a gaming license denied or revoked, or had any fines, penalties, sanctions, or liquidated damages assessed against its gaming license, contract, or operation.

4.3

Experience of Personnel

4.3.1

Organizational Chart

Experience serves as the catalyst for future-ready actions. Our GTECH Texas team, with its more than 3,000 combined years of experience:

- Has never missed an initial distribution.
- Makes a half-million face-to-face contacts with retailers each year.
- Travels more than four million miles annually to service the TLC retail base.
- Maintained system uptime of 99.9993 percent in 2009.

Today, throughout the communities of Texas, GTECH Lottery Sales Representatives (LSRs) are performing the following functions:

- Monitoring inventory levels.
- Conducting in-store promotions.
- Reviewing sales performance reports with retailers.
- Delivering Point Of Sale (POS) to assigned locations.

And in the meantime:

- Lottery transactions are being processed.
- Systems are being monitored.
- Warehouse personnel are efficiently packing and shipping On-Line Ticket stock and Instant Tickets.
- New retailers are being recruited.
- Hotline calls are being processed.
- Field support services are being delivered to your retailers.

Every day, the people who work for us apply the lessons learned in the field and behind the scenes to deliver superior services and solutions to the TLC. The strong performance statistics we maintain in support of the Lottery are the direct result of the commitment and integrity of our people, and we are proud of their collective track record.

In addition to housing our GTECH Texas facilities, the state of Texas serves as the home of GTECH's Austin Technology Center (ATC), Data Center of the Americas (DCA), and National Response Center (NRC). Currently, we employ more than 550 personnel in Texas, 320 of whom are dedicated to supporting the TLC.

From a global perspective, GTECH is fortunate to draw from a pool of employees comprising engineers, programmers, and testers dedicated exclusively to servicing the lottery business. Further, our Project Management Office (PMO) is unmatched in this industry. As a company, we have completed more than 150 system, product, and service projects since 2000. Our PMO business unit consists of 2,500 product, project, and service personnel, including more than 100 certified Project Management Professionals (PMPs) allocated across GTECH's eight global regions. The project team that will be assigned to the Texas Lottery conversion has more than 310 combined years of relevant experience and, given the complexity and scale of your operation and retail base, will be led by two project managers.

Dedication from the Start

Fifty-seven members of our staff have worked for GTECH Texas since the Lottery's start-up in 1992.

In the **GTECH Texas Organizational Chart** that follows this page, we identify all staff that will be dedicated to the Texas Lottery account by position title, number of positions, and, where applicable, names of personnel including our key management staff. We have also provided a separate Organizational Chart that represents the structure of our proposed **Transition Team**, led by two project managers. Lastly we have included a **Senior Management Organizational Chart** highlighting corporate directors and officers who will provide direction and oversight to our Texas Lottery account management team. Biographies highlighting key members of our teams along with their qualifying experience as well as roles and responsibilities are included for your review and evaluation.

Executive Management

Our GTECH Texas executive management team has an ideal balance of Texas knowledge and insight resulting from their GTECH Texas and industry experience. The four managers highlighted next have been part of the GTECH Texas team for a combined *31 years* and have *41 years* of combined lottery industry experience. Their intimate knowledge of your Lottery and their multiple skill sets make them uniquely qualified to support the Texas Lottery. Following, we describe the team that you know so well.

**Confidentiality Claimed
Not released**

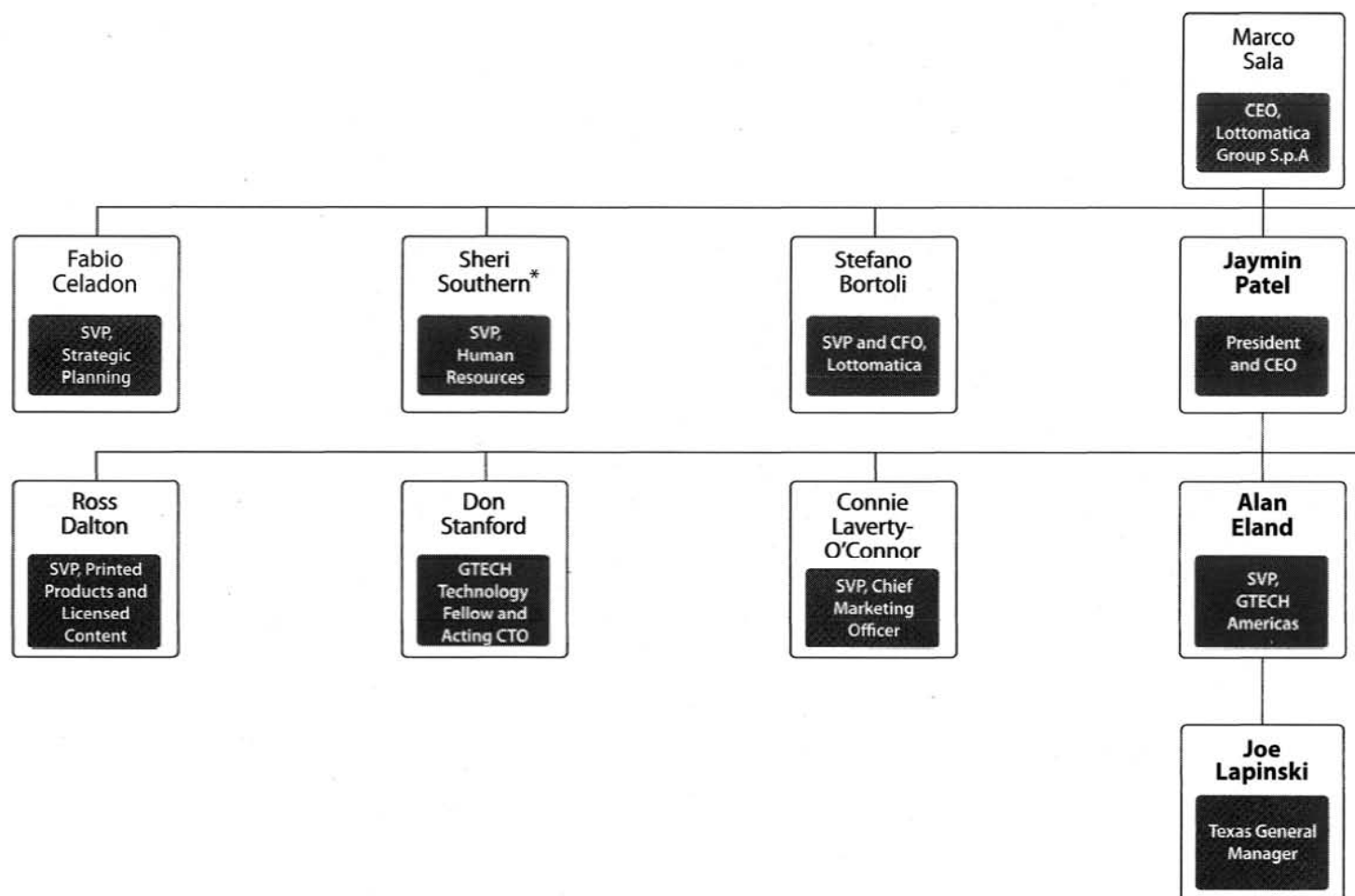
GTECH TEXAS ORGANIZATIONAL CHART

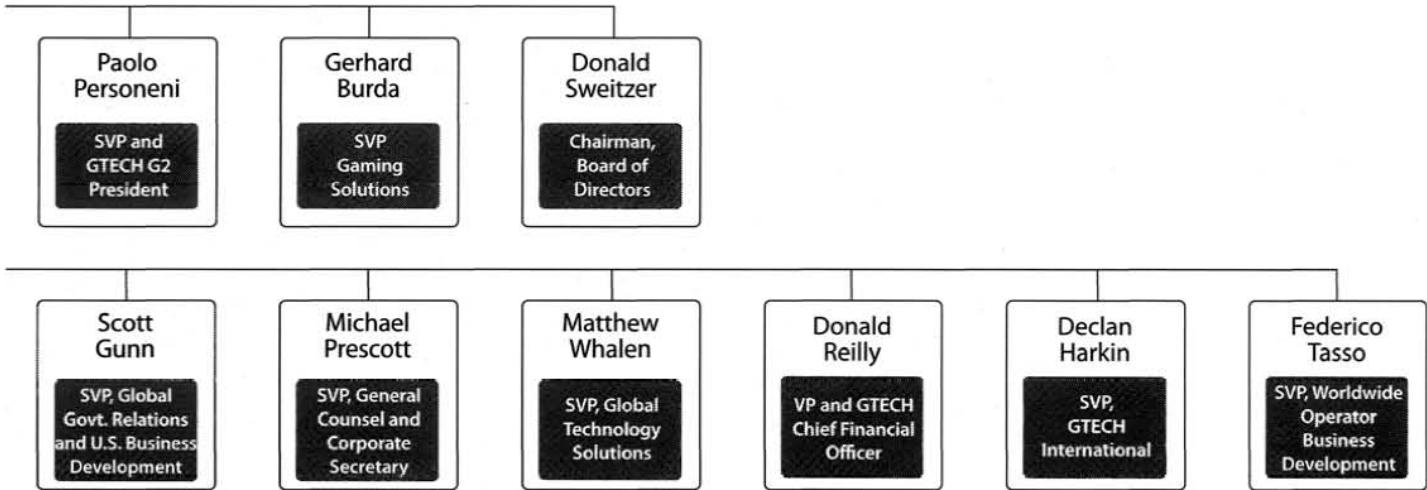
Confidentiality Claimed
Not released

TRANSITION TEAM ORGANIZATIONAL CHART

SENIOR MANAGEMENT ORGANIZATIONAL CHART

Senior Management Organizational Chart





**Joe Lapinski,
General Manager**

Experience



GTECH Texas Experience: 10 years

Industry Experience: 10 years

Field of Expertise: 23 years

Joe, who will be completely dedicated to the TLC contract, will be responsible for delivery of all goods and services to the Texas Lottery. Working with his colleagues on the management team, he will provide support to each member of the implementation and service teams and will ensure full corporate commitment to satisfy the Lottery's goals. Joe will work directly with the Texas Lottery and the Assistant General Manager to guarantee efficient site and Lottery operations.

Joe led the successful, on-time conversion for the current Texas contract in 2002. As the Assistant General Manager, he has served as a primary point of contact for the Texas Lottery staff and has been responsible for the day-to-day activities supporting your more than 16,000 Texas Lottery retailers. Joe served as project manager for GTECH conversions in Georgia and Texas, and most recently served as ADM in Louisiana.

