

AMENDMENTS TO RFP

The following have been adopted by Amendment to the RFP, as permitted by Section 2.17 of the RFP.

Amendment No. 2

Glossary

Backup Data Center	The back-up computer facility established in a separate LATA from the primary site located in the State of Texas, which is maintained and operated by the Successful Proposer.
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Amendment No. 3

2.8.4 **With the exception of Part 5**, the Proposer shall submit one (1) signed original and twenty (20) copies of its Technical Proposal. **For Part 5 only, the Proposer shall submit one (1) original and two (2) copies of all HSP required documentation.** All Technical Proposals submitted must be bound in a three-ring binder, organized and arranged to correspond directly with the numbered sections of this RFP, and all pages must be numbered. For Parts 1 and 2 only, Proposers may provide a blanket acknowledgment and acceptance in lieu of a section-by-section response. For Parts 3 and 4, Proposers shall provide a section-by-section response to the RFP. For Part 5, Proposers shall follow the instructions for completing and submitting a HSP. For Parts 6 through 10, Proposers shall provide a section-by-section response for each Response Requirement Table. If a Proposer is claiming any part(s) of its Proposal is confidential, the Proposer must provide a detailed response to Section 1.9. A Proposer may not amend a commitment to comply with a specific section of this RFP by a later reference back to that section.

Amendment No. 4

3.13.3 Upon notification by the Texas Lottery to the Successful Proposer that the Texas Lottery objects to an employee based on a background investigation, the Successful Proposer shall prevent that employee from working on the Texas Lottery account and shall deny that employee access to the Texas Lottery systems. **The Successful Proposer also agrees that the Texas Lottery may conduct background investigations of such persons at the expense of the Successful Proposer.**

Amendment No. 5

3.15.4 The Successful Proposer must maintain the Proposer's System in a state of readiness for a period of ninety (90) Days after the termination of the Successful Proposer's role as the operator of the Lottery Gaming System, if a different

vendor has been chosen to replace the Successful Proposer as Lottery Operator. At any time during this ninety (90) Day period, the Texas Lottery may require the Successful Proposer to resume its role as the operator of the Lottery Gaming System for up to two (2) additional years. Exercising this right (i.e., the 90-day extension) shall not be construed as conferring any right or expectation for the Successful Proposer to continue operating under the Contract after the expiration of any such ninety (90) Day period. The Successful Proposer shall be entitled to compensation **during the renewal period at the then-current contract rate**, but only for transactions processed by the Successful Proposer's System.

Amendment No. 6

3.22.9 The Successful Proposer warrants that it will pay and agrees to pay any amount paid by the Texas Lottery and any costs incurred by the Texas Lottery as the result of and/or in connection with a misprinted On-Line Ticket. Altered tickets are not misprinted tickets. If an On-Line Ticket appears to be a winner in all respects (e.g., numbers shown on the ticket match the numbers selected in the drawing, no evidence of tampering/alteration, etc.), but the host computer record does not match the data printed on the physical ticket, the Successful Proposer warrants 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 the misprinted ticket.

Amendment No. 7

3.25.3 Ownership of Prior Rights by the Successful Proposer. All property and tangible or intangible items, including the Intellectual Property Rights therein, that were created, developed or owned by the Successful Proposer prior to the issuance of this RFP shall continue to be exclusively owned by the Successful Proposer, and the Texas Lottery shall 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 this RFP or resulting Contract, if any. **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 the Successful Proposer prior to the issuance of this RFP or the execution of the Contract, or during the term of the Contract, to the extent such tangible or intangible items are** ~~All intellectual property relating to the goods and/or services set forth herein or under the Contract, including the Intellectual Property Rights in those goods and/or services, that was created, developed or licensed by the Successful Proposer prior to the issuance of this RFP or the execution of the Contract, or during the term of the Contract, to the extent such intellectual property is not considered "works" as defined above, shall 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.

Amendment No. 8

3.44 DISCLOSURE OF SANCTIONS AND LIQUIDATED DAMAGES

The Proposer must include in its Proposal a complete list of all sanctions and liquidated damages assessed against the Proposer during the last five (5) years prior to submission of the Proposal **for the following: (i) a single sanctionable event under any contract that occurred five (5) times or more in a rolling calendar year or (ii) any sanction or liquidated damage under any contract totaling fifty thousand dollars (\$50,000) or more.** The Proposer must also include in its Proposal a complete account of all goods or services provided in consideration of contractual sanctions or liquidated damages that would have been assessed, including the jurisdiction, the reason for the penalty or liquidated damages and the goods or services provided in lieu of the assessment. This is a continuing disclosure requirement, any sanctions or liquidated damages assessed after submission of the Proposal must be disclosed in writing within fifteen (15) Days of its occurrence. The Texas Lottery reserves the right to request an updated report of all sanctions and/or liquidated damages assessed against the Successful Proposer during the term of any Contract resulting from this RFP.

