



Round 2: Technical Scoring		RFP Reference	Evaluator Notes Intralot
2.2.2	Data Center/Operations – Data Center Supervisor, Software Development Manager, Texas Lottery Liaison and any other staff who will have oversight or manage system operations for the Texas Lottery account.	4.3.2(b)	Data Center Operations Director - Tim Hallett Currently GM in SC. Was Operations Manager in SC from 2008-09. Prior to that was Field Service Manager in Florida from 1999-2005. Mr. Hallett's experience has greater concentration in the field operations area as opposed to Data Center/Operations. Software Development Manager - Steve Fox. From 2008 to present, Senior Software Engineer with Intralot. Software Development Manager from 2005-06, Project Leader/Senior Developer and Programmer from 1998-2000 for SGI. TX Lottery Liaison responsibilities - Terrance Patterson.
2.2.3	Call Center – Call Center Manager, Retailer Support Supervisor, Dispatch and Supply Inventory Supervisor or other key personnel who will provide direction or oversight to the Texas Lottery account.	4.3.2(c)	Customer Service Director - Michael Kovalchin. Currently Call Center Manager in Strongsville, OH from 2009 to present. Prior experience with AMTrust Bank, Innosource, Inc. and Xtrasource, Inc. While at AmTrust Bank supervised a team of 20-30 associates in a call center environment. Call Center Manager and Retailer Support Manager - TBD, interview outgoing vendor personnel.
2.2.4	Sales and Marketing – Sales Manager, Marketing Manager, Promotions Manager/Coordinator, District/field Sales Managers, Corporate/Chain Account Manager, New Business Development/Recruitment Manager, Research Associate, and any other staff who will provide sales or marketing input, direction or recommendations for the Texas Lottery account.	4.3.2(d)	Chief Marketing Officer - Patricia Koop. Currently Chief Marketing Officer for Florida Lottery from 2007 to present. Prior experience: Director of Sales & Marketing for SC Lottery from 2001 - 2007, Director of Marketing for Maryland Lottery from 1999-2001. Been in lottery industry since 1992. Deputy Chief Marketing Officer - Karen Porter. Currently Marketing consultant from 2003 to present; Director of National Marketing, Knowledge Learning Corp from 1997-2003. Marketing Director, TLC, 1994-1997. Director Sales - Phil Sherwood. Currently VP of Sales, Multimedia Games from 2005 to present. Prior experience from 1985 to 2004 Stuart Entertainment - bingo products. Director of Marketing Research - Chitra Thankaswamy. Senior Marketing Analyst for OGT from 2003-2006, 2007 to present Marketing Research Sr. Consultant for Dell. All other positions TBD, will interview outgoing vendor personnel including Director of Marketing, Promotions Manager, District Sales Managers, Manager of Corporate and Key Accounts, Retailer Recruitment Manager. In addition to Intralot staffing, MOSAK Advertising + Insights along with NuStats, Inc, a market research firm. Per the Clarification letter, the Director of Marketing position has been deleted. The named individuals under Sales and Marketing were not presented to the TLC during Oral Presentation or Site Visits.
2.2.5	Warehouse and Distribution – Warehouse Manager.	4.3.2(e)	Distribution Services Director - John Hadley. Has setup distribution for NY, OH, SC and FL in his 16 year lottery industry career. Currently the Manager of CSP Operations in OH from 2009 to the present. From 1999-2000 with SGI. At SGI General Manager, CSP Operation including Regional Director, Operations, GM - SC Operations, GM - NY CSP Operations. From 1994-1999 Chief of Staff at Florida Lottery. The Distribution Operations Manager and Telemarketing Manager are TBD, will interview outgoing vendor personnel. Impressive overview by John Hadley during site visit.
2.2.6	Transition Team – Project Manager and key personnel assigned to the transition and implementation of the Texas Lottery account.	4.3.2(f)	Intralot will provide a staff of 8 project managers and 2 assistant project managers to perform conversion. The staff that will be assigned to TLC will be dedicated solely to Texas and will be on the job throughout the project and beyond. Project Implementation Director: Bruce Anderson, Project Implementation Manager - Lee Wilson; Project Manager System and Data Conversion - Matt Johnson; Project Manager Software - George Fotopolous; Project Manager Field Services and Logistics - Paul Ostendorf; Asst. Project Manager Field Service - Michael Kovalchin; Project Manager Communications - Joffre Rivera; Project Manager Vending - Ken Wilson; Asst. Project Mgr. Vending Placement - Sherry Soard. Bruce Anderson is the only PMP on the Transition team. Lack of software experience on the resume of Mr. Fotopolous.
2.2.7	Organizational structure for Texas Lottery account, which includes position titles and number of positions and staffing schedule for unfilled positions and dates when key management will be available.	4.3.1; 4.3.5 and 4.3.6	455 positions in Texas. Strong staff commitment and emphasis placed on Lottery Sales Representatives on . District Sales Managers will be available 1 month prior to conversion. Numerous conflicts on the Sales and Marketing organization charts and reporting structure presented throughout the response.
2.3	<b>Quality.</b> The probable quality of the offered goods or services.		

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<b>2.3.1</b>	<b>ACCOUNT MANAGEMENT AND ADMINISTRATION</b>		
2.3.1.1	Account management; Service level monitoring; Service management, which includes incident and problem management, capacity management and performance management; Compliance review.	6.2 through 6.5	RR and DRs responded to: <b>Yes, with the exception general statement in RR 1, the following DRs: 6.2, Account Management: DR 13 Org. Charts not mentioned, DR 14 Incentives report not mentioned, DR 15 Vacancy report not mentioned, DR 16 Disclosure statement not mentioned, DR 17 Notification of conflict of interest not mentioned 6.5, Compliance Review: DR 9 Reimbursement of costs not mentioned. 6.2 Account Management.</b> Pg. 6.2.2. Intralot views its future relationship with TLC as a partnership. Intralot will ensure that all critical management team members are ITIL certified and the ITIL best practices govern how Intralot conducts the business of delivering lottery services to Texas. Most of the technical professionals have <b>professional certification including Project Management Profession</b> and ITIL certifications. Will supply a full-time Compliance Manager, <b>reporting to both the Texas General Manager and General Counsel (Jay Lapine)</b> that will ensure that contract and SLA obligations are met. Pg. 6.2.5. Mapped SLR's, the process and responsible management position. <b>6.3 Service Level Monitoring and Reporting</b> , Pg. 6.3.2. Many of the SLR's defined in Sections 3.60 and 3.61 are non-technical or not easily measurable by automated means. In these cases the Compliance Manager and Compliance Auditor will develop procedures and policies with input from the TLC to ensure the SLR is met. Chart on Pg. 6.3.2 provides a cross walk between each SLR and reporting mechanism. Pg. 6.3.6. Intralot uses the following procedures to ensure all SLR's are met: Standard Operating Procedures, Information and Statistics Procedures, Game Draw Procedures, Retailer Management and Monitoring Procedures, Retailer Accounting Procedures, Security Procedures. Pg. 6.3.13. Intralot's Compliance Manager and Compliance Auditor will use the following tools to provide measurement and reporting: Gaming System (Nimsoft NMS, IBM Director, LOTOS Tools, Real-time Data Viewer, LOTOS Viewer) Network (NAGIOS, VSAT NMS) Call Center (Field Service, Call Monitoring and Recording). Sample reports provided at Pg. 6.3.40. Pg. 6.3.62. Real time access to all data, reporting tools and inquiry or reporting systems available in the LOTOS system. <b>6.4 Service Management.</b> Pg. 6.4.3. Incident management is the primary purpose of the Call Center/Service Desk. Intralot will work with the TLC to define incident severity-level characteristics, prioritization schema and escalation requirements. Pg. 6.4.10. Overview of problem management. <b>Capacity Management.</b> Pg. 6.4.11. Intralot has defined the capacity management requirements based on the TLC's requirement and extrapolation from systems provided for other very large lotteries. <b>Performance Management.</b> Pg. 6.4.13. Requirements to improve and maintain Gaming System Performance are driven by incidents that cause system performance issues identified by the Problem Management process, monitoring system, database and network metrics, and by normal growth or planned future growth of system component utilization monitored by the Capacity Management process. Metrics are monitored based on SOPs implemented at Intralot's data centers. Pg. 6.4.14. Intralot uses several commercially available packages to monitor system and network performance. <b>Compliance Review.</b> Pg.6.5.2. A Compliance Auditor and a Service Quality Assessment Manager will report to the Compliance Manager. <b>Lack of detailed responses on numerous DRs. PMP certification is limited to Mr. Anderson. Section 6.3 notes Intralot in concert with TLC will develop a "mutually agreed upon" service catalog. Compliance team new for Texas proposal.</b>
2.3.1.2	Facilities support services, which includes all facilities and equipment to support the Texas Lottery account.	6.6	RR and DRs responded to: <b>Yes, with the exception of the general statement in RR1, the following DRs: DR 6 acquisition costs not mentioned. DR 16 listing of holidays not provided. DR 24 Disaster Recovery Plan will be exercised once a quarter from the Backup Data Center.</b> Pg. 6.6.3. Administrative offices, Primary Data Center, Distribution Warehouse and District Office - 135,000 sq. ft. Backup Data Center and District Office in Irving/DFW. 10 total distinct offices (Austin, Irving/DFW, Abilene, El Paso, Houston, Lubbock, McAllen, SA, Tyler, Victoria). Two possible locations noted for Austin office. <b>Other Services:</b> Pg. 6.6.19. Access Control and Video Monitoring, Access Control Real Time Logs, Fire Suppression, Critical Power Protection, HVAC Environmental Safeguards. Pg. 6.6.24. <b>Central Distribution Warehouse Hours of Operation from 8-5, M-F or longer when required. Lack of detailed response on several DR's. Same district office alignment as presently in use. Disaster Recovery Plan exercised once a quarter instead of once a month.</b>