**Ramon Rivera,
Strategy Consultant**

Experience



GTECH Texas Experience: 18 years

Industry Experience: 18 years

Field of Expertise: 38 years

Ramon will be completely dedicated to the TLC contract and a full-time GTECH employee advising the General Manager and his management staff. He will be primarily focused on working with external resources and community relations teams to ensure that the integrity of the Texas Lottery and GTECH is maintained. In addition, Ramon's knowledge of the Texas Lottery, gained through 18 years of experience in serving the Lottery, will be valuable in considering solutions and approaches to operational challenges. Ramon worked on the previous Texas system conversion and Lottery start-up.

**Saysha Robinson,
Assistant General Manager**

Experience



GTECH Texas Experience: 6 years

Industry Experience: 6 years

Field of Expertise: 10 years

As Assistant General Manager, Saysha will perform customer validation activities for both technical and operational requirements as defined in the new contract during the conversion project. She will be instrumental in maintaining business continuity throughout the conversion period and smooth business operations through the duration of the contract. Saysha will have accountability for all departments, including centralized services in Texas.

Today, Saysha is the primary contact for maintenance of GTECH's contract with the TLC for daily operational activities, Lottery requests, audits, and compliance. She is responsible for ensuring GTECH meets and exceeds the TLC's performance expectations. She coordinates with GTECH and Lottery staff for requested software and procedural changes and ensures business and technology alignment. Saysha's knowledge of the Lottery's business goals and policies enables her to provide creative solutions across organizational units.

**Tom Stanek,
Director of Sales, Marketing, and Business Development**

Experience



GTECH Texas Experience: 3 years

Industry Experience: 7 years

Field of Expertise: 11 years

Tom will continue to be responsible for multiple operations during the conversion, ensuring that daily operations are performed without interruption, and will play a key role in the overall strategy of the project delivery. During conversion, he will have direct responsibility for GTECH's sales, marketing, and business development groups in Texas.

Prior to his duties in Texas, Tom worked in GTECH's corporate marketing department and in multiple jurisdictions. In his various other positions, he worked to optimize product portfolios and distribution.

Site Operations

Reporting to the Assistant General Manager, Saysha Robinson, our site operations team will ensure the smooth daily operations of the Lottery. This team has a combined 42 years of experience. Site operations works with the TLC to comply with all audit requirements and to see to daily business continuity during the system conversion and throughout the duration of the contract. This team interacts with the GTECH Texas organization at every level of operations to ensure compliance and efficiency.

Jeremy Bingham,
Audit and Security Supervisor

Experience



GTECH Texas Experience: 3 years

Industry Experience: 3 years

Field of Expertise: 10 years

Jeremy is responsible for facilitating all Texas Lottery and third-party audits including, but not limited to, quarterly compliance audits, Statement on Auditing Standards No. 70 (SAS 70) audits, and bi-annual security audits by the state auditor's office. He also performs internal GTECH audits and best practice reviews on specific functions, organizations, or processes for measures of effectiveness and efficiency. He performs field security analyses designed to identify potential areas of security concern and will work closely with the TLC security department to assist with security requests.

Jeremy oversees the Field Audits Analyst whose sole responsibility is to coordinate with multiple disciplines within the Lottery to ensure the sales, marketing, business development, and field service teams comply with the RFP requirements and all Texas Lottery business processes and needs. The Analyst will develop appropriate audit steps that promote effective audit coverage to ensure superior controls over field operations.

**Cindy Hutchens,
Finance and HUB Analyst**

Experience



GTECH Texas Experience: 18 years

Industry Experience: 18 years

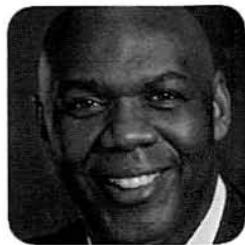
Field of Expertise: 32 years

Cindy is responsible for all accounting operations at the local level. These include accounts receivable, accounts payable, general ledger close, and purchasing. Cindy also handles all the Historically Under-utilized Business (HUB) vendor relations as well as HUB spending reports. In addition, she is responsible for the fleet operations in Texas.

During the conversion, Cindy will be responsible for placing orders for goods/services to complete the conversion. Her role will be to ensure that these purchases comply with the business subcontracting plan and all HUB requirements proposed with the RFP. Cindy worked on the previous Texas system conversion.

**Patrick Moore,
Communications Manager**

Experience



GTECH Texas Experience: 16 years

Industry Experience: 22 years

Field of Expertise: 22 years

Patrick will be the jurisdiction's primary contact for the installation and operations of a wireless communication network for the Texas retailer base. He will recruit, oversee, and maintain the group of local satellite installation contractors statewide. Patrick will also supervise all communication technicians in Texas.

Patrick has worked on numerous important projects throughout his 22 years with GTECH including Michigan and Georgia. Today he is working to identify and reduce the lead time it takes for retailers in Texas to receive their terminal communications. Patrick was involved with the telecommunications deployment on the previous Texas system conversion.

Sales and Marketing

The GTECH Texas sales and marketing team, led by Tom Stanek, is truly unique in the lottery industry. Our scope of experience is unmatched by any other lottery provider. This cohesive team, consisting of marketing, sales support, corporate relations, and business development has the resources and drive to continue meeting the TLC's needs for recruiting new retailers, increasing same-store sales, and creating new and exciting promotional initiatives.

Shannon Plum, Marketing Manager

Experience



GTECH Texas Experience: 2 years

Industry Experience: 2 years

Field of Expertise: 15 years

Shannon's full-time responsibility will be to help the Texas Lottery identify new product and marketing strategies. She will work directly with the TLC to execute its marketing plan during and after the conversion. She will ensure that the TLC receives the tools and information to successfully sell Texas Lottery products to players. In addition, Shannon will assist the TLC in developing new retail POS materials and marketing strategies and deploying the marketing plan through the GTECH sales organization. She will work closely with the TLC to ensure its product initiatives are clearly communicated to the GTECH sales organization and that execution plans are created around the initiatives.

Shannon brings more than 15 years of sales and marketing experience, primarily focused on consumer goods, to the Texas Lottery. She is an expert at executing multi-level marketing strategies at retail through large sales organizations. Her responsibilities have included coordinating the design and development of merchandising/POS materials for new product launches as well as developing and delivering retail incentive programs for multiple retail locations in North America. Shannon has experience designing and implementing training programs and educating sales organizations to achieve sales growth. She also has developed general communications materials for both retailers and sales organizations.

**TBH,
Promotions Manager/Coordinator**



The Promotions Manager/Coordinator will be responsible for overseeing all promotional initiatives. This individual will focus on retailer and LSR incentives and all promotional selling events. Additional responsibilities include providing the reports necessary for TLC promotion tracking and post-promotion analyses, participating in the promotional planning process with the Lottery, and providing reports with promotion results. This individual will work with our Corporate Marketing Group and GTECH Texas to propose product and promotional initiatives.

**Gina Dill,
Research Associate**

Experience



GTECH Texas Experience: 15 years

Industry Experience: 15 years

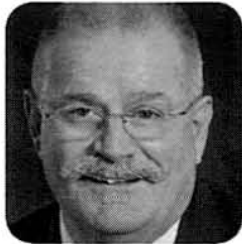
Field of Expertise: 24 years

Gina is responsible for managing all research activities for Texas. This includes analyzing and interpreting data, formulating reports, and making recommendations based upon the findings. She oversees analysis of both internal databases and external market data in order to guide and improve marketing initiatives and promotional program performance.

During the conversion, Gina will utilize all new reporting technologies to continue all reporting and analysis for management decision making, as well as ad-hoc reports, in a seamless manner while preparing databases for conversion. Gina was involved in the previous Texas system conversion.

Arden Reid New Business Development/Recruitment Manager

Experience



GTECH Texas Experience: 15 years

Industry Experience: 19 years

Field of Expertise: 19 years

Arden will continue his recruitment role, working diligently with the Lottery to expand regional and national corporate accounts within the State of Texas. Arden has direct responsibility for the recruitment of new corporate accounts in Texas. In this capacity, he works closely with the Texas Lottery to develop and implement effective comprehensive account acquisition/penetration plans and strategies to grow the Lottery's revenue. Arden's responsibility is to optimize Lottery sales revenue through the effective expansion of the corporate account retailer base while continuing to maintain and enhance GTECH's relationship with the Texas Lottery. Arden was involved in the previous Texas system conversion. He also has previous experience directing the Texas Sales Force.

The following table lists a sampling of accounts with which Arden has had successful interactions.

**Figure 4 – 4:
Key, Corporate, and Chain Account Recruitment**

Successfully Recruited		In Progress		Preliminary Discussions Taking Place	
United Grocery Stores	53 locations	Walgreens	597 locations	Academy	77 locations
Brookshire Grocery	150 locations	Family Dollar	834 locations	Best Buy	73 locations
Travel America	14 locations	Dollar General	1005 locations		
Rip Griffin	4 locations				
Duckwall-ALCO	5 locations				

Mandy Carter,
Corporate/Chain Account Manager

Experience



GTECH Texas Experience: 2 years

Industry Experience: 2 years

Field of Expertise: 12 years

Mandy manages and develops the GTECH Texas Corporate Accounts Team to meet and exceed all TLC and GTECH company goals. She is responsible for assisting the team in cultivating relationships and influencing gaming decisions within the corporate accounts. Mandy's goal is to drive substantial incremental sales growth by devising innovative, tailored marketing and promotional strategies in concert with the account leadership and the TLC. She also contributes to the development and implementation of GTECH leadership and TLC projects and policies.

Mandy has initiated and developed exclusive, destination-buy co-op promotions with the TLC corporate accounts. She developed the first-of-its-kind, exclusive, chain co-op promotion in April 2009 at H-E-B Grocery Company. This promotion realized great success and led to a second co-op promotion with Brookshire Brothers Grocery. She has also obtained licensing for corporate account subordinates, successfully licensing 74 Murphy USA locations in Texas.

Before joining GTECH, Mandy worked with H-E-B for more than six years as an associate with their marketing company, Daymon Worldwide, and directly as the sales manager for the in-store selling department. She worked with internal and external customers and manufacturers to design the most tactical in-store marketing plans for new and existing consumer products.

A Customer-Centric Team

Mandy and her team strive to develop positive working relationships with Texas Corporate Accounts. Following are a few quotes from corporate account contacts discussing the quality of work that our account representatives do for them.

Randy Hudman:

Since Randy has been our Corporate Representative, he has kept us informed and up to date on promotions and promotional materials plus sales data to keep us knowledgeable on how the market is trending. Randy is always in close contact with me so I will know about all new items entering the market to make sure we have everything available to sell as many Lottery Tickets as possible.

