

## NHLC RFP LOT 2023-02 ROUND 1 QUESTIONS AND ANSWERS

Question Number	Section Number	Exhibit	Section Title	Page Number	Question	Answer
1	1		B. Schedule of Events	5	Given the highly technical nature of the subject matter and in order for bidders to prepare their best possible responses, will the Lottery respectfully consider an extension of the current response deadline by four weeks or 20 business days?	No. At this time the Lottery will not consider an extension.
2	2		A. Background	6	For the period September 2018 through May 2023 please provide (in excel format) the following data in relation to e-instants, preferably by week, but at most by month: Total Gross Sales; Total Prize Cost; Total Bonus Cost	See EXHIBIT Excel Sheet, specifically EXHIBIT 1 for a monthly breakdown.
3	2		A. Background	6	For the period September 2018 through May 2023 please provide (in excel format) the following data for each draw game sold online (i.e., Mega Millions, Powerball, Tri-State Gimme 5 and Lucky for Life), preferably by week, but at most by month: Total Gross Sales (split between retail sales and online sales); Total Prize Cost; Total Bonus Cost	See EXHIBIT Excel Sheet, specifically EXHIBIT 2 for Retail and iLottery draw based game sales by week since iLottery started. The Lottery does not have ready access to iLottery DBG prize cost by week or bonus for draw game by week. However, draw game prize cost is approximately 50% of sales.
4	2		A. Background	6	For each month of 2023 (i.e., January, February, March, April, and May) please provide the NGR generated by each individual e-instant (in excel format), showing Gross Sales, Prize cost and Bonuses.	See the EXHIBIT Excel Sheet, specifically EXHIBIT 3 (all 5 tabs for Exhibit 3) tabs; they are the sales and prizes paid by game for each month, along with free games bonus values. Cash bonuses (for example, Deposit \$10, Get \$10 iLottery Dollars) are not applied to specific e-Instant games. See the Total Cash Bonus value provided for each month.

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5	2		A. Background	6	For each month (or week if easier) since launch in September 2018 please provide the number of: i) unique e-instant players (i.e., those players who only played e-instants); ii) unique DBG players (i.e. those players who only played DBGs), and iii) unique players who play both e-instants and DBGs (i.e. those players who played both e-instants and DBGs)	See the EXHIBIT Excel Sheet, specifically EXHIBIT 4. We record the number of distinct players for e-Instants and iLottery DBG by day. We do not record the number of players who played both.
6	2		A. Background	6	For each month (or week if easier) since launch in September 2018 please provide the number of players who have played in the last 30 days (or similar timeframe)	See the EXHIBIT Excel Sheet, specifically EXHIBIT 5. We record the number of distinct e-Instant and iLottery DBG players by day.
7	2		A. Background	6	Please provide the number of e-instant games on sale by month since launch in September 2018	See EXHIBIT Excel Sheet, specifically EXHIBIT 6 for a monthly breakdown of how many e-Instant games were for sale by the end of each month.
8	2		A. Background	6	Not all DBGs are sold online (e.g., Pick 3, Pick 4). Does the lottery plan to sell any of the current retail-only games online in future? If so, please provide a timeframe.	The Lottery is launching Tri-State Megabucks through iLottery in September 2023. No other retail games are planned for iLottery launch at this time, but as noted in the RFP on page 34 or 88, the Lottery requires Pick 3 and Pick 4 to be added within three months of go-live for the new iLottery system.
9	2		B. 13. Objectives	7	The objective states the successful Bidder will continue to strengthen cross promotion efforts between iLottery and traditional lottery/retail to increase compatibility between iLottery and traditional lottery/retail, please provide examples of past successful and unsuccessful cross promotions efforts?	Cross promotions the Lottery has done include, but are not limited to, the following: acquisition-based promo code on back of scratch tickets; deposit based (for all users) promo code on back of scratch tickets; converting e-Instant games to scratch tickets with promo code offers; iLottery promotions for iLottery dollars or games plus scratch tickets.

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10	2		B. 14. Objectives	7	The objective mentions areas of friction, please provide examples of past areas of friction?	Some areas of friction could include: bringing players fully through the funnel; converting players from DBG to e-Instant; increasing the speed of the withdrawal process; ensuring player receive marketing messages and do not select to not receive them.
11	2		B. 3. Objectives	6	The objective references new games, promotions, bonuses and features. 1.) What limitations are placed on the New Hampshire Lottery Commission with respect to offering new games, promotions, bonuses and features? 2.) Are certain types of games restricted by statute or regulation? 3.) Can you provide examples of promotions, bonuses or features that the Lottery has tried on its iLottery platform since its inception? 4.) Is there a listing of all games types offered on the iLottery platform since its inception?	1. For Lottery games, promotions, bonuses and features, there are no regulatory limitations beyond Keno restrictions. However, new gaming types, like iGaming, needs legislative approval. Though slightly outside the focus of the question, NH does have a cap on ticket price not to exceed \$30. 2. Keno is restricted as it is only able to be sold in municipalities that vote to permit it, and only in licensed locations within those municipalities. 3. The Lottery has done purchase and deposit-based promotions and bonuses; welcome bonuses; cash match bonuses, free games, free iLottery dollars, tiered promotions that provide more when one deposits more; deposit or register and get e-Instants and scratch tickets; 4. All game types the NH Lottery has offered since iLottery launched in September 2018 are still available on nhlottery.com. The Lottery offers DBG and e-Instant games. The e-Instant games vary in type and mechanic from key number match, key symbol match, cascade, single ticket bonus round, multi ticket bonus round, expander, single ticket