Amendment No. 9

3.58.2 The cite reference to 3.58.4 in the last line of this section is incorrect. The correct cite is **Section 3.58.5.**

Amendment No. 10

3.66 IMMIGRATION

The Successful Proposer represents and warrants that it shall 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 this RFP. ; ~~Electronic and Information Resources Accessibility Standards, As Required by 1 TAC Chapter 213 (Applicable to State Agency and Institutions of Higher Education Purchases Only).~~

3.67 Electronic and Information Resources Accessibility Standards, As Required by 1 TAC Chapter 213 (Applicable to State Agency and Institutions of Higher Education Purchases Only).

3.67.1 Effective September 1, 2006 state agencies and institutions of higher education shall procure products which comply with the State of Texas Accessibility

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 The Successful Proposer shall 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), or indicate that the product/service accessibility information is available from the General Services Administration “Buy Accessible Wizard” (<http://www.buyaccessible.gov>). Proposers not listed with the “Buy Accessible Wizard” or supplying a URL to their VPAT must provide DIR with a report that addresses the same accessibility criteria in substantively the same format. Additional information regarding the “Buy Accessible Wizard” or obtaining a copy of the VPAT is located at <http://www.section508.gov/>.

The remaining sections in Part 3 have been re-numbered accordingly. Please see the section numbers with title below. There were no changes to the sections, other than the numbers.

3.68 FALSE STATEMENTS; BREACH OF REPRESENTATIONS

3.69 LIMITATION ON AUTHORITY; NO OTHER OBLIGATIONS

3.70 PROPOSER ASSIGNMENT

3.71 CODE OF CONDUCT

3.72 CONTACT WITH TEXAS LOTTERY COMMISSION

3.73 INCIDENTS AND ANOMALIES

3.74 ATTACHMENT OF THIRD PARTY SYSTEMS, TERMINALS OR PRODUCTS

3.75 RECORDS RETENTION

Amendment No. 11

3.60.34 Failure to Implement Change or Release Management Without Incident as Required under Section 7.7

Section	Description	Amount
7.7 – Change and Release Management	If the Successful Proposer fails to implement any change or release to the Lottery Gaming System as required under Section 7.7 , without an incident , the Successful Proposer may be assessed sanctions.	\$25,000 per incident
Trigger Examples		Measure
Incident caused by Change or Release not implemented in accordance with Section 7.7		Incidents
		Performance Target
		100% of Changes and Releases implemented as required in Section 7.7 without Incident
Formula		Maximum Sanction
Total Sanction = Change or Release Not Implemented as Required with Incident * Sanction Per Incident		None
		Exceptions
		Texas Lottery Written Approval
Measure Interval	Reporting Period	Measurement Basis
Per Incident	None	Incidents attributable to a Change or Release Implementation

Amendment No. 12

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

Section	Description	Amount
7.12.2 – Installation, Relocation and Removal & 8.7 – Marketing Material and Related Equipment	The failure of the Successful Proposer to resolve all Lottery non-sales and/or validation equipment problems and return the equipment to service within three (3) Days of notification may result in the Successful Proposer being assessed sanctions.	\$100 per Day or part of a Day until equipment is returned to service
Trigger Examples		Measure
Retailer Hotline, Automated Alert from Incident Management System		Response Time
		Performance Target
		100% Response and Resolution to Retailer Service Calls On Time
Formula		Maximum Sanction
Number of Days Past Due = Date/Time of Return to Service - 3 Days (72 hours) Total Sanction = Number of Days Past Due x Sanction Per Day		None
		Exceptions
		Texas Lottery Written Approval
Measure Interval	Reporting Period	Measurement Basis
Per Incident	Monthly	Incident Reporting, Retailer Hotline