- David Hudson, Projects Manager, Toot'n Totum Food Stores

Edward Barron:

Edward is always there when I need him; no matter how complicated or simple my questions, he has the answers. He is always looking for ways to increase sales. He makes my job a lot easier.

- Arlene Whitaker, License Permit Manager, Tetco Inc.

Terri Rose:

In my time working with Terri I have found her to be exceptionally attentive to the needs of our Company. She has brought to the table many more ideas for mutual benefit than I have experienced in the past. On new projects we have run into some snags due to scheduling of contractors and she has gone the extra mile to find the best workable solutions. Her ability to bring to the table detailed analysis of our sales data and explore ways we can work to improve upon them has been a welcomed challenge.

- Chuck Miller, Manager of Retail Operations, Timewise Convenience Stores

Gina Easley:

Gina Easley provides first-rate service to Kroger – giving information, paying attention to our needs, offering counsel, and taking care of our numerous requests in a timely manner – all the while focused on helping Kroger increase sales. For example, Gina responds quickly to requests for equipment moves. She also raised our awareness of out-of-stocks in the ITVMs.

- Robert Snuske, Southwest Audit Supervisor, Kroger Co.

**George Sanchez,
Sales Manager, North Region**

Experience



GTECH Texas Experience: 18 years

Industry Experience: 18 years

Field of Expertise: 25 years

Continuing in his role as Regional Sales Manager, George will be responsible for ensuring GTECH district sales personnel are properly informed and trained, and continue to serve nearly 8,000 retailers without customer service interruption during conversion. He ensures compliance with all TLC requirements and objectives. George serves as a lead and advisor on all sales, marketing, merchandising, and business development projects for the North Region. He was involved in the previous Texas system conversion and also held previous positions in the Texas Sales Force team including LSR, Account Representative, and District Sales Manager (DSM).

"George is a man that is very humble in his demeanor that instantly makes you feel comfortable talking with him. His desire to get 'in touch' with retailers and see how he can improve any and all aspects of the operations is admirable. Anytime we get a chance to talk with George, he is always encouraging us to give him feedback on how to make the Lottery more successful and how GTECH can better serve us. We view George with great respect and as a good friend, whom we look forward to dealing with in the future."

– Ken Taing, Mr. T's Market, Midland, Texas

**Figure 4 – 5:
North Region Sales Force Management**

Name	Title	Years of Experience
George Sanchez	Sales Manager, North Region	18
Bari Ellington	District Sales Manager, Dallas North	3
Deborah Graves	District Sales Manager, Fort Worth	1
Alan Dore	District Sales Manager, Tyler	14
Allen Beaty	District Sales Manager, Lubbock	11
Pam Batten	District Sales Manager, El Paso	12
TBD	District Sales Manager, Waco	-
		Total: 59

**Brian Finnigan,
Sales Manager, South Region**

Experience



GTECH Texas Experience: 18 years

Industry Experience: 18 years

Field of Expertise: 24 years

As the Regional Sales Manager for South Texas, Brian manages a staff of seven DSMs, LSRs, and Instant Ticket specialists, and the operation of the distribution facility in Austin. His responsibilities include increasing sales and all marketing and merchandising activities for nearly 9,000 retailers. He ensures the sales staff represents the Lottery with integrity and is compliant with all rules and objectives. Brian was involved in the previous Texas system conversion. He has previously worked as a GTECH Texas LSR, DSM, and Instant Ticket System Warehouse Manager.

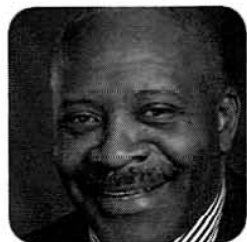
**Figure 4 – 6:
South Region Sales Force Management**

Name	Title	Years of Experience
Brian Finnigan	Sales Manager, South Region	18
Camille Moore	District Sales Manager, Austin	22
Jesse Carrasco	District Sales Manager, Houston East	18
Terry Kearns	District Sales Manager, Houston Southwest	18
Suhail Sharief	District Sales Manager, Houston Northwest	11
Linda Sanderson	District Sales Manager, San Antonio	18
Brenda Boucher	District Sales Manager, Victoria	18
Felipe Elizondo	District Sales Manager, McAllen	18
		Total: 141

Seasoned Veterans: The sales force understands that they represent the TLC on each and every visit.

Dwayne Tatum, Warehouse Manager

Experience



GTECH Texas Experience: 18 years

Industry Experience: 18 years

Field of Expertise: 18 years

Dwayne is responsible for managing the extensive warehouse and distribution functions, including Pick Pack operations, for the TLC. He oversees all related warehouse roles, including personnel and systems. During the conversion, Dwayne's role will be to ensure there is no disruption to the more than 8 million Instant Ticket packs being processed and shipped annually by the TLC. He will manage a seamless flow of tickets and other consumables to Texas retailers to assure the Lottery of uninterrupted sales as major gaming system components are changed.

Dwayne has more than 18 years of experience with GTECH. He managed the Texas start-up and the conversion to the current warehouse. He has supported nine other lottery start-ups and conversions, including New York, and has supported ongoing operations in three other jurisdictions. He also has experience managing new staff and training on GTECH and Lottery processes. Dwayne brings all the lessons learned from other jurisdictions to benefit the Texas Lottery. He was involved in the last Texas system conversion.

Chuck Faulkner, Distribution Manager

Experience



GTECH Texas Experience: 15 years

Industry Experience: 15 years

Field of Expertise: 15 years

As an Instant Ticket Specialists Manager, Chuck supervises a group of 13 Instant Ticket Specialists who review and replenish Instant Ticket inventories for over 16,000 retailers statewide. His group is also responsible for measuring indexing and trends of each Instant Game as well as monitoring market penetration. Chuck works with the Texas Lottery Instant Ticket Product Coordinator on game mix and launch schedule, and coordinates new game launch parameters.

Chuck's responsibilities include assembling and submitting Instant Ticket game plans to the Texas Lottery for its fiscal year. He makes recommendations to the Instant Ticket Coordinator on prize structures and play styles with a focus on increasing revenues. Chuck works with the TLC liaison to ensure proper tracking is done for all Instant Ticket exceptions such as damaged, lost, and defective tickets.

Technology Solutions Team

GTECH Texas' technology solutions team, under the guidance of your Regional Software Lead Andy Haley, will oversee and manage the technology solutions implemented in Texas. They will support the Texas Lottery throughout the life of the contract. This team has experience with numerous technology implementations in the U.S. and around the world, and they bring this knowledge to benefit the TLC.

**Jim Brannon,
Software Development Manager**

Experience



GTECH Texas Experience: 11 years

Industry Experience: 11 years

Field of Expertise: 19 years

Jim is responsible for defining the objectives, planning, staffing, and execution of software projects for the Texas Lottery. He will also oversee all maintenance performed throughout the system implementation and ongoing through the life of the contract. Jim will effectively control risk and manage quality and cost for software-related activities for the Texas Lottery. He will work with the software support group to meet GTECH and Texas Lottery objectives.

While at GTECH, Jim has been involved in many highly successful projects, including software rollouts in Chile, New Jersey, Jamaica, Massachusetts, Oregon, and Missouri. He has experience performing numerous software upgrades and developing systems with robust life cycle planning.

Client Services

GTECH's Corporate Client Services group has deep roots in Texas. Austin is the location of the DCA, the largest GTECH data center in the world. Austin is also the home of the NRC, which is our second-largest Call Center in the United States. This means the TLC has vast resources close to home to meet any of its unique needs. Each of these organizations will be described in the following pages.

Data Center and Operations

The DCA in Austin will continue to be your primary data center under the new contract. The six team members at the director level of the operations staff have an average of 21 years of experience with GTECH. The data center management staff has a total 186 years of experience.

**Eric DeFazio,
Texas Lottery Liaison/Operations Support Manager**

Experience



GTECH Texas Experience: 5 years

Industry Experience: 12 years

Field of Expertise: 14 years

Eric will continue to be responsible for site operations during the conversion, ensuring that daily operations are performed without interruption. He will also play a key role in the overall management team on the project delivery. He will have direct responsibility for computer operations, communications, and logical security in Texas.

Eric has represented GTECH on three continents. In his various roles within GTECH, he has been responsible for computer operations, sales, communications, incident management, change management, and release management. He has been the Software Quality Assurance Lead for the Israel, U.K., Sweden, New South Wales, France, Mexico, California, and Washington conversions. Eric also supported the Powerball Multi-State Lottery Association (MUSL) audit process.

**Jim Burdick,
Data Center Supervisor**

Experience



GTECH Texas Experience: 9 years

Industry Experience: 14 years

Field of Expertise: 15 years

Jim supports and guides the TLC operations staff in their day-to-day job performance. He also identifies and documents best practices to ensure superior customer service. Jim challenges and motivates the operations staff to reduce errors towards zero. His team performs root-cause analysis for system-related issues, with the goal of anticipating and fixing potential problems before they occur. He facilitates an open channel of communication between TLC employees and GTECH's software engineers. As a customer advocate, Jim ensures outcomes are aligned with the TLC's expectations.

Jim will play a key role in the conversion of data from the V7 to the , performing T-topping of data, testing, documenting, and training. He will help ensure that ongoing operations processes run smoothly and seamlessly during the conversion.

Field Service Operations

The staff of GTECH Texas field services is a model for other lotteries. The management staff of our field service organization has an average of 20 years of experience.

Hal Walker,
Field Service Manager

Experience



GTECH Texas Experience: 10 years

Industry Experience: 24 years

Field of Expertise: 24 years

Hal is directly responsible for Texas field services and has managed all aspects of normal operations and special field services projects for 10 years. His role covers terminal maintenance, repairs, and movement across the entire state. Hal works closely with a wide number of departments: the NRC to monitor all service queues; the sales force to anticipate retailer or special event requirements; and the operations staff to ensure smooth transitions with communication/software functions. Hal will continue to perform this role during the conversion and into the new contract. He was involved in the last system conversion.

Call Center Operations

A primary destination for retailer service calls will be the NRC in Austin, Texas, and Providence, Rhode Island. Although our Call Center training is very comprehensive for the jurisdictions we service, the TLC can enjoy peace of mind knowing that resources are so close to home and familiar with the Lottery's system, policies, and procedures.

**Sam Franco,
Call Center Manager**

Experience



GTECH Texas Experience: 3 years

Industry Experience: 3 years

Field of Expertise: 21 years

As a Senior Call Center Manager, Sam manages and directs ongoing operations and ensures that Call Center service levels and performance standards are met in the most efficient manner. He acts as a liaison between the Call Center and our state customers to maintain excellent customer relations. In collaboration with other managers, Sam ensures that contractual obligations as well as industry-wide performance standards are met.