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2.3.1.3	Business continuity and disaster recovery capabilities which includes primary site system recovery.	6.7	RR and DRs responded to: <b>Yes, with the exception of the general statement in RR 1, the following RR and DR: RR 2 does not mention TAC 202. DR 10. The plan will be provided no later than 90 days after the production start up date. Business Continuity and Disaster Recovery.</b> Pg. 6.7.1. Intralot will provide and annually update a Business Continuity and Disaster Recovery and Contingency Plan (BCDRP). <b>Intralot will deliver the BCDRP no later than 90 days after the production start-up date.</b> Pg. 6.7.5. <b>On a quarterly basis, Intralot will test the BCDRP by operating critical functions out of the Backup Data Center.</b> The Remote Back-up Site contains redundant equipment and support services that will allow resumption of operations within minutes of a significant disruption that renders the Primary Data Center inoperable or inaccessible. <b>Data backup and Restore process.</b> Pg.6.7.9. Off-Site storage of backed up copies of critical files, software, and data will support and ensure full System recovery without loss or corruption of data. <b>Ticket Delivery.</b> Pg. 6.7.9. Backup services of UPS and LSRs together with <b>Field Service Technicians</b> to deliver instant tickets to retailers, until regular carrier service can be resumed. Note: FSTs are outsourced to Texas Vending Services. <b>Lack of detailed response on a RR and DR. The BCDRP is required within 90 days of the conversion start date. Disaster Recovery Plan exercised once a quarter instead of once a month. FSTs are outsourced employees, but may be required to perform instant ticket delivery as a backup service.</b>
2.3.1.4	Training activities which includes training on Lottery Gaming System, various retailer training requirements and LSR training.	6.8	RR & DR's responded to: <b>Yes, with the exception of the general statement in RR 1, the following DRs: DR 13 items a and d were not responded to. DRs 17 (ongoing training) and 21 (promotions training) not mentioned in 6.8, with the exception of the general statement in RR 1. DR 20 response focuses on "training the trainer" concept and not LSR training.</b> Pg. 6.8.2. Several formats of training optimized for different situations: "Trade Show", class room, training on location at chain headquarters and in-store training. Pg. 6.8.21. Training topics included. Pg. 6.8.24. Longest estimated drive time to training is no more than 50 minutes. 13 Classroom locations and 28 Trade Show locations noted on Pg. 6.8.25. Pg. 6.8.26. Map of retailer density and link to potential training cities provided. Pg. 6.8.29. Training Security notes all tickets generated in training mode do not have a barcode on them and have a message "Training - Void Not for Sale". Pg. 6.8.36. Terminal based training documentation overview. <b>Lack of detailed response on numerous DRs. Planned training period of 45-60 minutes may not be sufficient time. Not responsive on LSR training.</b>
2.3.2	<b>LOTTERY GAMING SYSTEM</b>		
	<b>On-Line Games</b>		
2.3.2.1	On-Line game development which includes demonstrated experience and success in On-Line game development, research and implementation.	7.2.1	RR & DR's responded to: <b>Yes, with the exception of the following RR and DRs: RR 3 not responsive as it does not include sales expectation vs. actual performance data. DR 22 funding of intellectual property search not mentioned. DR 23 proprietary games not mentioned in 7.2.1., with the exception of general statement in RR 1. DR 24 licensed games not mentioned in 7.2.1., with the exception of general statement in RR 1.</b> Pg. 7.2.22. Internal corporate market research group headed by a researcher with more than 26 years of market research experience (16 years lottery and gaming-related). Pg. 7.2.23. In addition to the required annual market research project, Intralot is including several critical research components in their offering: 4 Focus Groups annually, Mini-Labs, Gaming Perception Analyzer, Annual Mystery Shop of 5 - 10% of Retailers on an annual basis, access to 2 annual LOTOS Polls program. Pg. 7.2.28. Game Development group meets on a semi-annual basis. The game design research process is a circular process where new concepts are brought to market and subsequently evaluated for their effectiveness. Pg. 7.2.36. Quarterly releases for system changes. <b>Lack of detailed response on RR3 and numerous DRs. No discussion on new games to the marketplace.</b>

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2.3.2.2	On-Line game controls which includes development and monitoring of On-Line game control features.	7.2.2	RR & DR's responded to: <b>Yes, with the exception of the general statement in RR 1, the following DRs: DR 3 and DR 4 do not address the 365 day requirement.</b> Pg. 7.2.50. Table listing of no fewer than 26 integrated safeguards that protect game control, database, log files, validation and other critical files from unauthorized review and tampering. <b>With noted exceptions, meets requirements.</b>
2.3.2.3	Drawings which includes the Lottery Gaming System's capability to meet the Texas Lottery's drawing requirements.	7.2.3	RR & DR's responded to: <b>Yes, with the exception of the following DRs: DRs 6 (Variations in drawings), 8 (Display/Print Functions), 9 (Winning Retailer Report), 10 (Enter new jackpot within 4 hours) not mentioned in 7.2.3., with the exception of general statement in RR 1.</b> Pg. 7.2.62. All transactions received after the game close will apply to the subsequent drawing. Pg. 7.2.63. The LOTOS System allows the resumption of ticket sales and continued operations for retailers and customers for future draws whether or not a draw has been finalized or officially declared closed in the System, as may be the case for a problematic drawing. <b>With noted exceptions, meets requirements.</b>
<b>Instant Ticket Game Management</b>			
2.3.2.4	Lottery Gaming System's capability to support the volume, scope, development and management of the Texas Lottery's Instant Ticket operations, which includes the ability to inquire, track and monitor pack activity both globally and at the Retailer level, and monitor game inventory levels and order statuses.	7.3	RR & DR's responded to: <b>Yes, with the exception of the following DRs: DRs 4 (Automatic Retailer Adjustment), 7 (Inventory sold out report), 9 (Comments for changes), 11 (Restored Closed Games) not mentioned in 7.3., with the exception of general statement in RR 1.</b> Pg. 7.3.1. Intralot's Instant Games Management System (IGMS) is an integrated sub-system of LOTOS provides full support for instant games. Pg. 7.3.10. As soon as one of the packs is activated or one of the tickets is validated, any pack that is marked as unconfirmed is then verified to the retailer for which the pack was shipped and the packs in that shipment are marked confirmed. Pg. 7.3.11.  Pg. 7.23. All information regarding the retailer locations of winning tickets is stored in a secure Oracle database. Only personnel with proper authorization have access to any of this information. Pg. 7.24. Instant Ticket Order Fulfillment by telemarketing system, auto reorder, terminal orders, batch orders, initial allocation and TelSell/Manual Orders. PG. 7.3.26. Telemarketer Application Standard Features and Functions of IGMS overview provided. Pg. 7.3.46. The IGMS software includes stored procedures that automatically review each retailer's inventory every day to identify those retailers whose inventory drops below a specified level. This feature allows the System to proactively suggest reorders for those retailers before their regularly scheduled call and before they run out of inventory. IGMS supports real-time processing of telemarketing orders. Orders entered using the telemarketing System by authorized users are available for packing in the warehouse immediately after they are entered. They are packed in the order in which they are received. This allows the warehouse to ship all telemarketing orders on the same day that they are entered. Pg. 7.3-48. IGMS - Warehouse and Order Distribution Features and Functions: Pick and Pack method. Pg. 7.3.54. Order Exception Reports - Either all of an order is filled or no part of an order is filled. <b>Invited Option included at a Separate Price: Single Instant Ticket Accounting.</b> <b>Lack of detailed response on numerous DRs. IPT planned functionality a positive.</b>
<b>Claims and Validations</b>			