Amendment No. 13

3.60.52 Retailer Satisfaction			
Section	Description		Amount
8.4.1 – Retailer Visit	If the Successful Proposer fails to meet its annual retailer satisfaction target as required in Section 8.4.1 and or as set by the Texas Lottery, the Successful Proposer may be assessed sanctions.		\$100,000 If Lower Than Target
Trigger Examples		Measure	Performance Target
Retailer Complaints, Exception Reports Retailer Research Survey Results		Customer Satisfaction	100% Meets; or exceeds annual Retailer Satisfaction Target of 90%
Formula			Maximum Sanction
Customer Satisfaction = Avg. Rating of Customer Surveys in a Quarter The Number of Retailers Responding “Good” or “Excellent” to the Retailer Satisfaction Question Divided by the Total Number of Retailers Surveyed If Target Customer Satisfaction $Customer\ Satisfaction > <$ 90% 0 then Total Sanction = \$100,000			None
			Exceptions
			Texas Lottery Written Approval
Measure Interval	Reporting Period	Measurement Basis	
Quarterly Annually	Quarterly Annually	Retailer Satisfaction Surveys	

Amendment No. 14

3.60.62 Failure to Timely Provide Accurate Annual Instant Ticket Inventory Report			
Section	Description	Amount	
9.7 Warehouse and Logistics Distribution General Requirements	The failure of the Successful Proposer to timely file, within two (2) Working Days of the Texas Lottery's August 31st fiscal year end, an accurate annual instant ticket inventory report, including the status of all inventory by game and by pack, may result in the Successful Proposer being assessed sanctions for each Day that the report is not timely filed or accurate.	\$1,000 per Day or part of a Day	
Trigger Examples		Measure	Performance Target
Annual Inventory Reports Not Received, Inaccuracies Detected in Annual Inventory Report		Accuracy, Elapsed Time	100% Accurate & On Time Instant Ticket Inventory Report
Formula			Maximum Sanction
<p>Timeliness Days Past Due = Date Accurate Reports Filed - August 31st - 2 Working Days</p> <p>Total Sanction = Days Past Due x Daily Sanction</p> <p>Accuracy Total Sanction = Date Accurate Reports Filed - Date of Notification of Inaccuracies x Daily Sanction</p>			None
			Exceptions
			None
Measure Interval	Reporting Period	Measurement Basis	
Per Incident	Annually	Annual Inventory Report received by Texas Lottery and time stamped (physical) or Receive Date and Time (Texas Lottery Email)	

Amendment No. 15

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

Section	Description	Amount	
10.1 – Conversion Plan	The failure of the Successful Proposer to provide a detailed Conversion Plan within 90 45 days of Contract execution may result in the Successful Proposer being assessed sanctions for each Day that the detailed conversion plan is not provided.	\$1,000 per Day or part of a Day	
Trigger Examples		Measure	Performance Target
Missed Deliverables		Elapsed Time	On-time submission of detailed Conversion Plan
Formula		Maximum Sanction	Exceptions
Number of Days Overdue = Task Completion Day		None	None
Total Sanction = Number of Days Overdue x Sanction per Day			
Measure Interval	Reporting Period	Measurement Basis	
Per Day	none	Receipt of Detailed Conversion Plan	

Amendment No. 16

4.7.2(2) The cite references to item 1.1 in this section are incorrect, the correct cite is **4.7.2(1)**.

4.7.2(3) The cite reference to item 4.7.1(2) in the third line of this section is incorrect, the correct cite is **4.7.2(1)**.

Amendment No. 17

4.8.1 The Texas Lottery Commission may initiate investigations into the backgrounds of any (a) Apparent Successful Proposer; (b) any of the Apparent Successful Proposer’s officers, directors, investors, owners, partners and other principals, as more particularly described in Texas Government Code Ann. § 466.155, (collectively, Apparent Successful Proposer Principals); (c) any of Apparent Successful Proposer’s employees; (d) any of Apparent Successful Proposer’s subcontractors, or subcontractors’ officers, directors, investors, owners, partners, principals or employees (collectively, Subcontractor Personnel); or (e) any other associates of the Apparent Successful Proposer it deems appropriate. 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 the Apparent Successful Proposer, any Apparent Successful Proposer Principals, or Apparent Successful Proposer employees

described above. 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. The Texas Lottery may reject a Proposal and/or terminate any Contract resulting from this RFP based solely upon the results of these background investigations. **The Apparent Successful Proposer shall pay all costs incurred by the Texas Lottery Commission in conducting the initial vendor background investigation. To facilitate the payment of these costs, the Successful Proposer shall post funds with the Texas Lottery from which the Texas Lottery can draw to pay for such costs and shall replenish those funds, as requested by the Texas Lottery should the Texas Lottery determine that additional funds are required.**

Amendment No. 18

Table 17. Facilities Support Services Requirements

Detail Requirements
Data Center
21. The Successful Proposer’s Primary Data Center must be located within Austin, Texas the State of Texas . The Backup Data Center must be established in a separate Local Access and Transport Area (LATA) from the primary site and located in the State of Texas .