Since joining GTECH, Sam has overseen the restructuring of the Call Center training program, which maximizes the organization's efficiency. He has developed new procedures to adapt to changes to support the TLC and the other lotteries the NRC serves. Sam has spent 21 years in various leadership roles with a number of companies, bringing his knowledge and experience to GTECH Texas.

**Barbara Broadus,
Retailer Support Supervisor**

Experience



GTECH Texas Experience: 9 years

Industry Experience: 9 years

Field of Expertise: 9 years

As Call Center Supervisor, Barbara is responsible for coordinating the daily activities of the NRC operations personnel to ensure overall efficiency, excellent customer service, data integrity, and superior system performance. This includes training, supervising, evaluating, and counseling the Call Center staff responsible for hotline and dispatch functions.

In addition, Barbara interfaces with the Texas Lottery staff consistently via email or phone, meeting monthly to discuss performance, upcoming promotions, and downloads and to address any concerns of the Lottery. Barbara has also held previous positions in the Instant Ticket Management Group.

**Vachon Colvin,
Dispatch and Supply Inventory Manager**

Experience



GTECH Texas Experience: 6 years

Industry Experience: 6 years

Field of Expertise: 16 years

As Dispatch and Supply Inventory Manager, Vachon's major functions are to provide leadership support and to act as a comprehensive resource for all Call Center associates. This includes assisting with staffing, quality audits, customer satisfaction, problem identification, and reporting. Vachon plays an active role in ensuring associates' goals are being met or exceeded.

Security and Facilities Solutions for Texas

The facilities and security organizations work hand-in-hand to select facility locations that are conducive to the purpose of the facility and provide adequate security to meet the needs of the Lottery.

Steven Pare,
Senior Director, Global Security Affairs

Experience



Industry Experience: 3 years

Field of Expertise: 30 years

Steve directs the team that oversees the physical security at all GTECH sites worldwide. His primary responsibility is the management and oversight of worldwide facility security and employee safety. His department conducts pre-employment screening and due diligence reports on companies seeking to do business with GTECH. Steve also conducts internal investigations to ensure our employees are held to a high standard of integrity. Global Security Affairs works very closely with lottery security departments in the delivery of a highly professional workforce and best practices in the lottery industry.

Prior to joining GTECH in 2007, Steve was employed by the Rhode Island State Police for 27 years, achieving the rank of Colonel/Superintendent. In that position, he was responsible for the operation of a 256-person, statewide law enforcement agency.

**Robert Picasio,
Senior Security Manager**

Experience



GTECH Texas Experience: 7 years

Industry Experience: 7 years

Field of Expertise: 19 years

Robert conducts risk assessments of all facilities related to this project to identify areas of restricted space, interior space, and other areas where access must be controlled. He will also be responsible for designing each of the security systems (intrusion detection, alarm, access control, and video surveillance).

In his current position as Senior Security Manager, Robert develops and implements worldwide policies for the Security Division. Specifically, he staffs and schedules the security offices for all GTECH buildings and facilities and works closely with GTECH's Real Estate Division to ensure that all buildings have the appropriate security. Robert is also responsible for ensuring contract compliance with all physical security regulations outlined in customer contracts, and by the Multi-State Lottery Association (MUSL) and other governing bodies.

Human Resources

The Texas human resources staff assists all GTECH Texas employees with their needs, enabling them to optimize job performance. They assist employees with benefits, career information, workplace safety, and Company awards. Human resources also assists with required Lottery audits. Human resources management has both lottery industry familiarity and experience in a variety of other industries, making them well versed in human resources best practices.

Daisy Bolivar,
Manager, Human Resources

Experience



GTECH Texas Experience: 2 years

Industry Experience: 2 years

Field of Expertise: 12 years

Daisy is responsible for all human resource functions for more than 500 GTECH employees in Texas. Her responsibilities include employment; compensation; performance management; the Building Excellence program execution and administration; benefits consultation; administration, training, and employee development; and employee relations. Daisy also works to coordinate iSpeak classes and monthly Lottery audits.

She brings more than 10 years of human resources experience in a variety of different industries including consumer, oil, technology, and pharmaceutical. Daisy is bilingual, speaking English and Spanish, and has been recognized for her excellent project management skills.

Transition Team

To ensure that the Texas lottery will have sufficient resources to meet its project needs, we have assigned two project managers with a total of 32 years of Lottery industry experience. One project manager will be permanently based in Texas to assist with contractual terms throughout the length of the contract. The other project manager will support Texas during conversion and available throughout the life of the contract.

Your transition team has more than 310 years of experience. We have included the **Transition Team Organizational Chart** earlier in this section and highlight key members of that team in the following pages:

Michael Thornton,
PMP, Project Manager

Experience



Industry Experience: 15 years

Field of Expertise: 18 years

As Project Manager, Michael will be responsible for all aspects of project delivery, including developing and tracking the project schedule and delivery plans, as well as managing all changes against the agreed-upon scope and timeline. Following a standard set of proven delivery processes, Michael will provide guidance to project team members, efficiently balancing workloads to meet deadlines and resolve issues quickly. He will work closely with General Manager Joe Lapinski and the Lottery to ensure all RFP deliverables are provided to the satisfaction of the TLC.

Barbara Tedrow,
PMP, Texas Project Manager

Experience



Industry Experience: 17 years

Field of Expertise: 17 years

Barbara, working with Michael, will be the Texas-based project manager. She will oversee project software development, implementation, and acceptance. She will ensure that her assigned technology development personnel perform in a knowledgeable and professional manner as part of delivering the new system to the Lottery, in accordance with the requirements of the contract.

She has focused on software project management for the past eight years for GTECH's online lottery systems. Barbara also worked on the previous Texas conversion.

**Nick Watts,
Texas Systems Engineer**

Experience



GTECH Texas Experience: 3 years

Industry Experience: 11 years

Field of Expertise: 15 years

Information Redacted

\$552.101/466.022/552.139

Nick is responsible for the overall architecture of the Texas Lottery system. He will lead the technical strategy, system design, and implementation of the Texas Lottery conversion from ProSys to . He will be responsible for coordinating the delivery and integration of all technology deliverables, including software, communications network, systems, and testing. Nick will also align technical requirements with customer requirements and develop gap analyses to determine the strengths and shortcomings of proposed solutions. In addition, he will support the review of requirements and the costing of technical solutions and act as the main contributor to the development of architectural designs, change reviews and approvals, and readiness reviews.

Nick designed and developed the GTECH

using Windows Mobile 6.1 Motorola devices, data collection, forms, workflow, and integrated business intelligence. He implanted Business Process Management (BPM) framework, allowing integration of business processes for the Lottery domain into the account management and software development life cycles. Nick also designed Single Ticket Accounting and activations at the point of sale.

Both the Texas-based transition team and the corporate-based transition teams have ample experience to ensure a seamless transition. The following tables provide brief descriptions of these team members.

**Figure 4 – 7:
Texas-Based Transition Team**

Name	Title	Years of Experience
Barbara Tedrow	Texas Project Manager	17
Nick Watts	Texas Systems Engineer	11
Hal Walker	Texas Network Rollout Manager/ Texas Terminals Project Manager	24
Jim Brannon	Texas Software Project Manager	11
Charles Howard	Texas Retailer Training Project Manager	18
David Schwalm	Texas Infrastructure Project Manager	13
Patrick Moore	Texas Communications Project Manager	22
Gary McIlroy	Texas Facilities Project Manager	1
Eric DeFazio	Texas Operations Support Project Manager	12
Ray Castillo	Texas Quality Assurance Project Manager	16
Homer Diaz	Texas Requirements Lead	14
Daisy Bolivar	Texas Human Resources Lead	2
		Total: 161

Texas Roots: Your Texas-based transition team, with their combined 161 years of experience, has a deep understanding of the Lottery's operations and how to best execute your transition.

**Figure 4 – 8:
Corporate-Based Transition Team**

Name	Title	Years of Experience
Michael Thornton	Project Manager	14
Dan O'Connell	Systems Engineer	19
Dustin Larson	Network Rollout Manager	7
Joyce Johns	Software Project Manager	14
David Modelane	Terminals Project Manager	10
Jonathan Dumont	Retailer Training Project Manager	11
Javaid Vendal	Infrastructure Project Manager	6
Tom West	Communications Project Manager	19
Quentin Chafee	Facilities Project Manager	2
John Anderson	Operations Support Project Manager	20
Ken Perry	Quality Assurance Project Manager	13
Doreen DeLuca	Requirements Lead	5
Dorothy Costa	Human Resources Lead	12
		Total: 152

Worldwide Expertise: Part of more than 220 conversions all over the world, the corporate-based transition team will bring their best practice experience to the Texas Lottery.

Senior Management Support

We understand the importance of the TLC having direct communication lines to GTECH senior management. The GTECH Texas General Manager, Joe Lapinski, directly reports to Alan Eland, Senior Vice President (SVP) of GTECH Americas. Any matters of significant concern will be communicated to Alan and his team. Understanding and meeting your needs is the priority of GTECH, and senior management looks forward to future conversations regarding how we are doing today and what can be done better in the future. We have included the **Senior Management Organizational Chart** earlier in this section. In the pages that follow, we highlight key members of our Senior Management team that play an integral role in providing guidance, direction and support to our Texas-based team.

**Jaymin Patel,
President and Chief Executive Officer**

Experience



Industry Experience: 16 years

Field of Expertise: 18 years

As President and CEO of GTECH Corporation, Jaymin is responsible for overseeing the strategic direction of the Company. He works directly with GTECH's and Lottomatica's management teams to execute the Company's vision in the continuous effort to deliver value to its customers, shareholders, and employees. Jaymin is involved with all GTECH jurisdictions and he will be available to the Texas Lottery as needed.

**Alan Eland,
Senior Vice President, GTECH Americas**

Experience



GTECH Texas Experience: 4 years

Industry Experience: 25 years

Field of Expertise: 25 years

Reporting to Jaymin, Alan will work to direct GTECH resources toward your overall strategic objectives. He will also provide operational/management support to your team on the ground. As SVP, GTECH Americas, Alan is responsible for overseeing all lottery operations in the U.S., Canada, Latin America, and South America. He leads the Company's growth efforts in terms of providing technology and service solutions and operational-management support to clients throughout the Americas. Alan and the Texas General Manager, Joe Lapinski, will communicate on a frequent basis, ensuring the Texas Lottery the full support of GTECH senior management. Alan is uniquely qualified to provide oversight to the GTECH Texas Account Team, having served as the GTECH Texas Project Manager during your 1992 start-up, GTECH Texas Deputy General Manager, and GTECH Texas General Manager.