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2.3.2.6		7.4	RR & DR's responded to: <b>Yes, with the exception of the following DRs: DRs 6 (changes to primary/backup printer) and 20 (process manual prize payment) not mentioned in 7.4, with the exception of general statement in RR 1. DR 19 response does not address combining data entry and claims processing.</b> Pg. 7.4.1. Claims and Payments sub-system of LOTOS O/S accommodates current prize validation and payment processing practices. Pg. 7.4.8. Keyless validation using barcodes under the latex is a standard function for the system. All terminals support the capability to perform all instant ticket retailer transaction processing requirements that are required for keyless validation. <b>With noted exceptions, meets requirements.</b>
2.3.2.7	<i>Lottery Gaming System's functionality for a secured method (and equivalent backup method) of applying required signature(s) to the check stock during the check printing process.</i>	7.4	RR and DR responded to: Yes. Pg. 7.4.12. Intralot will provide privileged terminals, workstations check writing hardware and software, check stock, and secure signature management as may be required. Pg. 7.4.13.  <b>Meets requirements.</b>
<b>Retailer Management</b>			
2.3.2.8	<i>Integrated Lottery Gaming System to support the Texas Lottery's retailer management functions, which includes retailer maintenance and license application processing, inventory management, accounting and access control.</i>	7.5	RR & DR's responded to: Yes, with the exception of the following DRs: DRs 8, 11, 12, 13, 14, 20, 22, 23, 24, 25, 26, 27, 28 not mentioned in 7.5., with the exception of general statement in RR 1. <b>Battelle Benchmark: 10. Retailer Network Capacity: Passed.</b> Pg. 7.5.2. LOTOS O/S Retailer Account Management is a sub-function of the Instant Game Management System (IGMS). All retailer accounts are set-up and updated by authorized personnel in real-time using the browser based features and functionality: Retailer Data and Configuration, Ownership Data, Financial Information, Accounting Data, Tracking Retailer Changes, Retailer Weekly Accounting, EFT, Accounting by Retailer Location, Retailer Adjustments and Reimbursements, Retailer Bonus Checks, Separate Commission Rates, Variable Retailer Commission Rates, Variable Retailer Allowance Rates, Retailer Tax Accounting, Banking Data, Financial Limits, Credit Limit, Payment and Cancellation Limits, Geographical Information, General Information. Pg. 7.5.8. The sales commission parameters can be easily modified by the Lottery on a retailer by retailer and/or game by game basis. LOTOS supports variable commission rates. Commission rates for certain retailers or retailer subsets, may temporarily or permanently be set differently than the default. Pg. 7.5.20. LOTOS O/S provides control of messages down to an individual retailer and individual LSR levels from an authorized management terminal and authorized user account. Messages can be staged for viewing at a single retailer location or LSR, within a select group of retailers and LSRs, including a chain or group of chains, or throughout the entire network. Online submission of applications. Pg. 7.5.28. Intralot has all of the necessary resources to develop and implement an internet-based system to the system specifications of the TLC, including the capture and processing of application fees. Intralot can provide a process whereby the applicant could submit supporting documentation at a lottery retailer using the document capture capabilities of the PHOTON retailer terminal. <b>Lack of detailed response on numerous DRs. Inventory management and access controls (RR 2) were not mentioned. Limited response regarding online submission of applications.</b>
2.3.2.9	<i>Lottery Gaming System's ability to provide online access to retailer management transactional data.</i>	7.5	RR and DR responded to: Yes. Pg. 7.5-24. LOTOS O/S provides extensive secure on-line access to all data, including transactional data, stored in the Oracle database through a rich library of applications to authorized users. <b>Not responsive, looking for access to retailer transactions not system security controls.</b>
<b>Lottery Gaming System General Requirements</b>			

Round 2: Technical Scoring		RFP Reference	Evaluator Notes Intralot
2.3.2.10	Lottery Gaming System's ability to meet the Texas Lottery's configuration, capacity and performance requirements; detect and report fraudulent transactions and activities; and meet data exchange requirements.	7.6.1 and 7.6.2	<p>RR &amp; DRs responded to: <b>Yes with the exception of the following DRs: DR 19 (archived files from previous operator) not mentioned in 7.6.1., with the exception of the general statement in RR 1. DR 20 Disaster Recovery Plan will be exercised once a quarter from the Backup Data Center. Insert Battelle Benchmark Report data. Battelle Benchmark: 1-3. Full Size Terminal Other Transactions Time, One-Board Response Time, Multi-Board Response Time: Passed; 4-6. Mid-Size Terminal Other Transactions Time, One-Board Response Time, Multi-Board Response Time: Passed; 7. Management Server Failure: Passed; 8. Primary Transaction Engine Failure: Passed; 9. Near-24 Games Operations Hours: Passed; Games Capacity: Passed; 10. Retailer Network Capacity: Passed; 11. Games Capacity: Passed. Pg. 7.6.19.</b></p> <p>Pg. 7.6.20. Pg. 7.6.73.</p> <p>Accommodates 24 hour a day full time operation. <u>Detecting and Reporting Fraudulent Transactions.</u> Pg. 7.6.75</p> <p>provided on Pg. 7.6.81. <u>Data Exchange.</u> Pg. 7.6.84. Intralot will put in place all of the Systems and operational procedures to accomplish data exchange requirements. <u>Disaster Recovery Plan will be exercised once a quarter from the Backup Data Center. Detecting and reporting of fraudulent transactions not responsive as the requirement was seeking reporting of examples noted in DR 17. The response provided focuses on fraud within the central system. No examples of data exchange provided.</u></p>
2.3.2.11	Lottery Gaming System's capability for configuring and executing player and retailer promotions.	7.6.3	<p>RR &amp; DRs responded to: <b>Yes with the exception of the following DRs: DR 6 response does not include player address and winning prize.</b> Pg. 7.6.86. Unique to Intralot is "OnQ" technology that provides an exhaustive range of available game configuration parameters, but also supports on-line promotional games. Pg. 7.6.87. The System proposed is fully capable of implementing terminal originated promotions that use coupons, free tickets; ticket stock entry forms, and other terminal or ticket stock promotions. Pg. 7.6.95. All promotional information is tracked by the System. Sales information, free ticket information, and coupon information is tracked in database and ready for immediate analysis. Promotions don't require any software changes to the system. <u>With noted exceptions, meets requirements.</u></p>

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2.3.2.12	Web-based systems to support "Second-Chance Drawings", player registration programs for informational, promotional and data gathering purposes, and <b>mail order</b> subscription services <del>which includes transaction handling, prize payout and age verification features</del> including the processing of all subscription orders, age verification of players, and payment of prizes.	7.6.3	RR and DRs responded to: Yes. <a href="#">Second Chance Drawings</a> . Pg. 7.6.118. Intralot delivered Second Chance Site (SCS) and Play-It-Again (PIA) web sites that encompass the full promotional lifecycle of a second chance game. Example of Arkansas Lottery. The Arkansas SCS ticket entry page serves as single entry portal for both second chance drawings as well as PIA drawing entries. Once points are accumulated through multiple ticket entries, points received can be used to redeem for merchandise. Pg. 7.6.121. Intralot will provide the TLC with the features and functions to fully administer the SCS and PIA sites through an administrative site. <a href="#">Web Based System for Player Registration and Subscription System</a> . Pg. 7.6.105. Intralot will provide a customized web-based Player Registration and Subscription System under the LOTOS b-On sub-system of LOTOS O/S. Pg. 7.6.110. Registration Procedure at the POS. Retailer scans form using terminal's reader. Pg. 7.6.111. Registration Procedure on the Internet. Application includes an integrated wallet solution that manages player credit and winnings payments. Pg. 7.6.112. Within limits determined by the Lottery, low-tier winners can extend the length of the subscription, while high-tier winners may be by EFT or check. <a href="#">Inquiry at Site visit in Georgia with follow up in Ohio regarding geo-location and age verification. Limited example provided on web-based systems.</a> Pg. 7.6.118 References Intralot delivered Second Chance Site (SCS) and Plat-It-Again web sites and noted the deployment of the Arkansas Scholarship Lottery. Per follow up with the Arkansas Lottery, the site is administered by MDI and SGI.
<b>System Management, System Security and ICS System and Vendor Requirements</b>			
2.3.2.13	Change and release management process, and test environment and access for conducting user acceptance testing.	7.7	RR and DRs responded to: Yes. <a href="#">Software Development Life Cycle</a> . Pg. 7.7.9. System Development Life Cycle: 1) Software Requirements Specification 2) Software Development 3) Integration and System Testing 4) User Acceptance Testing 5) Implementation. Pg. 7.7.11. Intralot follows Carnegie Mellon's Software Configuration Maturity Model software development processes. All project phases are supported by Intralot's ISO9001:2000 certified procedures. <a href="#">Test Environment</a> . Pg. 7.7.19 Intralot will build a quality assurance test environment consisting of a server with all the associated software that is hosted on the production system. The Lottery's UAT environment can be located either in Intralot's facility or in the Lottery's facility. The UAT environment would be a duplicate of Intralot's test facility with the exception that the UAT Test LOTOS O/S server, the computer room control station and associated network equipment would be at the same secure location as the Intralot QA Test LOTOS O/S server. <a href="#">Meets Requirements</a> .