Amendment No. 19

Table 64. Sales Terminals and Related System Sales Equipment Requirements

Detail Requirements
Hardware
<p>3. The Successful Proposer must provide <u>standard and mid-range Retailer Sales Terminals</u> that incorporate the latest technology and meet Texas Lottery requirements. All Retailer Sales Terminals must print and validate On-Line Tickets, validate Instant Tickets, perform Instant Ticket pack management, and accounting and reporting functions, and meet all other requirements as identified in this RFP and the Contract. Retailer Sales Terminals must support existing electronically integrated cash dispensers used by Texas Lottery Retailers. For example, some Retailers utilize Tidel Safes for this purpose.</p>
Functionality
<p>15. All Retailer Sales Terminals must provide a customer-oriented video display (flat-panel monitor) to communicate the outcome of each transaction conducted on the terminal to include:</p> <ul style="list-style-type: none">a) Sales transaction data;b) Validation data to include winning, non-winning and prize amount data, if applicable; andc) Displays must also be capable of broadcasting video resident on the terminal, downloaded from the Content Management System, between terminal transactions. <p>In retailer environments, where video displays (flat-panel monitors) capable of video broadcast cannot be deployed, a customer oriented video display must provide:</p> <ul style="list-style-type: none">a) Sales transaction data; andb) Validation data to include winning, non-winning and prize amount data, if applicable.e) Displays must also be capable of broadcasting video resident on the terminal, downloaded from the Content Management System, between terminal transactions.

Amendment No. 20

Table 65. Sales Terminals and Related System Sales Equipment Response Requirements

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

Amendment No. 21

Table 84. Retailer Visit Requirements

Detail Requirements
12. The Successful Proposer must visit each Retailer at least once during each two (2) week sales cycle regardless of sales level or geographic region. As the Retailer network increases, the Successful Proposer shall be required to increase the staffing requirements to maintain the visitation and support responsibility requirements. The Successful Proposer must submit the sales cycle schedule to the Texas Lottery on an annual basis for each State fiscal year no later than August 1 each year.

Amendment No. 22

Table 92. Retailer Contests and Retailer-based Player Promotions Requirements

Detail Requirements
18. On or before May 31 st each year, the Successful Proposer must provide an annual incentive program plan, based on the State fiscal year , for Retailers for approval by the Texas Lottery. Proposed changes to this plan must be submitted to the Texas Lottery for prior approval.

Amendment No. 23

Table 94. Promotional Events and Retailer Promotions Requirements

Roles and Responsibilities	Successful Proposer	TLC
Retailer Promotions		
19. Approves promotional items and proposed promotions and determines and provides the number of promotional tickets to be used for each promotion		X
20. Procures and coordinates the deployment (statewide) of all equipment and materials needed to support each promotion	X	

Amendment No. 24

Table 95. Promotional Events Response Requirements

Response Requirements
3. The Proposer must identify the entire promotions program team whose full-time responsibility will be to develop and run the statewide promotions plan. Proposers must provide detailed resumes job descriptions for all the promotions team members outlining their experience conducting promotional activities . The Proposer must describe its use of full-time dedicated team members working on the program and must also identify any other staff who will assist with the promotions plan, describing how the team will be coordinated and trained to maximize the benefits of the program.

Amendment No. 25

Table 122. Conversion Plan Requirements

Roles and Responsibilities	Successful Proposer	TLC
10. Provide support and assistance during transition to replacement provider or conversion to new Lottery Gaming System	X	

Amendment No. 26

Table 84. Retailer Visit Requirements

Detail Requirements
18. LSRs must meet Retailer satisfaction targets as set by the Texas Lottery. Annual Retailer satisfaction levels, as measured by the Texas Lottery through a statewide sampling of Retailers regarding LSR service and performance, shall be equal to or greater than 90%. The Successful Proposer shall provide corrective action plans to the Texas Lottery to address missed Retailer satisfaction targets.