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						multi-feature to single and multi-ticket games without bonus rounds.
12	2		B. 6. Objectives	6	Please clarify what is meant by “user-experience and security at the forefront of design that leads to high standards for player satisfaction” and expectations for both security and user-experience.	At times user-experience and security can be oppositional, as some security features can force the user to take multiple steps to register, log in, authenticate, withdraw. However, the Lottery recognizes that both are of paramount importance, and they can coexist together if done right and communicated properly. The Lottery is looking for Bidders to provide their solution for providing a safe and secure iLottery system and services while also providing exceptional user experience.
13	3		A., Proposal Submission, Deadline and Location Instructions	8	Due to the potential voluminous nature of Bidders’ responses to the RFP and the possibility of multiple hard copy volumes being required per copy, will the Lottery consider reverting to an electronic submission only? If this is unacceptable, will the Lottery consider an electronic-only delivery of proposals on the established due date, with hard copies to be received within seven (7) business days of the due date?	No.
14	3		Process for Submitting a Proposal and Section 5. Content and Requirements for Proposal	8 and 12	Would the Lottery confirm that Bidders may include the files for the Technical Proposal, Audited Financial Statements, and Redacted copy of the Technical Proposal all on one USB flash drive? Would the Lottery also confirm that Bidders are only required to submit one drive for these particular files?	The Lottery will accept Technical Proposal, Audited Financial Statements, and Redacted copy of the Technical Proposal all on one USB flash drive, provided the files are clearly marked with their contents. The Lottery prefers that two flash drives are provided for these particular files.
15	3 and 5		Process for Submitting a Proposal & Content and	8	In reviewing the RFP, specifically Sections 3 and 5, there does not appear to be a page limitation for submissions, please confirm.	There is no page limitation, though Bidders are invited to be succinct in their responses.

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			Requirements for Proposal			
16	4		10. Scope of Work; Player Application and Rewards Program Integration	10	Please clarify the SSO requirements. Can third party options be considered for SSO? Where can user data be stored?	Single sign on allows player to use same login credentials for both iLottery and lottery app. iLottery database is expected to be the system of record and shall maintain record of all iLottery user data. Third party SSO solution will not be preferred.
17	4		12. Scope of Work; Customer Support Center	11	Please provide the average number of weekly contacts received by the call center by type (e.g., telephone call, email, chat etc.)	The Lottery only has the monthly number of contacts by type for calendar year 2022. Please see attached Exhibit 7.
18	4		9. Scope of Work; Retail Inclusion	10	The Scope of Work states that the Bidder shall assist the Lottery with further inclusion of retailers in the iLottery program. Please clarify the separation between the traditional lottery/retail and iLottery environments.	Currently the iLottery and retail systems are 100% separate. However, even with separate environments there are still opportunities for retailer inclusion in iLottery from payment methods, withdrawal options, affiliate programs and the like.
19	4		Scope of Work, 5. Back Office System	10	Can the Lottery confirm that three distinct environments referred to in this section are: Quality Assurance, User Acceptance Testing (UAT) and Production (PROD)?	Yes, this is correct.
20	5		A. 1 Statement of Readiness	12	The Lottery requires any software, technology, and services proposed in the RFP to be operational in one (1) NASPL or three (3) WLA jurisdictions. Not all of the modules called for in the RFP have been provided to all the above customers, and the question is, could we still qualify and therefore submit a bid?	It is the Lottery's intent that all material components of the project be operational in 1 NASPL or 3 WLA jurisdictions. Bidders may meet this requirement on their own or through proposed subcontractors.
21	5		Content and Requirements for Proposal A. Company Information,	14	Does the term "intermediate company" refer to subsidiaries held directly or indirectly?	An intermediate company is one that is owned by a larger company but the intermediate also has subsidiary companies.

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			Capabilities, and Support 4. Contract Performance			
22	5		Content and Requirements for Proposal A. Company Information, Capabilities, and Support 5. Financial Capabilities	14	Would the NHLC accept links to the financial statements requested in this requirement in lieu of PDFs?	No. The Lottery requires all documentation to be provided hard copy and PDF via Flash Drive.
23	5		Content and Requirements for Proposal A. Company Information, Capabilities, and Support 3. Company Experience	13	Would the NHLC please confirm that the term "Bidder" -- used in this requirement and in all sections of the Technical Proposal of the RFP -- includes the bidding entity, and also all other subsidiaries under the Bidder's parent company in which the holdings are 50% or greater?	As set forth in this section Bidder means the bidding entity; however, the bidding entity must disclose information on any subsidiary or affiliated company who is contributing to the proposal, that includes parent companies when the bidding entity is reliant on that entity for financial, technical, or other support in the proposed performance of the scope of work.
24	5		Content and Requirements for Proposal A. Company Information, Capabilities, and Support 3. Company Experience and 4. Contract Performance	14	The RFP references "Major Part" in Sections 5.A.3 and 5.A.4. Please provide a definition for Major Part.	Major Part is a large part of any iLottery system and services contract, which without that part the success of the contract would diminish.