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2.3.2.14	Lottery Gaming System's security plan, which includes physical and logical security components and an overview of the policies and practices to prevent, detect, and resolve security breaches.	7.8	RR and DRs responded to: <b>Yes, with the exception of the following DRs: DR 8 Response does not include TAC 202 or submission within 90 days. DR 9 Response does not include TAC 202 or penetration testing. DR 10 (system access) Not mentioned in 7.8, with the exception of the general statement in RR 1.</b> Pg. 7.8.2. Intralot follows the ISO/IEC 27002:2005 security framework to plan and manage end-to-end Security Management processes and systems. Pg. 7.8.4. Intralot's security plan articulates: 1. Personnel Security Practices, 2. Physical Security, 3. Data Security, 4. Systems Security, 5. Telecommunications Operational and Physical Security, 6. Terminal Security, 7. Telecommunications Access Security, 8. Applications and Data Security, 9. Patch Management, 10. Incident Response, 11. Protection of Software and Other Copyrighted Materials, 12. Plan Evaluation, 13. Security Awareness and Training, 14. Plan Maintenance. Pg. 7.8.5. Intralot's lottery gaming system has never been breached. Pg. 7.8.6. Disaster Recovery Plan will be tested by operating out of the backup data center on a quarterly basis. Pg. 7.8.9. The only international Gaming Systems vendor certified according to ISO 27001/WLA SCS 2006, has the privilege to ensure built-in customer specific security in the applications it develops. Pg. 7.8.10. Not only does the ISO 27001/WLA SCS 2006 framework protect the System against the introduction of intentional or unintentional malicious code. It includes all the necessary procedural controls for ensuring the whole development process, including segregation of duties, personnel screening, isolation of testing, development and implementation environment, physical security in the development lab, as well as all the WLA controls for protecting customer information, including the application that is delivered. <u>Physical and Logical Security Components</u> . Pg. 7.8-11. The security procedures and processes that Intralot performs follow a set of security mechanisms that are based on ISO 27001/WLA SCS 2006 standards. <b>With noted exceptions, meets requirements.</b>
2.3.2.15	Processing transactions from the Lottery Gaming System to the internal control system, which includes handling out-of-balance incidents and accomplishing electronic funds transfers.	7.10	RR and DRs responded to: <b>Yes, with the exception of the following DRs: DR 8 (10 years of history/files) not mentioned, with the exception of general statement in RR 1. DR 10 response does not include the 4 hour requirement.</b> Pg. 7.10.1. A near real time feed of gaming transactions from the LOTOS O/S System to the ICS Systems and the Lottery operated Back Office System will be provided by Intralot in a manner that is acceptable to the Lottery. Pg. 7.10.2. Three automated system procedures that the ICS uses to ensure that the Lottery Gaming System and the ICS are in balance: 1) Daily end-of-day ICS reports; 2) Winner balancing routines; 3) Weekly financial balancing. Pg. 7.10.7 provides overview of EFT sweep process and reflects information on EFT transfers for prize payments and checks. <b>With noted exceptions, meets requirements.</b>
<b>Reporting</b>			

Round 2: Technical Scoring		RFP Reference	Evaluator Notes Intralot
2.3.2.16	Reporting functions which include the ability of the Lottery Gaming System to produce a variety of reports as well as the ability of Texas Lottery staff to create ad-hoc Systems reports using user-friendly graphical tools.	7.9	RR and DRs responded to: <b>Yes, with the exception of the following DRs: DR 8 the response does not include tracking the owners/users of the reports.</b> Pg. 7.9.1. Back Office System (BOS) and easy to use ad hoc report creator Crystal Reports ensures that Intralot can provide any view of data for analysis and audit within 30 days of written request by the TLC. Pg. 7.9.2. Reporting and data analysis can be accomplished using any query tool that can query the Oracle database. Intralot suggests Crystal Reports for this task. Pg. 7.9.3. Current report catalogue and categories of reports depicted. <b>Site Visit: Steve Fox led the session on reporting and queries and noted 3 levels of reporting: real-time; database query; I-Ware data mining.</b> Lynn Becker noted that real-time reporting off the Oracle database can use tools such as SQL, Excel, Access, and Crystal Reports. Lynn Becker stated that I-Ware is a new Intralot product that will be delivered to Ohio in October.
<b>System Supported Terminal Functions</b>			
2.3.2.17	System supported terminal functions, which include the Lottery Gaming System's capability to inquire and log ticket prize inquiries from all sales terminals, including player activated, and communication of winning, non-winning and actual prize amount data.	7.11	RR and DRs responded to: Yes. <b>Battelle Benchmark: 19. Terminal Download Bandwidth: Passed. Terminal Functions.</b> Pg. 7.11.1. Supports sales and validation including the confirmation, activation, settlement and return of all instant ticket game packs (full and partial). Pg. 7.11.8. Remote diagnostics. Pg. 7.11.32. Keyless validation using the "Failsafe" barcode printed under the latex. Software and Data Loading. <b>Interaction with Back-Office Systems.</b> Pg. 7.11.54. Intralot provides "XLM" (sic) data files to retailers under many of their current contracts. In addition, Intralot will provide a website reserved for retailer accounting, announcements and other information for retailers. <b>Prize Inquiries and Validations.</b> Pg. 7.11.56. All transactions including sales, original sales, reprints, cancels, validation pays, and validation claims are logged in the System's database log files. All validation ticket actions are referenced to the original transaction. <b>Prize Inquiry Communications.</b> Pg. 7.11.57. Process can be performed. <b>Back-Office system response does not address how that will interact with the back-off system of retailers.</b> Per Clarification letter, Intralot needs GTECH or TLC to either provide the Z barcode encryption algorithms or a compiled program that decodes the pre-conversion ticket barcodes so that Intralot terminals can successfully validate winning tickets sold on GTECH systems without the retailer needing to enter the ticket number manually. The response to Clarification Letter Question #17 regarding LOTOS OS producing replacement tickets produced by the Lottery's current vendor was not responsive.
<b>Sales Terminals and Related System Sales Equipment</b>			

Round 2: Technical Scoring		RFP Reference	Evaluator Notes Intralot
2.3.2.18	Sales Terminals and related System equipment that offer the broadest diversity of options for deployment in support of current and future Texas Lottery retail venues.	7.12	<p>RR and DRs responded to: Yes, with the exception of the following DRs: DR 8 must provide all sales terminals needed in contract. WinStations over 3,500 will be at an additional cost. DR 16 requires Smart Card readers. Per Clarification letter, Smart Card readers are an additional cost. Battelle Benchmark: 12. Vending Machine Capability: Passed; 13. Vending Machine Shutoff: Passed; 14. Go-Live Retailer Support Level: Passed; 15. Thermal Paper Stability: Passed. 16. Terminal Aural Tones: Passed; 17. Bar Code Reader First Read Rate: Passed. 18. Print Quality for Bar Code Read: Passed. Notes below on Terminals, Player Activated Sales Terminals, Player-Activated Self Check Terminal and Handheld Terminals. Pg. 7.12.37.</p> <p>Pg. 7.12.82. LCD transaction display 7.87" x 3.15" x 1.38". Ticket Checker Pg. 7.12.83. 2D barcode readers. Pg. 7.12.85. 17" LCD flat panel advertising display. Pg. 7.12.88. In-Store Jackpot Signage. LOTOS Horizon Content Delivery System. <u>Specified Option - In-Lane Solution</u>. Pg. 7.12.147.</p> <p>Pg. 7.12.150.</p> <p>Photon deployment. Per Pg. 10, 10,000 will be deployed in 2010 with the largest deployment in the Netherlands with 5,500. Per Clarification letter Question 1, 5,500 Microlot with eyelot digital cameras are in the Netherlands. Photon deployed count will be 4,725 on 11/23/10 with the DC deployment. Response to Clarification Letter Question #18, does not clearly acknowledge that Photons were not deployed in the Netherlands, it simply notes terminals. Proposal offers Smart Card reader, but Clarification letter notes at an additional cost. Digital imaging scanner demo in OH. Player activated Terminal one touch, burster feature and bin out sensor are positive features. Would prefer advertising display over brand scrolling LED. Catalina In-Lane solution positive.</p>

Round 2: Technical Scoring	RFP Reference	Evaluator Notes Intralot
		<p><u>Standard and Mid-Range Retailer Sales Terminals.</u> 17,000 PHOTON or MicroLOT+ Terminals and 500 MicroLOT+ Retailer Sales Terminals. Pg. 7.12.3. Choice of either the MicroLOT+ or the PHOTON retailer terminals or a combination of both. Pg. 7.12.6. Intralot's terminals support sales and validation including confirmation, activation, settlement and return of all instant ticket game packs and partial instant ticket game packs. The terminals handle numerous different types of media, variable form sizes and optical mark code types. Pg. 7.12.10.</p> <p>Pg. 7.12.13 MicroLOT deployed in South Korea (4,000) in 2007. 1,400 have been deployed in NM and 3,600 in SC. In OH Intralot has installed an enhanced MicroLOT terminal, which is now called the MicroLOT+, offering faster speeds and all of the features and functions of its full size predecessor. Deployed in OH during the 2nd Q of 2009. MicroLOT+ is suited for retailers and locations where space is at a premium at 8" x 9" in depth with an 8.4" color touch screen and user friendly intuitive interface. Pg. 7.12.17.</p> <p>Pg. 7.12.18. Intralot will design the user interface for the touch screen. The graphics of the touch screen are completely software driven. Pg. 7.12.23.</p> <p>Pg. 7.12.24. Printer TSP 1000 will be included with the PHOTON terminal. Clamshell design and easy ticket stock loading capability. Pg. 7.12.25.</p> <p>Pg. 7.12.48. Ticket Repeat allows the retailer to scan a valid on-line ticket in order to generate a new ticket with the same attributes. Pg. 7.12.49. Multiple Pack Plays allows the retailer to print one Quick Pick for multiple games. Pg. 7.12.50.</p> <p>Pg. 7.12.61. Pg. 7.12.67. Pg.</p>
		<p><u>Player-Activated Sales Terminals.</u> 3,500 WINSTATION Player Activated Sales Terminals. Pg. 7.12.95. TVM is scalable allowing a range of 5 to 30 bins. TVMs meet all of the requirements for Retailer Sales Terminals, except those pertaining to validation of tickets. Currently installed in ID, NM and OH. "Push a Button, Get a Ticket". 8" easy to read customer display/instruction screen. Pg. 7.12.103. WINSTATION is integrated and connected on-line with LOTOS, so when the retailer scans the barcode all instant ticket game data such as price point, ticket length, and number of tickets in a pack are downloaded to each machine. Pg. 7.12.106. Intralot provides Drivers License verification for WINSTATION and 2D barcode reader for functionality as a ticket checker that may also be used to validate instant and online tickets. Pg. 7.12.124. Incorporates a <i>BetaBrite</i> brand scrolling LED 29 color messaging/advertising display into each ITVM cabinet. Pg. 7.12.130. Each bin contains a ticket-out sensor that is capable of being detected by software.</p>
		<p><u>Player-Activated Self-Check Terminals.</u> 17,000 Coronis TC Player Activated Self Check Terminals. 2D barcode readers. The ticket checker is connected via serial cable, or optionally with blue tooth wireless to the terminal.</p>
		<p><u>Handheld Terminals.</u> 40 Intralot Portable Terminal (IPT) Handheld Terminals. Pg. 7.12.15. Intralot will provide up to 50 of the regular retailer terminals, either the MicroLOT+ or PHOTON, or 40 of the IPT.</p>