Amendment No. 27

Texas Lottery-Specified Options

Proposers are **required** to submit specifications and pricing for the following Specified Options. The unit cost is a one-time fee that is for the use of the equipment or services for the remainder of the Contract.

- a. ~~In-counter Ticket Dispensing Unit (Section 7.12). The Proposer must offer an automated in-counter ticket dispensing unit. The Proposer shall thoroughly describe the design, installation, maintenance and functionality of the unit. If the Texas Lottery exercises this option, the Successful Proposer must install and maintain the units.~~

Price Per Unit: _____

- b. **In-lane Terminals** (Section 7.12). The Proposer must offer an in-lane terminal designed for use in multi-lane stores such as supermarkets. The Proposer shall thoroughly describe the design, installation, maintenance and functionality of the terminal. If the Texas Lottery exercises this option, the Successful Proposer must install and maintain the terminals.

Price Per Unit: _____

Price for up to 500 Units: _____

Price for 501-1000 Units: _____

Price for 1001-1500 Units: _____

Price for 1501-2000 Units: _____

Greater than 2001 Units: _____

AMENDMENTS TO RFP

The following have been adopted by Amendment to the RFP, as permitted by Section 2.17 of the RFP.

Amendment No. 28

Table 52. System Security Requirements

Detail Requirements
10. The Successful Proposer's System must have access control features that allow the Texas Lottery to control System access privileges on an as-needed basis for viewing and updating information (i.e., strong password requirements and expiration periods, audit logs, reporting, permissions, access controls, etc.). The Successful Proposer's System must allow authorized Texas Lottery personnel to be the system administrator for Texas Lottery personnel.

Amendment No. 29

Table 65. Sales Terminals and Related System Sales Equipment Response Requirements

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

Amendment No. 30

Texas Lottery-Specified Options

Proposers are **required** to submit specifications and pricing for the following Specified Options. The unit cost is a one-time fee that is for the use of the equipment or services for the remainder of the Contract.

- a. ~~In-counter Ticket Dispensing Unit~~ (Section 7.12). ~~The Proposer must offer an automated in-counter ticket dispensing unit. The Proposer shall thoroughly describe the design, installation, maintenance and functionality of the unit. If the Texas Lottery exercises this option, the Successful Proposer must install and maintain the units.~~

Price Per Unit: _____

- b. **In-lane Solutions Terminals** (Section 7.12). The Proposer must offer an in-lane **terminal solution** designed for use in multi-lane stores such as supermarkets. The Proposer shall thoroughly describe the design, installation, maintenance and functionality of the **solution terminal**. If the Texas Lottery exercises this option, the Successful Proposer must install and maintain the **solutions terminals**.

Price Per Unit: _____

Price for up to 500 Units: _____

Price for 501-1000 Units: _____

Price for 1001-1500 Units: _____

Price for 1501-2000 Units: _____

Greater than 2001 Units: _____

Amendment No. 31

6.1 Overview

Account Management and Administration activities apply to the provision and delivery of all services that are required to provide and support the Lottery Gaming System, sales & marketing, and warehouse & distribution, and related services as further described in ~~Section 1.1.4~~ **Section 1.1.3**.

Amendment No. 32

Table 124. Conversion Milestones Service Levels

SLR #	SLR Name
3.60.63	Failure to Cooperate Fully and in Good Faith in the Conversion to any New System
3.60.64	Failure to Provide a Detailed Conversion Plan within 45 Days of Contract Execution
3.60.65	Failure to Deliver According to the Final Approved Detailed Conversion Plan

Table 135. End of Contract Conversion Plan Service Levels

SLR #	SLR Name
3.60.63	Failure to Cooperate Fully and in Good Faith in the Conversion to any New System

Amendment No. 33

Table 64. Sales Terminals and Related System Sales Equipment Requirements

Functionality
16. At the Texas Lottery's request, the The Proposer's Retailer Sales Terminals must have the capability to be equipped with smart card readers.

Amendment No. 34

**ATTACHMENT B
FINANCIAL COMMITMENT AND RESPONSIBILITY**

This financial commitment and responsibility statement is to be completed by the parent corporation's chief financial officer.

_____ is a fully-owned subsidiary
of

(Subject)

_____ and that as such _____

(Parent)

(Parent)

is fully responsible for any and all financial obligations

of

_____. up to _____.

(Subject)

(Dollar Value)

Signature: _____

Title: _____

Date: _____