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25	5		Content and Requirements for Proposal, A. Company Information, Capabilities, and Support, 5. Financial Capabilities	14	Would the Lottery please confirm that it is acceptable for the Bidder to provide the audited financials of its parent corporation only (and not to also include financials of the Bidder) where the Bidder does not maintain its own standalone financial statements, and where the audited financials of the parent corporation include results of the Bidder together with other subsidiaries of the parent company on a consolidated basis?	Submission of financials of a parent company is acceptable if there are no independent financial reports for the bidding entity.
26	5		A. 5. Financial Capabilities	14	If successful, we plan to operate this contract through a single purpose subsidiary entity. In the absence of financial statements for that entity, we assume that it will be acceptable to provide audited annual and unaudited interim financial statements for a parent company. Please confirm.	Submission of financials of a parent company is acceptable if there are no independent financial reports for the bidding entity.
27	5		Section 5, A. Company Information, Capabilities, and Support. 7. System and Services Conversion (p. 15)	15	How does the Lottery foresee management of the independent vendors and distribution of these funds that are a requirement of the successful Bidder?	The Lottery has contracted with Gaming Laboratories International, Inc. to perform this scope of work. The Lottery anticipates that the funding requirement set forth in this section will be fulfilled by amending the existing contract to have the successful vendor add the financial contribution required for these services.
28	5		B. Gaming System, General	16	<ul style="list-style-type: none"> <li>• Please provide a description of the integration of the iLottery with the Host platform?</li> <li>• More specificity regarding the wagering, winners, and draw results functionality would be appreciated.</li> <li>• Provided that the Host is the master system for conducting the draw, and the winner selection process, how is the iLottery integrated with the Host in order to access this type of information?</li> </ul>	<ul style="list-style-type: none"> <li>• Currently, iLottery functions independently with connection to its dedicated ICS and is not connected to the retail side.</li> <li>• Not a mandate to synchronize with the retail side</li> <li>• iLottery host shall be the system of record and will be responsible to maintain its own draw functions as per the game rules.</li> </ul>

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29	5		B. Gaming System	16	As stated in this section of the RFP, we understand that Bidders may provide solutions that are either land (on-prem) or cloud-based, and we acknowledge that the “Lottery deems it advantageous for Bidder to provide cloud-based solutions...”. However, we note that various requirements in Section B. are only applicable to on-prem solutions. Will the Lottery permit modified solutions to the RFP’s stated requirements if the specifications stated are not applicable to a public cloud-based solution? Furthermore, will the Lottery confirm that references to cloud-based solutions, specifically refer to the public cloud.	Bidder will be responsible to provide a proposal for cloud-based solution that meets requirement similar to on-prem solution and will be dependent on MUSL approval and standards.
30	5		B. Gaming System, 1. Configuration at Primary Data Center (PDC), d) Secure Connections	16	In a cloud environment, everything can be considered “remote.” Will the Lottery please provide a definition for remote?	Remote is as commonly defined. In a cloud-based system, remote access would be approved as part of the overall review and approval of the cloud system and security.
31	5		Content and Requirements for Proposal, B. Gaming System, 3. i) Software Checksums	18	Would the Lottery please consider that software checksums are only required for each critical iLottery executable (e.g., central gaming system, draw services) in lieu of every executable that could exist on a server, test system that are not applicable to the critical iLottery functionality?	No.
32	5		Content and Requirements for Proposal, B. Gaming System, 5. iLottery System Environments	18	In addition to certifying the geolocation services (GLS), what (if any) additional certification is required of the game determination components of the iLottery solution?	RNGs require GLI-19 certification as set forth on page 33.
33	5		B. Gaming System, 3. Additional Gaming Operating System Security and Control	18	Can the Lottery confirm that ‘the test system’ refers to User Acceptance Testing (UAT)?	Yes, this is correct.



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			Features and Functions, i) Software Checksums			
34	5		Content and Requirements for Proposal, B. Gaming System, 7. Performance Criteria	19	Would the Lottery please consider reduced performance metrics with the ability to expand via Cloud solutions as the player base grows, versus sizing the system on Day One for the anticipated capacity demands?	If the successful Bidder is able to provide a Cloud solution, approved by MUSL standards, then the Lottery is aligned with right-sized metrics for the traffic, with the ability to quickly scale. Bidders must include how quickly they can scale and what is necessary to do so.
35	5		B. Gaming System, 7. Performance Criteria	19	Can the Lottery please clarify if Player/Customer Support is required five (5) or seven (7) days per week?	Customer Support is required seven (7) days a week, including holidays.
36	5		B. Gaming System, 7. Performance Criteria, g)	19	Can the Lottery please confirm that 'no downtime expected' does not include scheduled downtime?	Correct. No downtime does not include scheduled downtime.
37	5		B. Gaming System, 10. C. Drawing Information	21	Please elaborate further on the following terms: net game pool, daily handle, close handle, future wager reporting, Hash total of plays	<ul style="list-style-type: none"> <li>• Net Game Pool: The net game pool refers to the total amount of money accumulated from the sale of lottery tickets or entries after subtracting prizes and operating expenses.</li> <li>• Daily Handle: The daily handle represents the total amount of money wagered on a particular lottery game or drawing on a given day. It includes the total value of ticket sales.</li> <li>• Close Handle: The close handle refers to the final or official tally of the total amount of money wagered on a lottery game or drawing. It is determined at the end of a specific period, such as the close of sales for a particular drawing.</li> <li>• Future Wager Reporting: Future</li> </ul>