Round 2: Technical Scoring		RFP Reference	Evaluator Notes Intralot
2.3.2.19	Functionality or capability of all online devices to interact with the back office systems of Retailers.	7.12	RR responded to: Yes. Pg. 7.12.138.  Back-Office system response does not address how that will interact with the back-off system of retailers.
2.3.2.20	Sample Retailer training manual and other options for training Retailers such as including training manual within the Retailer Terminal.	7.12	RR and DR responded to: Yes. Pg. 7.12.139. Sample training material provided on DVD. The PHOTON and MicroLOT have extensive online Help and Training Mode capabilities which are in both English and Spanish. Pg. 7.12.141. Retailers will be provided with a Quick Reference Card. <a href="#">Meets requirement.</a>
<b>Installation, Relocation and Removal and Maintenance and Repair</b>			
2.3.2.21	Plan and procedures for handling equipment installation, relocation and/or removal requirements.	7.12.1	RR and DRs responded to: Yes. <a href="#">Response provides no detail.</a>
2.3.2.22	Plan and procedures for the maintenance and repair of all terminals and related Sales Equipment, which includes a preventative maintenance schedule and procedures for resolution of chronic problems.	7.12.2	RR and DRs responded to: Yes. Pg. 7.12.164. Intralot monitors the performance of terminals, printers, peripheral equipment by central collection and analysis of various terminal statistics, such as the count of printer faults, printer carriage movement failures, ticket reads per game, terminal resets, printer resets, and paper out occurrences. Pg. 7.12.166. Intralot will proactively deploy FSTs to conduct preventive maintenance or replace equipment that remote diagnostics have indicated is tending toward failure. Preventive Maintenance. Pg. 7.12.167. During every service call, FSTs will check the security, safety, cleanliness and mechanical operation of all Intralot equipment. PMs will be conducted at least every 120 days. LSRs will provide bi-weekly terminal and peripheral inspections, scheduled preventative maintenance and cleaning. Pg. 7.12.169. At the core enabler of the PM program is the Sieble Service Request (SR) application. Pg. 7.12.170. Predictive auto reorder methods where the System will calculate usage, compare it to consumable supply inventory levels at the retailer and generate the replenishment of supplies on a retailer by retailer basis. Pg. 7.12.172. Repair technicians will be on duty to provide for service availability at retailer locations seven days a week, 365 days a year. <a href="#">Chronic problems.</a> Intralot's terminals, in conjunction with Network Management System, provide for the collection of Management Information Base variables with customized extensions. These are used to determine MTBF and watch for signs of impending failure. After 3 incidents of a retailer reporting issues with the same equipment in a 90 day period, the incidents will be raised to Intralot's Problem Management Team to determine the root cause. If a certain piece of equipment is reported to have failed 4 times in a 90 day period, it will be replaced and refurbished. If the problem follows the hardware after it is replaced and it continues to fail, it will be rebuilt or scrapped. <a href="#">Aggressive PM schedule</a>
2.3.2.23	Staffing levels to cover repair functions and the planned location of staff.	7.12.2	RR responded to: Yes. Pg. 7.12.175. 150 personnel under the direction of a Customer Service Director. A central Repair Depot will be established in Austin for the Bench Repair Supervisor and Repair Technicians. Repair Depot will support the Service Centers collocated with 10 district sales offices. In total there are 16 Service Center cities. <a href="#">With the exception of the Executive Summary, the Proposal does not mention 3rd party vendor will perform services. During Oral presentation noted Tx Vending Services.</a>
2.3.2.24	Lottery Gaming System capability to remotely monitor all deployed equipment for proper operational functionality and identification of equipment malfunctions or failure.	7.12.2	RR responded to: Yes. Pg. 7.12.177. Utilize GPS enabled dispatch management tools to optimize getting FSTs to the Lottery's retailers who have equipment or supply issues. Manage service calls with Siebel's CRM software and capture service level and equipment level data to support service level delivery and reporting. Intralot's terminals, in conjunction with Network Management System, provide for the collection of Management Information Base variables with customized extensions. These are used to determine MTBF and watch for signs of impending failure. Pg. 7.12.178. Communications test and monitoring capabilities will be available at both the Primary and Backup Data Centers. Overview of network management, fault isolation and alerting tools on Pg. 7.12.179. <a href="#">Meets requirements.</a>
<b>Call Center Support</b>			

Round 2: Technical Scoring		RFP Reference	Evaluator Notes Intralot
2.3.2.25	Call Center staffing and management to support the Texas Lottery's diverse Retailer base; ensure timely, professional, courteous and accurate response to all calls; achieve required performance levels; and plan for handling chronic problems.	7.13	RR and DRs responded to: <b>Yes, with the exception of the following RR: RR 4 response does not address diverse retailer base.</b> Pg. 7.13.2. Intralot provides and maintains an automated Service Desk operation based on for call management, monitoring, tracking and reporting. Retailers and remote system users can call Service Desk 24/7/365 to report stolen tickets, report technical issues and order instant tickets or supplies. Intralot will provide a dedicated instant ticket inventory management customer service call center M-F from 7 - 6. (Per Clarification letter 7-5) The Service Desk will troubleshoot calls by phone typically resolving 85% over the phone. Retailer incidents that cannot be resolved over the phone will be dispatched to Field Service organization. Pg. 7.13.3. All maintenance information is retained on-line for both the Siebel retailer services and the bench maintenance database for the life of the contract. Pg. 7.13.4. Intralot's Mitel 3300 telephone switch utilizes 6110 Contact Center Suite software and Prairie Fyre for the call monitoring and reporting. <b>Pg. 7.13.5. In the event the Austin Service Desk/Call Center System is not working, the calls will be routed to the Dallas back-up call center and/or Intralot's Call Center in OH. Call Center Staffing and Management.</b> Pg. 7.13.15. Service Desk. Retailer Support Manager (1), H-D Supervisor (2), H-D Associates (15-19); Instant Ticket Desk. Telemarketing Manager (1), T-M Supervisor (2), T-M Customer Sales Reps (18-28). Random call monitoring is performed daily. Pg. 7.13.16. Extensive in-house training program. <b>Call Center Staffing &amp; Management Support - Retailer-Licensee Base, Not responsive. Call Center Performance Levels.</b> Restatement of DR's. <b>Chronic Problems.</b> Pg. 7.13.23. Should a retailer experience a chronic equipment problem, 4 or more service calls in a consecutive 90 day period on the same piece of equipment, Intralot will replace the equipment. After 3 incidents of a retailer reporting issues with the same equipment in a 90 day period, the incidents will be raised to Intralot's Problem Management Team to determine the root cause. If a certain piece of equipment is reported to have failed 4 times in a 90 day period, it will be replaced. <b>Per the Clarification Letter, Question #28, the Instant Ticket Service desk will operate Monday through Friday from 7-5. Per RFP Roles and Responsibilities Item 3, the vendor is to provide dedicated ticket inventory management personnel Monday through Friday from 7-6. Staffing in Dallas is not articulated in the proposal should calls be routed in the event the Austin Service Desk/Call Center is not working. Per Clarification letter, Question #30, there will be 15 staff in Dallas. Executive summary, pg. 5 notes Valbrea Technologies, Call Center/Field Service vendor and Texas Vending Services, vendor for Vending Machine installation and field service. Neither of these vendors were noted in the remainder of the RFP.</b>
<b>Ticket Inventory Supply and Management</b>			
2.3.2.26	Innovative solutions to enhance inventory order and distribution beyond the noted requirements of the RFP.	7.13	RR responded to: Yes. Pg. 7.13.24. Facilitated instant ticket inventory management use sophisticated computer tools that analyze broad characteristics of instant sales demographics and applies that information to decision support regarding individual retailer sales history. LSRs and IT Desk CSRs will work together to manage optimal instant ticket initial distribution quantities and daily orders by price point. Auto reorder of consumables. Pg. 7.13.25. IntraSell and Automatic Ticket Order Sorting. IntraSell has functions for auto order, auto reorder and telemarketing predictive order all interfaced with automatic order sorting machinery. <b>Thorough response.</b>
2.3.2.27	Staffing and management of the ticket inventory and supply management functions to support the Texas Lottery's diverse Retailer base. Procedures to process special, out of cycle, express, expedited or emergency orders.	7.13	RR and DRs responded to: <b>Yes, with the exception of the following DR: DR 24 (real time updates) not mentioned in 7.13, with the exception of general statement in RR 1. Inventory &amp; Supply Management Functions.</b> Intralot will recruit bi-lingual staff for Instant Ticket Desk and LSR operations. All of the supplies and consumables for the Intralot terminals can be ordered on-line from the multi-lingual retailer terminal, or the retailer can place a call to the multi-lingual Service or Instant Ticket Desks. LOTOS and Siebel CRM provides real time retailer sales information and reports. <b>Special, Out of Cycle, Express, Expedited or Emergency Orders.</b> Pg. 7.13.29. A ticket is created in Siebel Retailer Services and Customer Relationship Management (CRM). Instant tickets during normal working hours are transferred to an Instant Desk CSR. Delivery will be by overnight delivery or by LSRs depending on circumstances. GPS system is an effective tool in identifying the location of any LSR or FST. LSRs carry trunk stock of consumables and instant tickets and FSTs carry trunk stock of consumables. <b>Per the Clarification Letter, Question #28, the Instant Ticket Service desk will operate Monday through Friday from 7-5. Per RFP Roles and Responsibilities Item 3, the vendor is to provide dedicated ticket inventory management personnel Monday through Friday from 7-6.</b>