**Connie Lavery O'Connor,
Senior Vice President and Chief Marketing Officer**

Experience



Industry Experience: 36 years

Field of Expertise: 36 years

With more than 36 years of Lottery sales, marketing, and management experience, Connie leads our corporate marketing teams in supplying tactical marketing advice on game development, industry best practices, retailer network development, and promotion design and execution. Connie formerly managed the New York and Georgia Lottery sales and marketing teams and was instrumental in driving annual sales of more than \$6.6 billion and \$3.2 billion respectively in those jurisdictions. In addition, under Connie's marketing leadership, New York Lottery Instant Game sales increased by more than 800 percent in a 10-year period. Connie was also a central figure working with the leadership of both consortiums on facilitating the Mega Millions and Powerball cross-sell initiative.

**Scott Gunn,
Senior Vice President, Global Government Relations and
U.S. Business Development**

Experience



Industry Experience: 16 years

Field of Expertise: 21 years

As Senior Vice President of Global Government Relations and U.S. Business Development, Scott is responsible for worldwide government relations leadership and strategy. He guides GTECH's global network of government relations consultants to maintain appropriate government relationships and work to develop the Company's lines of business. Scott also leads the U.S. Business Development organization to ensure that GTECH is aligned with, and positioned to support, the objectives of the Company's customers, and to pursue the most significant domestic business opportunities for the Company.

Matthew Whalen,
Senior Vice President, Global Technology Solutions
Experience



Industry Experience: 16 years

Field of Expertise: 16 years

Matt is accountable for all technology deliveries at an executive level. He will oversee the technology team that will deliver all aspects of the project, including requirements gathering, software development, implementation, and customer acceptance. He will work with the business leaders and the TLC to ensure that system specifications are delivered on time, as agreed to, and with a high level of quality. Matt will also oversee the escalation of any issue, if necessary, to ensure timely decision-making and thus complete customer satisfaction.

4.3.2 (a-f) **Resumes for Key Personnel**

We have provided resumes for all roles dictated in Section 4.3.2, Resumes for Key Personnel. We have also provided many more resumes beyond your requirement to demonstrate the size, experience, and complexity of GTECH Texas. Resumes can be found in **Exhibit 1, Resumes**, which is located in the Exhibits Volume. These resumes include all positions dictated in sections 4.3.2.a through 4.3.2.f.

4.3.3 **Resume Specifications**

Each GTECH resume includes the following information.

- The proposed position to which the individual will be assigned for the contract.
- The position the individual currently holds with GTECH.
- A brief description of the individual's responsibilities for the contract.
- A description of the experience that qualifies the individual to perform such responsibilities.

All resumes can be found in **Exhibit 1, Resumes**, which is located in the Exhibits Volume.

4.3.4

Verification of Resumes

We invite the TLC to verify all information in the resumes submitted by GTECH, including contacting previous employers or firms for which work experience is indicated. We acknowledge that intentional or negligent misstatements of experience, scope of prior projects, or results of work on prior projects may be grounds for disqualification of the proposal.

4.3.5

Staffing Schedule

The majority of the positions required to effectively manage the GTECH Texas Account and exceed the requirements of your RFP are currently in place and working for you today. The unfilled positions are listed in the following table and will be available to commence providing services under any contract awarded hereunder on the date of the announcement of the apparent successful proposer.

**Figure 4 – 9:
Currently Unfilled Positions and Projected Start Dates**

Unfilled Position	Projected Date Position Will Be Filled
Field Audits Analyst	Immediately upon contract award
Senior Sales, Merchandising, and Business Development Managers	Immediately upon contract award
Sales and Merchandising Representatives	Immediately upon contract award
Recruitment Representatives	Immediately upon contract award
Promotions Managers/Coordinators	Immediately upon contract award
Promotions and Training Representatives	Immediately upon contract award
Software Support Project Manager	Immediately upon contract award
Software Support Business Analyst	Immediately upon contract award
Software Support Quality Assurance Lead	Immediately upon contract award

A benefit of choosing GTECH is that so few of our positions are unfilled. As your current vendor, we offer not only mostly filled positions, but also positions that are filled with Texas experience. The positions that are currently unfilled are new positions that we are adding to improve service to the Texas Lottery. To fill these positions, we will go through an internal evaluation of our current staff. We would like to emphasize however, that although we have few positions currently unfilled, we are continually evaluating and assessing all positions within GTECH Texas to be sure our staff best meets the needs of the Lottery.

4.3.6

Availability of Key Management Employees

Key management employees will be available to commence providing services under any contract awarded hereunder on the date of the announcement of the apparent successful proposer.

4.4

References

Reference information, including contact person, name of company, phone, fax number, and email (where available) for each engagement identified in Section 4.2.1, Years of Experience, has been provided in the **Experience Insert**, which is located behind Section 4.2.1. GTECH will provide any additional information the Texas Lottery deems necessary to conduct a thorough review.

4.5

Contact Person

**Joe Lapinski,
Texas Account General Manager, GTECH Texas**



Joe Lapinski may be contacted concerning questions regarding this proposal.

Joe Lapinski
Texas Account General Manager
GTECH Texas
5301 Riata Park Court
Building E, Suite 100
Austin, TX 78727
Phone: (512) 908-4226

Fax: (512) 339-0405

4.6 Conflict of Interest

4.6.1 Disclosure of Conflicts of Interest

As primary lottery vendor for the Texas Lottery, GTECH has relationships with all of the Lottery's vendors due to the nature of the business. However, with the two exceptions listed below, our relationships with other Lottery vendors are strictly through the Texas Lottery. None of our relationships with other Lottery vendors creates a conflict of interest.

GTECH has business relationships, outside of the Texas Lottery, with the following Texas Lottery vendors:

- **Scientific Games International:** Instant ticket manufacturer and random animated digital drawing system.
- **Pollard Banknote Limited Partnership:** Instant ticket manufacturer.

GTECH does not have any other personal or business relationship with any employee or representative of the Texas Lottery or its prime vendors.

4.6.2 Continuing Disclosure Requirement

GTECH acknowledges that this is a continuing disclosure requirement and will disclose to the Texas Lottery in writing any actual, potential, or perceived conflict of interest relative to the performance of the requirements of this RFP, during the period prior to the award of any contract pursuant to the RFP, at the time the conflict is identified. GTECH further acknowledges that failure to promptly notify the Texas Lottery will be sufficient grounds for rejecting the proposal.

4.7 Financial Soundness

4.7.1 Information for Evaluating Financial Soundness

As the Texas Lottery continues to exceed expectations in terms of both sales growth and operating efficiencies, it can be assured that GTECH has the financial resources necessary to support this contract.

GTECH's financial stability is demonstrated by the fact that it is the only company among the principal online lottery suppliers that has investment grade credit ratings. The two most highly recognized credit rating agencies, Moody's and Standard & Poor's, have assigned Lottomatica Group with credit ratings of Baa3 (stable outlook) and BBB- (stable outlook), respectively. Moody's and Standard & Poor's rate the credit worthiness of GTECH after conducting a thorough analysis of its historical financial performance and long-term financial outlook. They also consider our ability to fund lottery projects using available financial resources. The rating agencies update their credit metrics each quarter, or more frequently as events may warrant. The respective ratings are presented in the following table:

**Figure 4 – 10:
Moody's and Standard & Poor's Ratings**

	Moody's	Standard & Poor's	Description of Rating*
LTO/GTECH Investment Grade	Baa3	BBB-	Obligations with these ratings have adequate capacity to meet financial commitments
Scientific Games Non-Investment Grade/Speculative	Ba3	BB	Obligations with these ratings are subject to moderate credit risk. They are considered medium grade and as such may possess certain speculative characteristics
Intralot Not Rated	Not rated	Not rated	Obligations with these ratings are judged to have speculative elements and are subject to substantial credit risk

*Source: Moody's

4.7.2 Ability to Finance Performance

For a written analysis of GTECH's estimated initial or start-up costs for the period from the start of the contract, please refer to **Attachment J, Start-up Costs**, which is located in the separately submitted Cost Proposal.

4.7.2.1

Submission of Financial Statements

GTECH is a subsidiary of Lottomatica S.p.A. and is submitting the financial statements of its parent company, Lottomatica Group S.p.A, for each of the three most recently ended fiscal years. Please refer to **Exhibit 28, Financials**, which is located in the Exhibits Volume.

All financial statements have been prepared in accordance with Generally Accepted Auditing Standards (GAAS) by a certified public accountant. They have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) and include balance sheets, income statements, statements of cash flows, statements of retained earnings, notes to the financial statements for both years, and any management letters that had been received for those years.

GTECH does not prepare consolidated interim financial statements. We have submitted the first Quarter Annual Report of our parent company, Lottomatica Group S.p.A, which contains the activity of GTECH. Please refer to **Exhibit 28, Financials**, for this report. Upon request, GTECH will provide updated financial statements of its parent following submission of the proposal, and prior to the award of the contract, to take into account the lapse between the date of submission and the estimated date of award of the contract.

4.7.2.2

Subsidiaries

As a subsidiary of Lottomatica Group S.p.A, GTECH relies on Lottomatica's financial soundness, and therefore has enclosed the consolidated financial statements of Lottomatica. The financial statements of Lottomatica include the activity of GTECH and meet the criteria set forth in the RFP.

GTECH has also submitted its own financial statements in accordance with the previous requirement. All financial statements can be found in **Exhibit 28, Financials**, located in the Exhibits Volume.

Lottomatica will serve as the financial guarantor of GTECH and will be held accountable for, and unconditionally guarantee the prompt and complete performance of, all terms and conditions of the RFP and a resulting contract and will sign the RFP and execute the contract as such guarantor.

Please refer to **Exhibit 11, Attachment B/Bank of America Letter**, for a certification to the Lottery of the availability of Lottomatica's resources to GTECH.

4.7.2.3

Submission Involving Joint Participants

This submission does not involve joint participants.

4.7.2.4

External Borrowing

GTECH has a diversified portfolio of long-term contracts generating recurring cash flows. We also have a \$500 million committed revolving loan facility maturing in 2012 that GTECH can use to fund the Texas project. Please refer to **Exhibit 11, Attachment B/Bank of America Letter**, which confirms the available balance for the Texas project.

Recurring cash flows together with undrawn committed loans provide GTECH with financial resources to invest in this lottery project that are unmatched by our competition.