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						<p>wager reporting refers to the reporting of sales and wagers made on lottery drawings that will occur at a later date (applicable for all advance play options, where players can purchase tickets for multiple upcoming drawings).</p> <ul style="list-style-type: none"> <li>• Hash Total of Plays: The hash total of plays is a security measure used to ensure the integrity and randomness of the lottery drawings. It involves creating a unique numeric value that represents the combined data of all the plays made for a particular drawing. It can be used later to verify that the winning numbers were drawn fairly and without manipulation.</li> </ul>
38	5		B. Gaming System, 10. C. Drawing Information	21	Please clarify what "cut-off for any game" means	Cut-off also means Draw Break or Game Close for Draw Games.
39	5		B. Gaming System, 10. Drawing Controls	21	Why must the draw winning numbers, prize and jackpot amounts be manually entered at the iLottery platform, provided that it's not the master system for this type of information? Is the same manual process executed at the Host platform?	Currently the iLottery and retail systems are 100% separate. This includes ICS. The Lottery currently performs ICS and draw operations procedures for both the retail and iLottery systems. Therefore, it is necessary for the winning numbers to be populated on both systems as both systems are the system of record for their environment (iLottery and Retail).
40	5		C. Portal and Player Account Management and Migration 1. 6. Browser and Devices Supported	23	Please specify how many prior versions are expected to be supported, as well as an indicative list of devices and browsers	Lottery would like to consider a broader spectrum of browser version and devices in terms of compatibility. But for current compatibility, top devices, and top browsers, see EXHIBIT Excel sheet, specifically Exhibit 8.

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41	5		C. Portal and Player Account Management and Migration 1. Portal Integration	23	Please provide a technical description of the code enabled widgets	Code enabled widgets are JavaScript client to client framework that are imbedded into the CMS of the Lottery's website to support the Bidder's services (for the PAM). There are client interfaces that provide the ability to open the widget and get the information necessary. For each action a player does, there is code to support this on the backend to trigger the action between the UI to the Bidder's PAM. The website vendor/Lottery would reserve space on the website for the user interface via the CMS.
42	5		C. Portal and Player Account Management and Migration	23	Can the Lottery confirm that the iLottery Vendor's sole responsibility would be to provide widgets for integrating iLottery features into the current website and <u>not</u> host and/or manage the website?	Correct, provided that the chosen Bidder and solution is widget/code integration. The iLottery vendor is only responsible for the widgets and integration. There are also banners on the website for use by the iLottery vendor, which the vendor can provide. If the chosen Bidder does not/cannot provide the preferred solution then the Bidder would be responsible for hosting the separate website, CMS, portal, etc. However, the Bidder is not responsible for hosting the Lottery's current website.
43	5		C. Portal and Player Account Management and Migration 1. Portal Integration	23	Is the Lottery only interested in widget-based solutions, or would the Lottery entertain alternative solutions that include a unified platform providing a seamless experience for all the Lottery has to offer? If desired, we understand that with any solution, the Lottery may require content management access to the platform. Can the Lottery please confirm this understanding?	The Lottery prefers a widget-based solution but is open to other alternatives. Depending on the solution, the Lottery may require content management access to the platform.

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44	5		D. 1. Payment Methods	26	Please provide the average number of monthly deposits by each of the seven methods listed, and the average value of each deposit, e.g.: Visa debit. 100 deposits. \$50 average deposit Mastercard debit. 50 deposits. \$40 average deposit	The Lottery does not currently have this information available.
45	5		D. Claims and Payments, 1. Payment Methods	26	In this section the RFP states, "The Bidder will be responsible for providing secure, easy to use, and efficient payment processors (dual processors system) for each of the above-mentioned player flows." Will the Lottery please elaborate on the intent of this requirement?	The intent is to provide redundancy and flexibility.
46	5		D, Claims and Payments, 2. Claims, #3	26-27	Will the Lottery please identify any regulatory restrictions in place for total wallet balances?	There are currently no regulatory restrictions in place for total wallet balances.
47	5		D, Claims and Payments, 3. Payment Issuance, #10 Retention of Prize Winners	28	Will the Lottery please identify its current retention period?	3 years plus the current year for retention of prize winners.
48	5		D, Claims and Payments, 3. Payment Issuance, #6 Debt Set Off Checks	28	Will the Lottery please identify if the process of supporting debt set off checks is conducted via API or any other electronic means currently?	Currently the process is manual, but the Lottery is interested in an electronic process.
49	5		D. Claims and Payments 3. Payment Issuance 4.4	28	Would the NHLC please clarify further what "exceptional situations" means?	An exceptional situation may be a person who self-excluded but won a prize through a subscription that had not yet expired. The person would not be able to log-in to their account so a manual process would need to occur to provide them with a check.
50	5		D. Claims and Payments 3. Payment Issuance 5. Annuity Payments	28	What is the extent of functionality for Annuity Payments? Is there a migration of preexisting payments? Must the system handle splits and assignments? Must it handle multi-jurisdictional tax rules?	The Lottery should be able to manage annuity payments; however, the system must be able to note that it is an annuity payment, and the payment will be managed externally to the

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						<p>system. Since handling of annuities occurs outside the iLottery system, those payments will not need to migrate. However, for all payments and prize information, there will need to be continuity of non-annuity payments to players from the end of one system to the transition to another. Also, players will still need access to non-annuity tax documents, deposits, wins and the like. After contract negotiations, the Successful Bidder will work with the Lottery to determine data migration needs. Bidders should note if their system can handle split claims. The Lottery currently does not support that function through iLottery as a person must KYC and purchase their own tickets, and shared claims are not possible. However, Bidders must support pari-mutuel prizes per each games' rules. As for multi-jurisdictional tax rules, the Lottery is only required to withhold federal tax and NH specific withholdings. If a player owes additional taxes, it is their responsibility to report those separately.</p>
51	5		D, Claims and Payments, 3. Payment Issuance, #17 Document Storage	29	Will the Lottery please identify its current retention period?	7 years.
52	5		E. Back Office	30	Would the Lottery please consider multiple types of game result details, such as static results information, versus just video replays?	No, the Lottery will only consider video replays of game results.