Round 2: Technical Scoring		RFP Reference	Evaluator Notes Intralot
2.3.2.28	Ability to allow Retailers to order at anytime through an automated system, rather than ordering in response to a telemarketing call, which includes the ability to manage and place proper controls on this ordering process.	7.13	RR and DRs responded to: Yes. Pg. 7.13.30. 4 automated approaches: 1) Initial Order, 2) Auto Reorder, 3) Retailer Web-Site, 4) Retailer Terminal. Intralot automates auto order, auto reorder and telemarketing predictive ordering and passes orders to automatic sorting machinery. All orders for instant tickets received before close of business are filled and shipped the same day for ground service delivery the following day. Depending on the method of ordering, the orders are reviewed by Instant Desk CSR and or Instant Desk CSR/LSR. <a href="#">Thorough response.</a>
<b>Communications Network</b>			
2.3.2.29	Communications network, which includes information and diagrams to support the performance capabilities of the Lottery Gaming System and the Texas Lottery.	7.14	RR and DRs responded to: Yes. <a href="#">Battelle Benchmark: 19. Terminal Download Bandwidth: Passed.</a> Pg. 7.14.1. LOTOS securities have never been breached. VSAT network with four satellites is the most diverse in Lottery industry. Pg. 7.14.4  Pg. 7.14.5. The network will be installed in parallel to that of the existing network, as will be the Central Systems and terminals, thereby minimizing any impact or conversion risks to the TLC's day-to-day operations. Pg. 7.14.7. Intralot intends to utilize VSAT, DLS and then 3G communications. The exact quantity and distribution of technologies across the retailer population that are to be installed can only be accurately determined once site surveys have been completed and recommendations presented to the TLC for review and approval. The network design is the optimal solution because it eliminates single points of failure and bottlenecks that can affect multiple retailer locations. Pg. 7.14.9.  Pg. 7.14.12.  <a href="#">No Dual Comm</a>
2.3.3	<b>SALES AND MARKETING</b>		
<b>Sales Management and Business Development and Marketing</b>			
2.3.3.1	Route sales component to support Retailer locations.	8.2	RR and DR responded to: Yes. Pg. 8.13. Intralot will provide full service Lottery vending support for retailers that want a predominantly self-service solution. Our LSRs will stock and manage their equipment for them. With real time view of sales and equipment status, Intralot can remotely manage self-service solutions. Pg. 8.15. Intralot will dedicate in state and Corporate staffing resources to support a Texas Route Sales Model. They have already met with the Texas Merchandising Vending Association to map out one element of a strategy for bring a vending route operation to the Texas Lottery. After conversion Intralot will have a pilot program in place for a Route Sales Model. <a href="#">Retailer Recruitment Strategy reference to Table 81, but Table not provided.</a>
2.3.3.2	Sales management staff responsible for identifying new selling and business development opportunities.	8.2	RR and DR responded to: Yes. Pg. 8.9.  <a href="#">Corporate resources not named. Strong staffing commitment and emphasis placed on Lottery Sales Representatives on Organization chart. District Sales Managers will be available 1 month prior to conversion. Numerous conflicts on the Sales and Marketing organization charts and reporting structure presented throughout the response.</a>





Round 2: Technical Scoring		RFP Reference	Evaluator Notes Intralot
2.3.3.5	LSR organization structure and how it will support Lottery Retailers across the entire geographic and population diversity of the State of Texas, which includes the proposed staff to Retailer ratio for the provision of Lottery Sales Representative activities.	8.4	RR and DRs responded to: Yes. Pg. 8.35 Current industry best practices reflect an average LSR to Retailer ratio of 1:116. Intralot proposal is 1:99. Phil Sherwood, Director of Sales. Pg. 8.36. LSR Training Manager (1), District Managers (10), Sales Supervisors - 2 in Dallas and Houston (4), LSRs (160-178), Retailer Recruitment Manager (1), Retailer Recruiters (3). Ten regional offices, providing access to technical support and supplies. Offices located: Abilene, Austin, Dallas, El Paso, Houston, Lubbock, McAllen, San Antonio, Tyler, Victoria. Pg. 8.37. LSR routes will be based on a 2 week cycle with 5 days one week and 4 days the second week. The top 20% of retailers in each district will be visited weekly. Sales representatives will visit an average of twelve retailers per day. LSRs can be expected to be in their territory on an average of 9 days of the 10 day work cycle. Pg. 7.38. While the initial plan calls for upwards of 178 LSRs, Intralot intends to grow the retailer base in TX. Doing so will require adjustment of staffing. <a href="#">Strong emphasis placed on Lottery Sales Representatives on Organization Chart. If top 20% of retailers receive a weekly visit, average of 11 retailer visits per day does not compute.</a>
2.3.3.6	Incentive plan for LSRs.	8.4	RR and DR responded to: Yes. Pg. 8.38. Incentives will be dependent on sales growth, service level achievement and retailer satisfaction. Marketing staff must design programs that produce measurable sales growth results. Sales management must give the LSRs the tools, knowledge and experience to facilitate sales growth. Pg. 8.39. Intralot will provide LSRs a compensation package commensurate with industry standards. Part of the compensation package will be a performance based incentive program based on sales goals, promotion effectiveness, customer service levels, retailer satisfaction surveys, and retailer training and recruiting. Examples: Holiday Incentive, Recruiting Incentive, Promotions Target Incentives, Sales Target Incentives. <a href="#">No specific detail provided on the incentive plan.</a>
2.3.3.7	Sales services customized to strategically optimize sales performance.	8.4	RR and DRs responded to: Yes. Pg. 8.40. Performance incentive programs including motivation, education and hands on training will be developed for the bottom 60% of the retailers in each LSRs area of responsibility. Lottery Sales and Retail Check List.  <a href="#">Concern with hand made promotional material. Meets requirements.</a>
<b>Retailer Visit</b>			
2.3.3.8	Retailer visits and support.	8.4.1	RR and DRs responded to: Yes. Pg. 8.44. Intralot will create annual sales cycle schedules for each LSR based upon a state of the art territory route planning software application. Sieble CRM automated tracking and reporting system. Pg. 8.45. Two week servicing cycle with a schedule to visit each retailer regardless of sales levels or geographic location. Will conduct additional visits to meet unexpected, emergency or unscheduled demands and requirements. Five service delivery categories: 1) Retailer recruiting, 2) Supply and Inventory Management, 3) Sales, Marketing and Management, 4) Terminal and Equipment Training, 5) New Game, Procedure and Regulation Training. <a href="#">Meets requirements.</a>
2.3.3.9	Monitor and manage LSR performance to ensure that all LSR visit standards are being met.	8.4.1	RR and DRs responded to: Yes. Pg. 8.49. Intralot will leverage state of the art technologies to schedule, route optimize, pass and collect information to and from the retailer. Donlen Telematic's GPS Systems will be installed into LSR and FST vehicles. LSRs will carry a portable IPT that connects them in real time to LOTOS O/S Lottery Gaming System and Oracle Siebel Customer Relationship Management (CRM) system. Pg. 8.50. Intralot will develop an LSR training and certification program that will ensure that all LSRs fully understand expectations and demonstrate the ability to perform at very high levels. <a href="#">Use of technology. Meets requirements.</a>