4.7.3

Notification of Change of Financial Condition

If chosen as the successful proposer, GTECH will notify the Texas Lottery of any change in financial condition during the contract term and any renewal thereof. If GTECH experiences a material adverse change during the period prior to the award of any contract pursuant to the RFP, or if GTECH experiences a material adverse change during the term of the contract or any extension thereof, GTECH will notify the Texas Lottery in writing of such change at the time the change occurs or is identified. Failure to notify the Texas Lottery of such material adverse change will be sufficient grounds for rejecting the proposal or terminating any contract. The term "material adverse change" will mean any change or changes that individually or in the aggregate are materially adverse to (i) the assets, properties, business, results of operations or financial condition, taken as a whole, of the proposer or other applicable obligor, (ii) the ability of the proposer or such other obligor to perform its or their obligations under the contract, or (iii) the legality or enforceability against the proposer or such obligor of the contract.

4.7.4

Supplemental Information

The following supplemental information has been provided to assist the Lottery staff in evaluating GTECH's financial soundness.

4.7.4.1

Off-Balance Sheet Arrangements

GTECH does not keep off-balance accounts, nor do we knowingly create inaccurate financial records.

4.7.4.2 (a-b)

Defaults on Securities

There has never been any material default in the payment of principal, interest, or any other material default not cured within 30 days, with respect to any indebtedness of GTECH or any of its significant subsidiaries exceeding five percent of the total assets of GTECH and its consolidated subsidiaries. No material arrearage in the payment of dividends has occurred. Further, there has never been any other material delinquency not cured within 30 days, with respect to any class of preferred stock of GTECH, or with respect to any class of preferred stock of any significant subsidiary of GTECH.

4.7.4.3

Business Plans

The business plan of GTECH, including all of its subsidiaries, does not anticipate any acquisitions or investments that could reasonably be expected to constitute a significant risk factor to the future financial soundness of GTECH. A key objective of our planning process is maintaining financial stability. We believe this is accomplished by maintaining adequate liquidity, strong financial metrics, and a disciplined approach to capital allocation.

4.7.4.4 (a-b)

Liquidity and Capital Resources

Liquidity

It is our policy to ensure that we maintain adequate liquidity and flexibility through the use of cash generated from operating activities, bank overdrafts, and bank loans. We believe our ability to generate excess cash from operations to reinvest in our business is one of our fundamental financial strengths, and, combined with our committed borrowing capacity, we have the resources available to meet all future commitments. Following are highlights of the financial resources available to GTECH.

**Figure 4 – 11:
Financial Resources**

Resource	Benefit
GTECH has a US\$500 million committed credit facility maturing in 2012. Only US\$4 million borrowed at April 5, 2010 – see Bank of America Letter , as Facility Agent	Ensures GTECH has committed available capacity to perform the requirements of the Texas RFP
Lottomatica has a €300 million committed credit facility maturing in 2012 with zero drawn at April 5, 2010 – see Bank of America Letter , as Facility Agent	GTECH's financial resources are further supplemented by committed available capacity of its parent
Worldwide Group cash balance at April 5, 2010, of approximately €450 million	Sufficient cash to meet all existing obligations
Generated €695 million in cash from operating activities in Fiscal 2009	Evidence of our long-term cash flow, beyond committed available bank capacity, to fund ongoing business requirements
Access to Capital Markets – Lottomatica and GTECH issued €750 million in bonds in 2009 in a transaction that was 7x oversubscribed	Evidence of long-term financial strength and strong investor demand for the Lottomatica/GTECH name

Capital Resources

GTECH routinely submits bids on contracts where we are required to invest capital if we are awarded the contract. In addition, there are conditions under existing contracts where GTECH will be required to make certain capital expenditures. The cash flow that GTECH generates from operations will be sufficient to fund these expenditures and future expenditures contemplated in our business plan. However, as mentioned in the previous table, GTECH also has a \$500 million committed credit facility that matures in 2012. This facility is available to fund any current or future commitments.

GTECH does not anticipate any significant changes between equity and debt and does not have any off-balance sheet financing arrangements. To the extent we have excess cash available, our business plan assumes we will use this cash to reduce debt. It is our policy to ensure we maintain committed undrawn borrowing lines at all times to ensure our business has liquidity beyond cash balances and cash generated by ongoing operating activities.

GTECH has maturing debt obligations of \$180 million in 2011 and \$1.5 billion in 2012. Our business plan contemplates refinancing this debt during 2011 through a combination of bank financing and bond issuance. We have had several discussions with financial advisors regarding the refinancing of this debt and are confident that the GTECH name will be well received in the financial markets. Following are some key strengths of GTECH that will help ensure we will refinance all maturing debt at attractive terms and conditions:

- Cross-guarantee structure, whereby Lottomatica guarantees GTECH debt and GTECH guarantees Lottomatica debt. Lenders evaluate our credit at the Lottomatica Group consolidated level.
- Lottomatica Group, including GTECH, has received investment grade credit ratings from Standard and Poor's and Moody's Investor Services, providing lenders with an independent validation of our credit worthiness.
- Long-term, stable contract portfolio provides lenders with long-term visibility unique to our business.
- Large portfolio of contracts provides revenue and cash flow diversity – we are not overly dependent on any single contract.

The ability of Lottomatica Group to attract capital is evidenced by the following recently completed transactions where GTECH is a party to the agreement:

- **May 2008:** GTECH amended existing bank facility to increase revolver capacity by \$250 million.
- **June 2008:** Lottomatica issued new €300 million revolving credit facility; proceeds used to refinance Group debt.
- **November 2008:** Lottomatica issued new €360 million term loan facility; proceeds used to refinance Group debt.
- **December 2009:** Lottomatica issued new €750 million Eurobond; proceeds used to refinance Group debt.

In addition to these transactions, Lottomatica issued 19.7 million new shares in November 2009, raising proceeds of €350 million that may be used to fund various investments of the Group. Our ability to attract capital is evidenced by these transactions. We will continue to refinance maturing debt obligations well in advance of their scheduled maturity dates.

4.7.5

Additional Information

GTECH acknowledges that the Texas Lottery may require additional information to evaluate its financial soundness or ability to perform its obligations under the contract.

4.8

Background Investigations

4.8.1

Background Investigation Provisions

GTECH will pay all costs incurred by the TLC to conduct initial vendor background investigations. To facilitate the payment of these costs, GTECH will post funds from which the Texas Lottery can draw to pay for such costs and will replenish those funds, as requested by the Texas Lottery, should the Texas Lottery determine that additional funds are required.

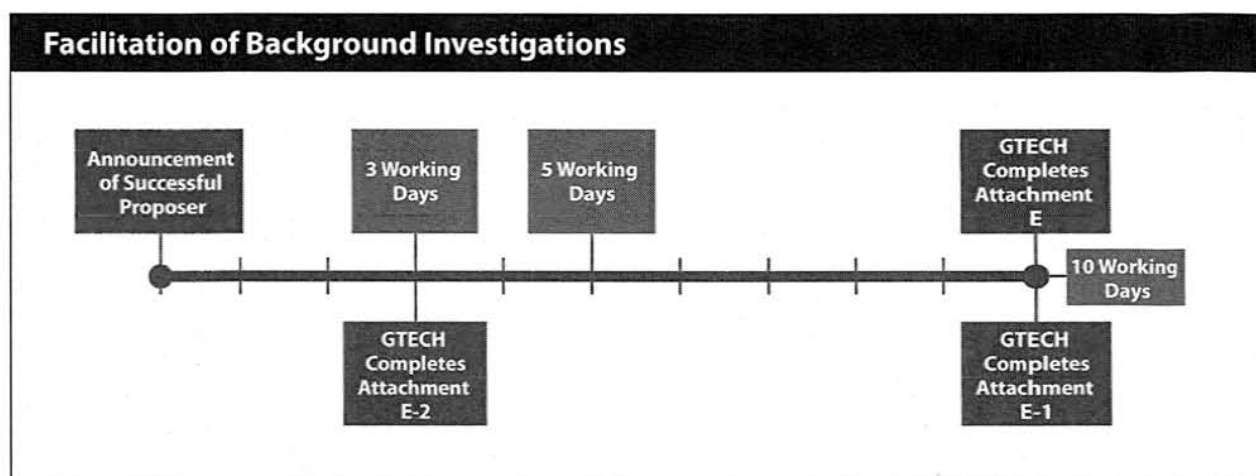
4.8.2 (a-c)

Facilitation of Background Investigations

In order to facilitate background investigations upon contract award, GTECH, if the Apparent Successful Proposer, including its parent and subsidiaries, will complete and return the following forms:

- a. The Texas Lottery's Background Information Certified List of Vendor Principals Form (Attachment E-2) within three Working Days after the written Announcement of the Apparent Successful Proposer by the Texas Lottery.
- b. The Texas Lottery's Background Packet (Attachment E) within 10 Working Days after the written Announcement of the Apparent Successful Proposer by the Texas Lottery.
- c. The Personal Background Disclosure Form (Attachment E-1) for all Apparent Successful Proposer Principals and any spouse, child, brother, sister, or parent residing as a member of the same household in the principal place of residence of an Apparent Successful Proposer Principal within 10 Working Days after the written Announcement of the Apparent Successful Proposer by the Texas Lottery.

Figure 4 – 12:



Timeline of Background Form Provision: If named the Apparent Successful Proposer, GTECH will provide the required forms within the required time frame to facilitate the TLC's background investigations.

4.8.3

Additional Background Information

GTECH acknowledges that the Texas Lottery reserves the right to require additional background information and will comply.



Part 5

HUB Subcontracting Plan (HSP)

GTECH has thoroughly reviewed and agrees to all requirements contained in Part 5 of the Texas Lottery's RFP, including Sections 5.1 through 5.8. GTECH has made every reasonable effort to identify actual or potential subcontracting opportunities in response to this RFP, and submits its HUB Subcontracting Plan (HSP) in accordance with the rules of the Comptroller of Public Accounts and 34 TAC § 20.

GTECH's HSP is a demonstration of its commitment to working with Historically Underutilized Businesses (HUBs) in Texas, and reflects an understanding and appreciation of the Lottery's responsibility as it pertains to the solicitation and inclusion of HUB vendors in state contracts. Please refer to the volumes entitled Response to Part 5, HUB Subcontracting Plan (HSP), Volumes 1 through 8, which contain the required HSP and its associated documentation.



Part 6

Account Management and Administration



Invited Option Icon

This icon indicates where we have responded to an Invited Option.



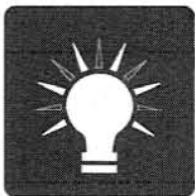
Specified Option Icon

This icon indicates where we have responded to a Specified Option.



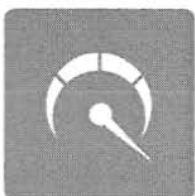
Offered Option Icon

This icon indicates where we have proposed an Offered Option.