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53	5		E. 2. Back Office System (Content Management)	30	Does the bidder need to offer a content management system (CMS) as part of the offer? If yes, what features should this system cover?	Yes, Lottery would lean on bidder to maintain most (if not all CMS functions). The key features that should be considered are player notifications, custom emails, banners, pop-ups, bonus and other player focused content that can be easily updated if needed.
54	5		F. Games 3. e-Instants	32	Are e-Instants operated using a depleting or non-depleting pool?	NH uses non-depleting prize pools for e-Instants.
55	5		F. Games	31	Can the Lottery please provide any current restrictions on game styles, similar to the ones identified for Keno during the iLottery Vendor RFI process?	Besides legislative restrictions on Keno, there are no other restrictions on game styles. However, new game styles may need Commission and/or Legislative approval. There is a restriction on ticket cost. No one single ticket can cost more than \$30.
56	5		F. Games 2.	32	Can you please provide a list of the games currently available to the NH Lottery from the two existing vendors, NPI and IWG. Can we assume that the games currently available to the NH Lottery would be available to all potential bidders at a locked-in fee for usage? Please confirm our understanding or elaborate further.	For the first part of this request, please see the EXHIBIT Excel Sheet, specifically Exhibit 9 for a list of all games provided by each vendor. For the second part of this request, the Lottery has a direct contract for e-Instants with IWG and NPI. That expires June 30, 2025, but the Lottery may opt for the two-year extension. If the Lottery opts for the extension, all IWG games would be available and select NPI games would be available.

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57	5		F. Games, 1. Game Support	31	<p>This section states that, 'Bidders must submit a proposed iLottery games roadmap for the first twelve months of the contract, which must be updated annually...' and 'Biannually, the bidder must collaborate with the Lottery to create a games roadmap.'</p> <p>Can the Lottery clarify what is expected from their iLottery partner in terms of the frequency of updates to the iLottery games roadmap?</p>	<p>In NH's experience, the games roadmap may shift during the year as new games are developed by vendor-partners. The Lottery expects a games planning session at least twice a year where new games styles, mechanics, themes are reviewed, and the Lottery can determine if and where the roadmap will shift. Though there is every intention to create one solid roadmap before the start of the next fiscal year, in reality, it is usually about 75% complete and gaps need to be filled.</p>
58	5		F. Games, 4. Draw Based Games	34	<p>What are the anticipated DBGs games under development for launch by July 1, 2025?</p>	<p>All current DBGs that are offered, plus Tri-State Megabucks, which will launch September 2023. As noted on page 34 or 88 under Section 5. 4. Draw Based Games, "The Bidder must be able to support all current iLottery Draw Based Games (DBGs), as well as those under development, for the initial launch on July 1, 2025, with the ability to launch any other DBGs the Lottery offers at retail within three months of launch. Any and all DBGs launched and any DBG changes are not to incur any additional costs (development or otherwise). All DBG new launches and changes are part of the base price for the contract for the full term of the contract."</p>
59	5		F. Games, 4. Draw Based Games	34	<p>Can the Lottery confirm that any new DBGs proposed for development after July 1, 2025, will be at additional cost to the Lottery?</p>	<p>No, all DBGs developed will be at the cost of the successful Bidder.</p>

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60	5		G, Marketing Support and Services, 1. Marketing Support	34	Has the Lottery conducted any digital research to date? If so, will the Lottery please furnish Bidders with the associated documentation/findings?	No. The research done to date was done by our current iLottery provider.
61	5		G, Marketing Support and Services, 2. CRM	35-36	<p>a. What messaging channels are currently available?</p> <p>b. What is the current size of your player database?</p> <p>d. Pricing for outbound messaging channels (such as Email and SMS) are often dependent upon the volumes of sends. Will the Lottery please provide guidance for anticipated send volumes for these messaging channels over the life of the contract?</p> <p>e. Pricing for mobile messaging channels (such as In App Inbox and Push Notifications) are often dependent upon active user volumes. Will the Lottery please provide guidance for the anticipated Monthly Active Users of the mobile app and website (distinctly, not combined) over the life of the contract?</p> <p>f. In order to for Bidders to provide a comprehensive answer for the games roadmap recommendations for 12 months, will the Lottery please provide the past six months of data on a game by game basis with sales by week, unique playership and unique rounds, if available?</p>	<p>a. Currently, for CRM, email and in-portal bonus pop-ups are the messaging channels. b. 175,115 registered players as of the end of May 2023. c. See EXHIBIT Excel sheet, specifically Exhibit 10 for details. d. The Lottery looks to the successful Bidder to develop and implement a contact strategy to effectively outreach and manage the database of players. CRM program and the vendor's segmentation as well as what needs to be done to increase revenue would determine the number of credits to purchase to send emails. e. We do not have this data. f. See EXHIBIT Excel sheet, specifically Exhibit 11 for details.</p>
62	5		G. Marketing Support and Services	35	Our understanding is that the annual budget spending for all the ATL and BTL marketing activities (OOH and digital) for iLottery program is Lottery's responsibility. Please confirm or state otherwise	This is correct. All acquisition marketing costs, are the responsibility of the Lottery and its advertising agency of record.
63	5		G. Marketing Support and Services 4. Affiliate	36-37	Our understanding is that any affiliate commission or fee will be Lottery's responsibility. Please confirm or state otherwise.	The Lottery confirms that the fee is the Lottery's responsibility.