Round 2: Technical Scoring		RFP Reference	Evaluator Notes Intralot
2.3.3.10	<i>Enhanced schedule for Retailer visits that exceeds the minimum required visits for general support and sales activity that emphasizes sales optimization. Overview of the methodology and strategy that will be used to enhance sales.</i>	8.4.1	RR and DR responded to: Yes. Pg. 8.48. 1) New Game Activation program in which the stocking and display of new instant games during sales visits is a priority. 2) Bins Filled program to ensure retailers have the right mix of instant ticket price points in the right place. 3) Jackpot Alert Initiatives. 4) Top Selling Retailer program assures that top retailers within each district are visited on a weekly basis. 5) Incremental Sales Initiative linking research and analysis team with the LSRs. Identify a quarterly target for improved sales for the bottom 60% of each LSRs retailer base. 6) Retailer Advertising Program. <b>Weekly circulars and radio advertising paid by the retailers will be sought out to include lottery game messaging and advertising within the spots already being utilized by the Retailer.</b>
<b>LSR Ticket Retrieval, Transfers and Returns</b>			
2.3.3.11	<i>Perform ticket retrieval, transfers and returns to optimize the inventory mix at retail locations in coordination with Retailers.</i>	8.4.2	RR and DRs responded to: Yes. Pg. 8.53. LSRs and Instant Desk CSRs will set optimal initial distribution quantities for each retailer assuring that no retailer runs out of stock of new games before their next regularly scheduled order. If the retailer's terminal and the IPT are not available for automated ticket return processing, the LSR will conduct a manual based return process as approved by the Lottery. 3 types of ticket returns from Retailer locations: partial pack returns, full non-activated pack returns and full-activated pack returns. <b>Meets requirements.</b>
2.3.3.12	<i>Retailer-to-Retailer pack transfers utilized to optimize inventory availability, which includes the methods for carrying out these transfers and the security and control measures that will be put in place and how system records will be maintained.</i>	8.4.2	RR and DR responded to: Yes. Pg. 8.56. Only full books of instant tickets will be transferred between retailers. LSRs will utilize the IGMS on their IPTs to establish and control optimal inventory levels for each retailer. Over and under stock situations will be managed by the Instant Desk CSR with Retailer-to-Retailer transfers. The IGMS system will monitor and account for chain of custody and status changes. <b>Positive response with the use of IPT for inventory functions.</b>
<b>Instant Ticket Game Close</b>			
2.3.3.12	<i>Process for handling Instant Ticket game close.</i>	8.4.3	RR and DRs responded to: Yes. Overview of Game Close Notification and Instant Ticket Return Processing provided. <b>Response does not clearly articulate game close versus call date.</b>
<b>Retailer Contests and Retailer-based Player Promotions</b>			
2.3.3.13	<i>Retailer contests and promotions to increase Instant and On-Line Ticket Sales.</i>	8.5	RR and DRs responded to: <b>Yes, with the exception of the following RR and DR: RR 1 not responded to. DR 20 (RNG) not mentioned in Section 8.5.</b> Pg. 8.61. Using Intralot's OnQ technology, there is no need for software development for promotional games. Pg. 8.62. The systems proposed for TX will implement terminal-originated promotions that use coupons, free tickets; ticket stock entry forms, and other terminal or ticket stock items as required. <b>Looking for greater examples.</b>
2.3.3.14	<i>Incentive programs for Retailers, which includes when such programs should be initiated and the benefits of such programs in maximizing revenue to the State from the sale of Texas Lottery Products.</i>	8.5	RR and DRs responded to: <b>Yes, with the exception of the following DR: DR 18 response does not include May 31 date.</b> Pg. 8.108 notes the Commission's retailer commission and <b>cashing bonus program.</b> LOTOS offers fully automated support for all retailer financial transactions and reporting, including: billing, EFT sweeps, commissions and bonuses. Premium Points Program - system can issue a form for a retailer or clerk to use to enter a special drawing or participate in other retailer incentive programs or promotions. Pg. 8.110 - RMS Retailer Marketplace overview. <b>Limited response</b>
<b>Promotional Events and Retailer Promotions</b>			



Round 2: Technical Scoring		RFP Reference	Evaluator Notes Intralot
2.3.3.21	Research and development staff to conduct research on new selling opportunities and new marketing strategies.	8.8	RR responded to: Yes.  Additional vital positions: Instant Product Manager, Online Product Manager, Interactive and Social Media Coordinators, Promotions Coordinators (2) and Promotions Assistants (3). Pg. 8.155. Corporate support from Duluth and Greece. Numerous conflicts on the Sales and Marketing organization charts and reporting structure presented throughout the response. Corporate resources not named.
2.3.3.22	Research and/or data analyst staff to respond to special reporting requests, develop / respond to requests for specialized sales analysis, etc.	8.8	RR and DR responded to: Yes. Pg. 8.157. Chitra Thanksaswamy - Research Director; with NuStats, Research Analyst (2), Geo-Demographic Analyst (1). Corporate resources not named.
<b>2.3.4</b>	<b>WAREHOUSE AND DISTRIBUTION SERVICES</b>		
	<b>New Instant Ticket Delivery and Storage</b>		
2.3.4.1	Automation for managing, fulfilling, and storing instant ticket orders.	9.2	RR responded to: Yes. Pg. 9.3. Managing, fulfilling and sorting Instant Ticket orders is a highly automated process using IGMS Intrasell for auto order, auto reorder and telemarketing predictive order combined with automatic order sorting machinery. All orders for instant tickets received before close of business will be filled and shipped the same day for ground service delivery the following day, from Intralot's central warehouse.  Strong overall response.
2.3.4.2	Staging and distribution plan for simultaneous Instant Ticket game sales launches.	9.2	RR and DRs responded to: Yes.  Pg. 9.10. Intralot stages the packed new game allocations in a warehouse area separate from regular daily orders. Use of color coded bags. Strong response.
2.3.4.3	Warehousing and distribution methodology and staffing plan, which includes any automated functions.	9.2	RR and DRs responded to: Yes, with the exception of the following DRs: DR 10, 15, 16 not mentioned in 9.2, with the exception of the general statement in RR 1. Pg. 9.10. Intralot's warehouse will be designed and organized for quick and easy inventory access using multi-tiered pallet racking. Each multi-tiered rack pallet position will have a unique bar code assigned to facilitate inventories. Instant game pallets are stored by game number. A separate storage area for consumables and packing supplies. Climate controls to accommodate industry specifications for thermal paper and instant tickets. Numerous loading docks. UPS and automated fuel powered generator with sufficient fuel to last 48 hours. Pg. 9.14. Staffing under Distribution Services John Hadley. Distribution (28 staff). Tell Sell (21 staff). With noted exceptions, meets requirements.
	<b>Instant Ticket Delivery</b>		
2.3.4.4	Plan for processing and shipping all ticket orders, including on weekends, holidays, and other times based on ticket ordering activity, delivery to Retailers in geographically remote areas, and under special circumstances as required by the Texas Lottery.	9.3	RR and DRs responded to: Yes. Pg. 9.21. Intralot warehouse team sets their holidays each year around the holidays observed by the TLC. Implements special distribution plans weeks ahead of holidays and peak sales periods. CSRs will work ahead and help the retailers place orders to maintain inventory during and after the holiday. Intralot is prepared to process and ship instant ticket orders on weekends and/or holidays. Deliveries may be accomplished by: normal contract courier, FSTs and LSRs, hybrid of contract and Intralot, UPS/FedEx. Ticket Order Delivery Plan Intralot processes all orders received by 4:30 for shipment that day. With the exception of a few holidays, all orders placed M-Th will be delivered within 36 hours and Friday orders will be delivered within 72 hours. In cases where primary courier is not able to provide next day ground delivery, Intralot will use next day air service or establish another delivery service including the use of LSRs or Field Service network. Concern with Third Party vendor delivery instant tickets.