New Innovation Icon

This icon indicates where we describe a new, GTECH-designed product or feature that represents GTECH's commitment to industry innovation.



Exceeds Icon

This icon indicates areas in which GTECH exceeds the requirement.

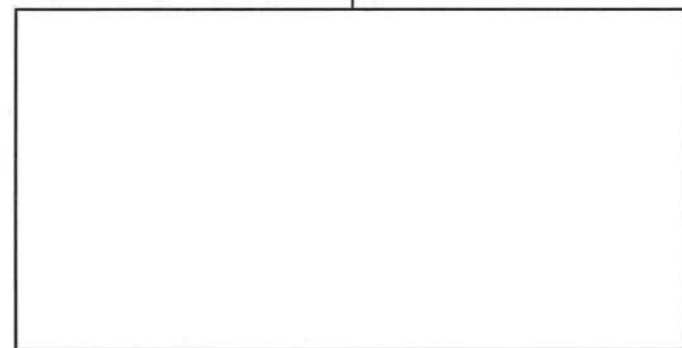
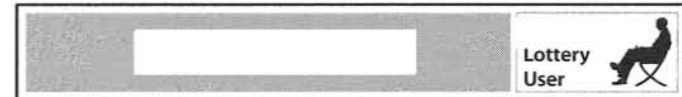
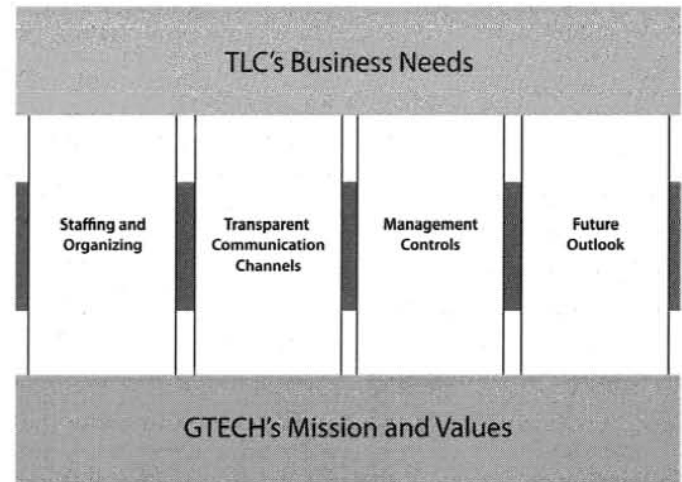
Excellence in account management is measured by the quality of execution and commitment to shared goals.

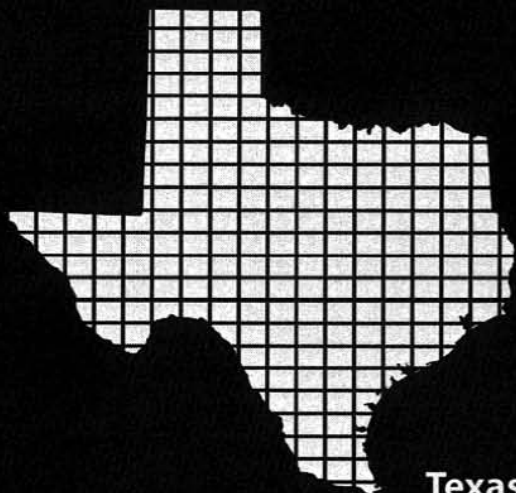
Information Redacted
§552.101/466.022/552.139

All critical systems will be connected to and monitored by our proposed Service Level Monitoring tool, allowing us to account for, manage, and monitor every identified Service Level Requirement.

From Operations to Human Resources to Senior Management, our organization will manage all levels of capacity to support expansion of the Texas Lottery and 100 percent compliance with all contractual obligations.

Even with advanced, customized tools in place to provide accurate decision-making data, ultimately, the true differentiator of superior account management is the expertise, experience, and ~~DOCUMENT REDACTED BY TLC 12-2-10~~ duty to deliver quality service is absolute.





Texas Aligned

(or Accountable)

6.1 Overview

More than 120 TLC business processes identified over two years have driven the development of 11 innovative solutions that will provide the Texas Lottery with complete transparency into our operations.

Texas Lottery Core Values...

Honored

Integrity and Responsibility: We are committed to delivering the solutions necessary to manage your service environment in a way that maintains your trust in us and the public's trust in your operation.

Innovation: Our new, customized Service Level Monitoring and Contract Management tools are proof of our commitment to continually improving TLC account management through innovative solutions.

Fiscal Accountability: Our proposed solution will provide live monitoring of all critical system- and service-level drivers to report actual performance against service-level requirements and track our compliance with each and every contractual obligation.

Customer Responsiveness: We will be answerable and accountable to you for every task and every representation of your brand.

Teamwork: Our innovative solutions, combined with our experienced team across all business functions, will provide the TLC with a holistic account management process and complete transparency.

Excellence: We have developed advanced reporting and monitoring tools specifically for the TLC to measure our performance against your Service Level Requirements. We have mapped our solution and our organization to leverage these tools to ensure complete confidence in our account management capabilities.



6.2

Account Management

Table 4

Account Management Response Requirements

4.1

Roles, Responsibilities and Detail Requirements

GTECH acknowledges and accepts the roles, responsibilities, and detail requirements indicated in this section.

4.2

Account Management

"The members of the original Implementation Task Force of the Texas Lottery were the architects of what has become known as the "Texas Model," a unique, public-private arrangement. The agency maintains administrative, regulatory, and management control over all critical functions, while utilizing private enterprises' inherent efficiency and profit motive to optimize the Texas Lottery's revenue potential. This organizational model maintains critical functions and broad oversight within the agency, while outsourcing those functions better performed by private industry, thus shifting the burden of performance to the private sector while the state enforces performance standards under parameters strictly defined by contract."

- Texas Lottery Commission, Comprehensive Business Plan, 2008 – 2011

The TLC is answerable and accountable to multiple state agencies, oversight groups, beneficiaries, retailers, players, and the general public. Each and every day, you must respond to internal and external forces for which trust, integrity, and transparency guide the decisions that you make and the plans that you create and execute. With more than 320 employees serving as an extension of you and your brand, it would be impossible to monitor every task your vendor completes, each meeting it has, all the retailer calls it handles, the thousands of in-store promotions it conducts, and every conversation it has on your behalf.

A Look at the Numbers

In calendar year 2009 alone, GTECH Texas:

- Visited your retailers more than 500,000 times.
- Conducted more than 600 meetings with your corporate accounts.
- Executed more than 3,600 in-store retail promotions.
- Managed 41 special events showcasing the TLC brand.
- Recruited almost 900 new retailers.
- Answered approximately 150,000 retailer hotline calls.
- Shipped greater than 8,600,000 packs of Instant Tickets.
- Processed nearly 1.2 billion transactions.

The TLC's business is a dynamic and complex one, with thousands of interdependent tasks that require synchronization to provide for and support the Lottery Gaming System, Sales and Marketing, Warehousing and Distribution, and a myriad of related services.

Account management requires monitoring and reporting of performance against all of your specific Service Level Requirements (SLRs); however, managing the Texas Lottery operation is not a linear process. Even the most robust reporting solution can't capture everything that needs to be reported to the TLC. For example, it can't capture the understanding and commitment that a vendor must have when executing against your standards and expectations. You must be able to trust that your vendor will report to you matters of significant interest, regardless of a monitoring tool's ability to capture that information.

The daily demands placed on the TLC require more than simply a compliant vendor. It's understanding and insight that are the essence of GTECH's approach to account management specific to the needs of the TLC. The Texas Lottery must be able to rely on its vendor to do the right thing. As your vendor for almost two decades, we've learned that it's not just about technology, nor is it about simply reporting performance against your established SLRs. While critical to achieving your business objectives, in Texas, it's about much more. It's about alignment, knowledge, insight, communication, collaboration, and above all else, trust.

While the Texas Lottery maintains administrative, regulatory and management control over all critical functions, our innovative solutions, combined with our experienced Texas team, comprised of management, technology, sales and marketing, business development, software, field services, and warehousing and distribution professionals, will provide the Texas Lottery with complete transparency. GTECH is committed to delivering the solutions necessary to manage your service environment in a way that maintains your trust in us and the public's trust in your operation.