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64	5		G. Marketing Support and Services, 1. Marketing Support	34	As stated in Section 1, Marketing Support, “the Bidder must collaborate with the Lottery and advertising agency of record to create an annual iLottery marketing plan.” Will the Lottery please identify the entity that is the agency of record?	GYK Antler is the Lottery's advertising agency of record
65	5		I, Player Application & Rewards Program Integration	38	<p>a. Given that the Lottery’s agency of record hosts the portal, would the Lottery be willing to provide specification documents or APIs so Bidders can further understand the level of integration and single sign-on required in order properly define and spec our proposed solution?</p> <p>b. In this section the RFP states “The successful Bidder will be required to integrate with the Lottery’s mobile application provider to enable iLottery play...”.</p> <p>In the event the Lottery does not choose the invited option of going with the iLottery provider’s mobile application and integration of the iLottery platform into the Lottery’s existing mobile app as required, what technology stack is the app currently developed in, and does it support native content for both iOS and Android? Would the current app developer be responsible for Front-End changes, or is it expected that the iLottery provider be responsible for displaying all iLottery content within the app?</p>	<p>a. The specification is not provided by the ad agency; it is provided by the system vendor for website/iLottery widget integration. For the player application, that is not provided by the ad agency. The iLottery portal is different than the player application. As for the app, once the Lottery has chosen a Bidder and finished with contracting, the specification between the app provider and iLottery provider can be shared. b. The Lottery does not own the technology stack and does not have that knowledge. It is a native app and supports native content for iOS and Android. NOTE: the vendors own the technology, not the Lottery. For the front-end changes, the integration between the app and iLottery platform will open the same iLottery "mobile friendly" view, within the app.</p>
66	5		I. Player Application & Rewards Program Integration	38	RFP assumes integration with existing mobile app provider--please provide more information regarding this. • Is there an existing app or are there plans to build a new one? • Does the RFP assume the relevant integration work to take place on the bidder side or the mobile app provider side?	<ul style="list-style-type: none"> <li>• NHLC has an existing app through a dedicated app vendor.</li> <li>• Yes, the potential iLottery vendor is required to integrate with the app and maintain existing functionality such as single sign on and other related integration to enable iLottery and rewards program within the app.</li> </ul>

## NHLC RFP LOT 2023-02 ROUND 1 QUESTIONS AND ANSWERS

67	5		I. Player Application & Rewards Program Integration	38	Is an iLottery dollar different to a US dollar and does this affect the games when played via iLottery rewards?	The value of an iLottery dollar is the same as a US dollar.
68	5		J, Data and Analytics	39	Will the Lottery please provide the number of unique named Business Intelligence (BI) users that will need access to the platform and data analytics?	Users of the BI reports can be anyone at the Lottery, which is approximately 70 users. Report creators will likely be no more than five at this time.
69	5		J. Data and Analytics, 1. Data Warehouse	39	What are the anticipated volumes and data retention requirements for the non-iLottery portion of the "Lottery's entire line of businesses (e.g., retail, rewards, etc.)"?	The anticipated volume at the start of the contract is estimated to be around 10TB of data. This will grow as new programs are implemented.
70	5		J. Data and Analytics, 1. Data Warehouse, 12.	40	Can the Lottery identify the audience(s), number of people and level of technical training that will be required for the data visualization tool usage and report building?	Audience of reports: viewers of the report can be anyone at the Lottery; creators of the reports will likely be no more than five to start; level of expertise depends on the tool used - if Tableau then it will be less, if it is anything else then it will be more.
71	5		J. Data and Analytics, 1. Data Warehouse, 6.	40	Can the Lottery describe the type and enumerate the number of anticipated data sources that would have to be integrated into data warehouse?	Retail data; iLottery data; rewards, second chance, player app data; Lottery CRM/Salesforce data, and potentially 2 or so other sources (likely 6 sources). The Lottery would likely be looking data to be updated on a daily basis.
72	5		K. Customer Support Center 2.	41	Would the NHLC please confirm who the vendor will be for the planned customer relationship management (CRM) solution mentioned in this requirement?	Salesforce
73	5		K. Customer Support Center	41	Would the Lottery please confirm that a CSC located within the Continental United States, is permitted to operate with staff on site as well as remote? Will the Lottery also confirm that remote staff can be located both within the Continental United States, and outside of the Continental United States?	The Lottery confirms that CSC staff must be in the Continental U.S. and also confirms that staff can be on-site and remote (in the Continental U.S.). On-site is the Bidder's call center, not on-site at the Lottery's headquarters.