Round 2: Technical Scoring		RFP Reference	Evaluator Notes Intralot
2.3.4.5	Process (including security features) to be used to document the delivery of tickets and obtaining proof of signed delivery receipts from individual Retailers.	9.3	RR and DRs responded to: Yes. Pg. 9.21. Utilizes the package tracking and delivery technology used by LSO and UPS to document signed confirmation that retailers accepted delivery of the ticket orders. Delivery information is accessible via internet connection with LSO and UPS. If delivered with internal assets, documentation on IGMS with a signed receipt by the recipient. <a href="#">Reliance on shipping vendors system.</a>
2.3.4.6	Procedures and materials used to package Instant Tickets for delivery to Retailers, which includes the process used to prevent Instant Ticket Manufacturer omitted packs or other defective packs from being shipped to Retailers.	9.3	RR and DRs responded to: <b>Yes, with the exception of the following DR: DR 12 (communication and marketing pieces) not mentioned in 9.3 with the exception of general statement in RR 1. <a href="#">Procedures or Materials.</a></b> Pg. 9.22. Tyvek envelopes and corrugated boxes. <a href="#">Omitted or Other Defective Packs.</a>  <a href="#">With noted exceptions, meets requirements.</a>
2.3.4.7	Methods, procedures, hardware and software used to monitor inventory and ensure optimum inventory levels are maintained at each Retailer location.	9.3	RR and DRs responded to: Yes. Pg. 9.24. IGMS IntraSell application predicts retailer inventory needs, tracks warehouse inventory and provides reports to ensure optimum inventory levels are maintained at each retail location. <b>CSR and LSR staff will fine tune reorder points and inventory levels for each instant ticket price point at each retailer with the replenishment and predictive ordering software.</b> IGMS automatically calculates an optimum instant ticket order quantity for each game price point. This is based on retailer's average # of packs sold by price point, call cycle, delivery lead time, confirmed inventory, stock ordered but not received, and maximum on-hand quantity for each game. Ad Hoc calling list. During peak seasonal sales or prior to a holiday weekend, the IGMS can create a special Ad Hoc call list comprised of a selection of best selling games, a particular level of retailer sales and low inventory retailers  <a href="#">With the exception of "fine-tuning" orders, Strong response.</a>
<b>Warehouse Instant Ticket Return Verification</b>			
2.3.4.8	Process and procedure (including security features) used to document and store partial packs of Instant Tickets returned from Retailers, which includes the tracking system that will be used to follow the packs returned to the warehouse.	9.3.1	RR and DRs responded to: <b>Yes, with the exception of the following DRs: DR 9, 10, 11, 16 not mentioned in 9.3.1., with the exception of general statement in RR 1.</b> Pg. 9.26. LSR takes custody and inventories at retailer's location and records status change on either IGMS or an IPT. <b>The LSR provides a receipt to the retailer and sends a message to the Lottery to issue credit for the recovered inventory.</b> Transfer to Regional Office and then shipped to Austin. <a href="#">Lack of a detailed response. Noted the retailer credit process is not from the terminal for partial pack returns.</a>
2.3.4.9	Procedures for locating Instant Tickets that are in a "Hold," "Lost Warehouse," "Lost Retailer," or "In Transit" status longer than the permitted time limit.	9.3.1	RR and DRs responded to: <b>Yes, with the exception of the following DRs: DR 12, 13, 14, 15 not mentioned in 9.3.1., with the exception of general statement in RR 1.</b> Pg. 9.28. Using reports and tracking tools in LOTOS and IGMS. <a href="#">With noted exceptions, meets requirements.</a>
<b>Stolen and Damaged Instant Ticket Reporting</b>			
2.3.4.10	Damaged or stolen tickets processing.	9.3.2	RR and DRs responded to: Yes. Pg. 9.28. Call Center will take reports and document stolen ticket information 24/7/365. TLC security personnel will be notified of damaged tickets. Pg. 9.29. LSR will inventory and take custody of damaged tickets and status reporting modified. Pg. 9.30. TLC security personnel will be notified of reported stolen tickets. Call Center associate enters the ranges of stolen tickets in IGMS. Status reporting modified. <a href="#">Meets requirements.</a>
<b>Ticket and On-Line Ticket Stock Destruction</b>			
2.3.4.11	Security process and/or procedures for the destruction of tickets, On-Line Ticket stock and other materials.	9.4	RR and DRs responded to: Yes. Pg. 9.31. Detailed overview of Ticket Destruction. Pg. 9.32. <a href="#">Destruction of Instant and On-Line Ticket Stock.</a> Step by step procedure provided of Secured destruction. Intralot will install a heavy duty commercial shredding system or contract with a Lottery approved off-site shredding company. <a href="#">Meets requirements.</a>
<b>Promotional Item and Point of Sale (POS) Verification and Receiving</b>			



Round 2: Technical Scoring		RFP Reference	Evaluator Notes Intralot
2.3.5.8	Implementation and migration strategy and processes.	10.3	RR and DRs responded to: Yes. Pg. 10.35. Proposing "Perfect Switch" conversion strategy for the retailer terminals, network,  Intralot will replace instant ticket vending machines immediately upon go-live as they are removed by GTECH. There is a potential for revenue loss with this strategy. This model requires two terminals at each retailer's location.
<b>Conversion Plan and General Requirements</b>			
2.3.5.9	High level conversion plan, which includes the project management process, the structure and content of process documentation, an information sharing and communication plan, expected participation from Texas Lottery and the level and duration of involvement from the current vendor.	10.1 and 10.4	RR and DRs responded to: Yes. Pg. 10.1. More recent conversions from GTECH and SGI than any other vendor. Microsoft  Intralot will replace instant ticket vending machines immediately upon go-live as they are removed by GTECH. Structure and Content of Process Documentation. Pg. 10.45. Detailed overview provided. Bruce Anderson is the only PMP on the Transition team. Lack of software experience on the resume of Mr. Fotopolous. Parallel testing beginning on 8/23. Intralot will replace instant ticket vending machines immediately upon go-live as they are removed by GTECH. There is a potential for revenue loss with this strategy. Retailers with the least space to store terminals, consumables, promotional items, and POS materials will be scheduled for the last installations prior to go live. This model requires two terminals at each retailer's location.
2.3.5.11	Project Management methodology for the transition, which includes at a minimum: a) Project Management; b) Business Change Management; c) Issue Management; d) Risk Management and Mitigation; and e) Transition Reporting (Type and Frequency).	10.4	RR and DR responded to: Yes.  Meets requirements.
2.3.5.12	Initial distribution plan for Instant Tickets, On-Line Ticket stock, Retailer Terminals and associated system sales equipment, Point-of-Sale materials, On-Line play slips, promotional merchandise, playstations, signage and other materials, as required. Quality control procedures included in the plan.	10.4	RR and DR responded to: Yes  Retailers with the least space to store terminals, consumables, promotional items, and POS materials will be scheduled for the last installations prior to "Go-Live". This model requires two terminals at each retailer's location.

Round 2: Technical Scoring		RFP Reference	Evaluator Notes Intralot
2.3.5.13	Validation of winning tickets sold prior to the conversion.	10.4	DR responded to: Yes.  Per Clarification letter, Intralot needs GTECH or TLC to either provide the Z barcode encryption algorithms or a compiled program that decodes the pre-conversion ticket barcodes so that Intralot terminals can successfully validate winning tickets sold on GTECH systems without the retailer needing to enter the ticket number manually.
<b>Conversion Milestones</b>			
2.3.5.14	Conversion plan and time chart identifying the major milestones to be accomplished for the construction, equipment delivery, software programming, installation, testing, user training, data conversion, and documentation of the proposed System.	10.5	RR responded to: Yes. Provided Conversion Plan and Microsoft Project time chart. <a href="#">Meets requirement.</a>
<b>Conversion Plan</b>			
2.3.5.15	Processes and factors related to End of Contract Conversion, which includes knowledge transfer to the Texas Lottery or Replacement Provider, risk management and mitigation, exit reporting, handover procedures, license transfers, etc.	10.6	DRs responded to: Yes. Pg. 10.60. <a href="#">Meets requirement.</a>
<b>2.4 Experience. The experience of the Proposer in providing the requested goods or services.</b>			
2.4.1	Past 10 years of experience providing the services as specified in the RFP for engagements of comparable complexity and scale.	4.2.1 and 4.2.4	Established in 1988. Strong international presence in more than 50 countries on 5 continents. Delivered new retail POS terminals to over 120,000 retailers in the last 5 years including large complex conversions in South Africa, Taiwan, South Korea and Ohio. Intralot has never been late on any project or conversion. Intralot has been trusted with more recent conversions from GTECH and SGI than any other vendor in the world. Several conversions were conducted simultaneously. Operates the following North America contracts: Nebraska (awarded in 2003, terminal count 1,150), Montana (awarded 2005, terminal count 750), Idaho (awarded 2006, terminal count 1,250), New Mexico (awarded 2007, terminal count 1,400), South Carolina (awarded 2007, terminal count 3,800), Ohio (awarded 2008, terminal count 14,700) and Arkansas (awarded 2009, terminal count 2,500). Recent awards to Louisiana (terminal count 2,800), New Hampshire (terminal count 1,400), Vermont (terminal count 757) and District of Columbia (terminal count 700). The largest US customer is OH with 14,700 terminals. No sales force management on any of the US contracts.
2.4.2	Previous lottery experience or other relevant experience providing similar services as specified in the RFP to governmental or private entities.	4.2.2 and 4.2.4	Strong international presence in more than 50 countries on 5 continents. Operates the following North America contracts: Nebraska (awarded in 2003, terminal count 1,150), Montana (awarded 2005, terminal count 750), Idaho (awarded 2006, terminal count 1,250), New Mexico (awarded 2007, terminal count 1,400), South Carolina (awarded 2007, terminal count 3,800), Ohio (awarded 2008, terminal count 14,700) and Arkansas (awarded 2009, terminal count 2,500). Recent awards to Louisiana (terminal count 2,800), New Hampshire (terminal count 1,400), Vermont (terminal count 757) and District of Columbia (terminal count 700). The largest US customer is OH with 14,700 terminals. No sales force management on any of the US contracts.
2.4.3	Previous experience in transition activities between vendors when providing similar services, in scope and size, as specified in the RFP.	4.2.3 and 4.2.4	Since 2003 when Intralot won its first US contract to supply the NE lottery with on-line systems, communications, retailer terminals and services, Intralot has bid and won 19 lottery procurements. No service interruptions. Intralot noted Ohio's recent on time successful conversion from GTECH as a good example for a TX like conversion.