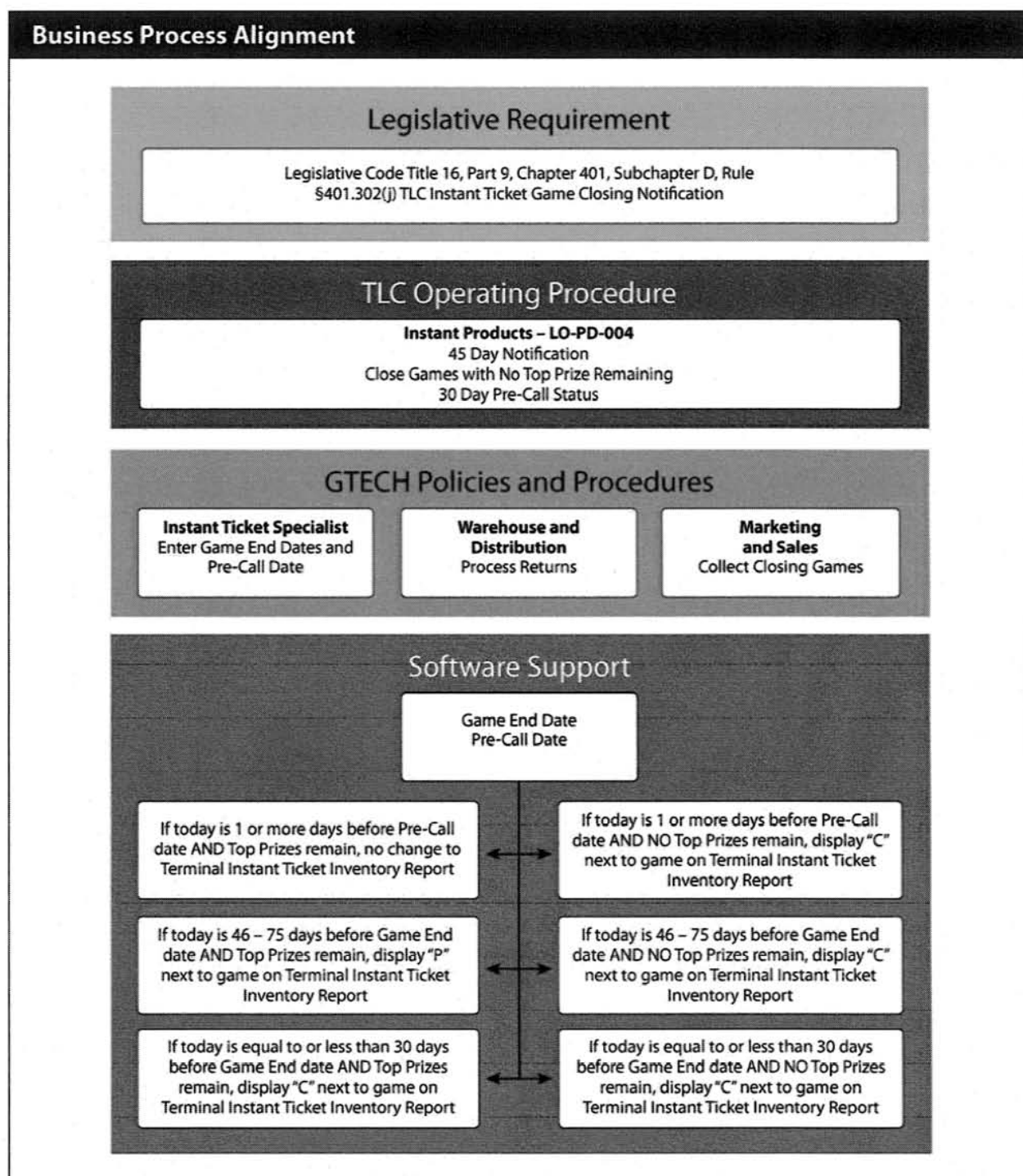
Business Process Alignment

Successful account management requires shared business goals and a steeped knowledge of your business processes and value drivers. We have developed advanced reporting tools specifically to measure our performance against your SLRs, and we have worked diligently over the past 24 months to identify and document your business processes. Taking it a step further, we've mapped our solutions and our organization to those processes to ensure total alignment. The results of this thorough analysis include:

- New innovations created for Texas.
- Improved procedures and functionality.
- Additional resources.
- Greater visibility and transparency.
- Improved communication.

To ensure that our processes and technology effectively and efficiently support the Texas Lottery's ever-changing political and business environments, GTECH's business and technology solutions map directly to the Texas Lottery's legislative requirements and business practices as illustrated in the following figure. In short, GTECH has converted your complex business rules into easy-to-execute activities to meet your requirements.

Figure 6.2 – 1:

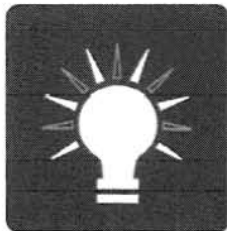


Business Rules and Interdependencies: In this example, the TLC has modified its operating procedures to respond to pending legislation that would require all Instant Tickets to remain available until 85 percent is sold. As a result, GTECH will ensure players have proper notification of the status of games, using embedded business rules. In addition, the warehouse and distribution and marketing and sales teams have business processes to execute, illustrating the interdependencies within the operating organization.

Innovative Tools and Technology

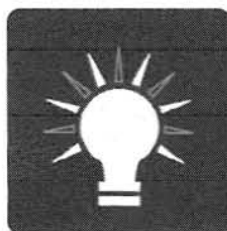
Information Redacted
 §552.101/466.022/552.139

As noted earlier, robust reporting solutions provide you with the ability to measure and manage your vendor's performance and the quality of its service. To that end our proposed monitoring tool, explained in more detail in Section 6.3, Service Level Monitoring and Reporting, and our internal Contract Management application, discussed in 6.5, Compliance Review, are just two of the new solutions that we developed to ensure you have the tools and information you need to maintain broad oversight of your Lottery operations.



The tool is a powerful solution that we have developed to provide live monitoring of *all* critical systems and service-level drivers in direct response to RFP Sections 3.60, Sanctions and Remedies Schedule, and 3.61, Liquidated Damages. Our performance will be managed, monitored, and reported against each of your predefined SLRs, giving both of our organizations an unprecedented view into the entire operation at all times.

Using authorized Texas Lottery users will have access to consolidated and comprehensive data via an easy-to-use dashboard. Progress and performance will be measured and reported in real time using data collected from eight critical systems. This level of analysis and reporting will provide an opportunity for the TLC to establish Key Performance Indicators (KPIs) to measure and benchmark performance and identify opportunities for continuous improvement.



In addition to , GTECH has developed a Contract Management application. This application will enable enhanced communication and consolidated management of requirements: procedures, reports, requests, HUB activity, data, and records. Individual employee assignments will be made, due dates and notifications set, documentary evidence stored, and progress reporting accomplished with this single application.

Examples of required account management reports that can be managed using this tool are listed in the following figure, which responds to Detail Requirements 13 through 17 in Table 3 of this section.

**Figure 6.2 – 2:
Contract Management Application Features**

Requirement	Responsible Manager	Frequency	Evidence of Completion
Electronic Organizational Chart	General Manager	Quarterly updates no later than second week of first month of each calendar quarter	<ul style="list-style-type: none"> Organizational chart that identifies all staff that support the Texas Lottery account and includes position titles, number of positions, and contact information (email address and phone number) Copy of email notification
Key Management Staff Incentives	General Manager	September 1	<ul style="list-style-type: none"> Copy of email notification
Position Vacancies	General Manager	Monthly	<ul style="list-style-type: none"> Report including position title, location, and date vacant for all vacancies Copy of email notification
Conflict of Interest (Actual, potential or perceived, as defined in Section 4.6)	General Manager Corporate Legal	Quarterly Upon occurrence	<ul style="list-style-type: none"> Conflict of Interest written report within 15 days of occurrence Copy of email notification
Material adverse change in financial condition	General Manager	Upon occurrence	<ul style="list-style-type: none"> Copy of email notification

The Texas Lottery will benefit from this streamlined approach to reporting of the issues that impact its daily business. Please see Section 6.5, Compliance Review, for additional detail.

Communication and Collaboration

Key to the Texas Lottery's visibility into GTECH's operations, and in keeping with its goal of complete transparency at all levels of the organization, GTECH's General Manager will continue to meet weekly (or at any other frequency as determined by the Lottery) with the TLC Executive Director and daily through conference calls to review:

- Position vacancies.
- Invoicing.
- Financial reports.
- Service-level reports.
- Project plans.
- HUB subcontracting plan.
- Incidents and anomalies as per RFP 3.72.
- Recommendations and action items.

Direct communication between our account management staff and our counterparts at the Texas Lottery is critical. In addition to biweekly product meetings, small group marketing meetings, and retailer recruiting meetings, other GTECH Texas staff members will also be available to address specific matters as they arise.

The following figure outlines the standard communication meetings that will take place during a typical quarter.

**Figure 6.2 – 3:
Meetings, Frequency, and Attendees**

Meeting	Attendees
Market Planning Meeting (Quarterly)	TLC: Products, Retail Services, Advertising GTECH: Director of Business Development Sales and Marketing, Regional Sales Managers, Field Marketing Manager, Corporate Accounts Manager
Small Marketing Meeting (Biweekly)	TLC: Products, Retail Services, Advertising GTECH: Field Marketing Manager, Corporate Accounts Manager
Retailer Development Meeting (Weekly)	TLC: Retail Services GTECH: Regional Sales Manager, Field Marketing Manager, Corporate Accounts Manager, Special Projects Manager, Business Development Manager
Instant Ticket Meeting (Monthly)	TLC: Robert Tirloni & Dale Bowersock GTECH: Brian Finnigan & Chuck Faulkner

Meeting	Attendees
Terminal Install Review (Biweekly)	TLC: Fattah Elyabouri, Louis Cuevas GTECH: Senior Manager, Field Service, Comm. Analyst III, Comm. Technician
NRC New Initiative Review (Bimonthly)	TLC: Fattah Elyabouri, Clay Kidd, Ed Rogers GTECH: Senior Manager, Call Center, Call Center Supervisor, Manager, Instant Tickets, Senior Manager, Field Service, Senior Business Analyst
Lottery Operations Meeting (Biweekly)	TLC: Representatives of all departments GTECH: Software Program Manager, Project Manager, Senior SQA Engineer, Senior Manager, Call Center, Call Center Supervisor, Senior Operations Manager, Deputy ADM and/or Senior Business Analyst
Retailer Security Review Meeting (Quarterly)	TLC: Ed Rogers GTECH: Senior Security and Audit Analyst, Senior Business Analyst

Account Administration - Moving Forward

To ensure continued alignment and proper execution over the term of the contract, on an annual basis, GTECH will conduct extensive internal evaluations of its account management processes and procedures as well as staff performance and development. This evaluation will be completed and action plans developed relative to the TLC's current business objectives and future opportunities.

The purpose of these annual reviews is threefold:

1. Identify opportunities to improve our performance.
2. Identify any additional resources that should be provided to the account team.
3. Ensure financial alignment with the Lottery's current and future objectives.

Our goals are simple:

- Ensure that we are responsive to your changing needs.
- Guarantee our organization is aligned with your expectations.
- Ensure our GTECH Texas account team delivers according to your performance standards.

In the remainder of Section 6, and throughout our proposal, we address our comprehensive approach to account management in response to your requirements through the creation and implementation of innovative solutions – people, processes, and products.



6.3

Service Level Monitoring and Reporting

6.3

Service Level Monitoring and Reporting

Introduction

The working relationship we have established over the past 18 years has resulted in shared learning about efficiently operating a large, complex lottery. As discussed in Section 6.2, Account Management, our interdependent groups of account management, technology, sales and marketing, business development, software design, field service, and warehouse and operations personnel work jointly to provide services according to the Service Level Requirements (SLRs) defined by the TLC. Although they work as one cohesive unit, because of their very distinct functions, each group monitors and manages against distinct service levels through different applications.

The SLRs defined in RFP Sections 3.60, Sanctions and Remedies Schedule, and 3.61, Liquidated Damages, are critical to maintaining the integrity and reputation of the Lottery. Because of their importance, we have devoted considerable resources to develop processes and tools to monitor and report the status of these predefined service levels.

Table 7

Service Level Monitoring and Reporting Response Requirements

7.1

Roles, Responsibilities and Detail Requirements

GTECH acknowledges and accepts the roles, responsibilities, and detail requirements indicated in this section.

7.2

Service Level Monitoring and Reporting

Confidentiality Claimed
Not released

Confidentiality Claimed
Not released

Confidentiality Claimed
Not released

Confidentiality Claimed
Not released

Confidentiality Claimed
Not released

Confidentiality Claimed
Not released

Confidentiality Claimed
Not released

Confidentiality Claimed
Not released

Confidentiality Claimed
Not released

Confidentiality Claimed
Not released

Confidentiality Claimed
Not released