## NHLC RFP LOT 2023-02 ROUND 1 QUESTIONS AND ANSWERS

						All CSC staff, whether remote or on-site must be in the Continental U.S. Additionally, if performance for the Lottery is problematic, the Lottery reserves the right to adjust the requirement to all staff being on-site (at the Bidder's location).
74	5		K. Customer Support Center, 2.	41	What type of workflows/processes will be managed through the Lottery's planned CRM?	At initial deployment, the Lottery's CRM workflows and process will focus on: online retailer applications and licensing, online player question and problem submission and resolution, internal task assignment, venue inspections, online knowledge base, capturing customer and retailer interaction with Lottery, data analytics via reports and dashboards.
75	5		L. Responsible Gaming	42	<i>'Bidders are encouraged to address the ability for the player to exclude from some games and not others and provide larger programmatic support for responsible gambling.'</i> Can the Lottery confirm that this exclusion is intended to be specific to game type (i.e., DBG vs e-Instant)?	Yes.

## NHLC RFP LOT 2023-02 ROUND 1 QUESTIONS AND ANSWERS

76	5		N. Invited Options, 5. Player Support Combined	47	What are the current and expected staffing levels, hours of operation and contact levels for a retail support center?	To be clear, the retail support center is for customers/players that come from the retail space, not a retailer hotline. The expected hours of operation are similar to those of the iLottery customer support center, 8AM-12AM ET. However, currently the Lottery's retail players contact the Lottery headquarters, which is open Monday through Friday from 8AM-4PM excluding holidays. The Lottery currently has one full time person handling calls from players and another staff person monitoring emails. Those calls and emails are generally responded to immediately or in not more than 24 hours (excluding holidays and weekends). The front staff send calls and emails they cannot answer to the subject matter experts within the Lottery to find resolution. The Lottery is interested to know what staffing levels and hours of operation Bidders believe is needed.
77	7		Evaluation of Proposals D. Initial Technical Scoring of Proposals	53	Please confirm that the section reference to Section 6 is correct.	This should read Section 7 instead of Section 6. Please see attached Addenda.
78	8		Terms and Conditions Related to the RFP Process E. Public Disclosure	55	Would the NHLC please confirm that marking where confidential information begins and ends at the paragraph level is sufficient to meet the "mark/stamp each page" requirement requested by the Lottery?	Yes, this is acceptable. In addition to a marked/stamped copy, the Lottery requests an electronic version that is redacted.

## NHLC RFP LOT 2023-02 ROUND 1 QUESTIONS AND ANSWERS

79	9		Contract Terms and Award 13. Indemnification from Intellectual Property Infringement Claims	66	Please clarify the statement "The Contractor shall indemnify all e-instant games, regardless of which party designed the game." The sentence does not indicate the party to be indemnified or the circumstances that trigger such indemnification.	As noted in the sentence following the one quoted, the indemnification is for intellectual property infringement claims and it would be for all e-Instant games the successful Bidder directly or indirectly provides the Lottery, such as third-party games that the Lottery does not have a direct contract with.
80	9		Contract Terms and Award B. Standard Contract Terms	57	Bidders are advised, to the extent that a Bidder believes that exceptions to the standard form contract are necessary, to note this during the Bidder Inquiry Period. Please confirm if the pages numbers for the standard form contract are pages 58 - 88?	The standard form contract is set out at p 58-84.
81			General Question		Will the Lottery confirm that a Bidder can satisfy the experience requirements of the RFP (including, inter alia, the requirements of Section A1 (Statement of Readiness) and Section D3 (Payment Issuance - Merchant of Record) by citing experience acquired indirectly through an ownership interest in a joint venture entity rather than directly by the Bidder itself?	The Lottery's intent is that all major elements of the iLottery system be operational in 1 NASPL or 3 WLA jurisdictions. A Bidder may identify experience gained through a joint venture provided that the bidding entity has ownership and/or control of the technology and systems that were used in the joint venture for the major elements of this project. The Bidder may also identify the operational experience of proposed subcontractors or affiliates to meet these requirements.

## NHLC RFP LOT 2023-02 ROUND 1 QUESTIONS AND ANSWERS

82			General Question		We would like to respectfully request the lottery's tax ID number for the purposes of our courier shipment of the response to this RFP. Per our courier company, UPS, our understanding is that US Customs and Border Protection and US Homeland Security requires that this number be provided on documentation when the lottery is deemed to be 'importing' anything i.e., the proposal response. If this number is not provided on UPS' shipping paperwork that we fill out when we ship the boxes then it must be found and added to the paperwork by those agencies. When the tax ID number is left out, delays have been caused in the past. To ensure that there are no issues at customs and to expedite delivery, please provide the tax ID number.	The Lottery does not wish to publicly post its tax ID number. However, Bidders may reach out to the RFP points of contact to secure the number.
83			General Question		Can you please advise if the Lottery will be responding to inquiries for its RFP, LOT 2023-02, on a rolling basis?	No, the Lottery is not responding to questions on a rolling basis. See page 5, Schedule of Events.
84			General Question		Would the lottery please provide the average monthly conversion rate for FY23 (registration to first time deposit)	See EXHIBIT Excel sheet, specifically Exhibit 12.
85			General Question		Would the lottery please provide the average monthly churn rate for FY23?	The Lottery does not have ready access to the monthly churn rate. However, the monthly churn rate varies from month to month and is dependent upon iLottery promotions, CRM email offers to activate them as well as Powerball and Mega Millions jackpot amounts. Dependent upon a player's interest, they may fall in and out of this category.
86			General Question		Would the lottery please provide what was the average bet on e-Instants and what was the average bet on DBG for FY22 and FY23	See EXHIBIT Excel sheet, specifically Exhibit 13.

## NHLC RFP LOT 2023-02 ROUND 1 QUESTIONS AND ANSWERS

87			General Question		Would the lottery please provide what was the ARPU (average return per user) on e-Instants and what was the ARPU on DBG for FY22 and FY23	See EXHIBIT Excel sheet, specifically Exhibit 14.
88			General Question		Would the lottery please advise what is the average monthly bonus/promotional spending share on total GGR?	Currently it is 5-7% of deposits.
89			General Question		Would the lottery please provide the below information for FY22 and FY23 by month: App Downloads iOS, App Downloads Android, Registrations from web, Registrations from mobile web, Registrations from iOS, Registrations from Android, First Time Depositors, Active players (at least one bet in this month) DBG, Active players (at least one bet in this month) e-Instant	See EXHIBIT Excel sheet, specifically Exhibit 15. App launched on February 2022. We do not track registrations from iOS vs Android. The number for Total Registrations is inclusive of App registrations. Approximately 8.5% of FTD are from the app; approximately 70% are from mobile; and approximately 20% are from web. We do not track active players by DBG and e-Instant.
90		A	Standard Terms and Conditions, Form Number P-37	59	Will the Lottery please advise if Bidders are required to complete and submit this form with their proposals?	Bidders do not need to complete the P-37 form at this time.
91		A	Standard Terms and Conditions, Section 1 General Provisions, 4. Conditional Nature Of Agreement.	60	Would the Lottery agree to add a provision to the terms and conditions stipulating that in the event that the availability of funds are affected as contemplated in Section 4, and the State is not required to pay the Contractor, the Contractor shall have no continuing obligations to perform?	The Lottery will consider modification of this provision in contract negotiations. The Lottery further notes that this is contemplated as a revenue sharing model and that, therefore, appropriation of State funds are unlikely to have an impact on the proposed agreement.
92		A	Standard Terms and Conditions, 6. Compliance By Contractor With Laws And Regulations/ Equal	60	Is any part of the Agreement funded by monies of the United States as contemplated in section 6?	We do not anticipate any portion of this Agreement being funded through the federal government.

## NHLC RFP LOT 2023-02 ROUND 1 QUESTIONS AND ANSWERS

			Employment Opportunity.			
93		A	Standard Terms and Conditions Section 1 - General Provisions 9. Termination	61	Please confirm our understanding that in the event of a termination for convenience the Contractor will be paid for Services or Deliverables delivered prior to the date of termination?	This is confirmed.
94		A	Standard Terms and Conditions Section 1 - General Provisions, Form Number P-37 Section 13. Indemnification.	61	Would the Lottery be willing to consider incorporating standard indemnification terms, including 1) the successful Contractor shall have sole control of the defense and settlement, and 2) the Lottery shall cooperate in such defense, as reasonably necessary, with the successful Contractor and its counsel in the defense or settlement of the claim?	The Lottery is willing to consider reasonable modifications of the indemnity language during contract negotiations.
95		A	Standard Terms and Conditions 8. Event of Default/Remedies.	61 and 64	We understand that the entire Section 8 Event of Default/Remedies, is replaced in its entirety with Section 7. Termination for Default in the contract terms at pages 64-65 of the RFP, is this understanding correct?	Yes.
96		A	Standard Terms and Conditions; 12. P-37 Document Introduction	63	Form Number P-37 (version 12/11/2019) General Provisions (sections 1 through 24) is followed in the RFP by a Contract (at page 63 of 88). The Introduction, which begins, "this Contract is by and between..." lists Contract Elements which compose the "Agreement" but does not list the contract beginning on page 63 itself. Are these terms beginning on page 63 a part of the P-37 Document, or could the Lottery please explain how these terms form a part of the Agreement and the impact on the order of precedence?	The document beginning on page 63 is considered part of the Form P-37 Terms and Conditions and Appendices and would be considered part of Section a of the Contract Elements listed on Page 63.



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97		A	Standard Terms and Conditions; 12. P-37 Document, Introduction Item 7. Termination For Default	64	The Contractor is exposed to severe remedies including termination of the Agreement, non-payment for a period of time or being required to pay for replacement services from another provider even where the Event of Default is a failure to perform services satisfactorily which is curable and has no material adverse effect on the Lottery or its operations. Would the Lottery consider negotiating reasonable materiality thresholds and cure provisions, requiring an opportunity to cure for curable Events of Default and/or limiting the remedies of termination and withholding payment or becoming liable for replacement services to material Events of Default or otherwise reasonably tie the remedies to the severity of the Event of Default?	The Lottery would be willing to consider materiality thresholds and cure periods during contract negotiations.
98		A	Standard Terms and Conditions; 12. P-37 Document, Introduction Item 7. Termination For Default	64	Section 7 provides in part: "The Parties agree that Part I, Section 8 of the Agreement is deleted and replaced as follows:..." and the sections of Section 7 that follow include four paragraphs regarding termination, including termination for convenience. Since termination for convenience is also covered in Section 9. Termination, of the Form P-37 at page 61 of the RFP, would the Lottery please clarify if both sections covering termination for convenience are intended to apply?	This language will be addressed in an addendum.
99		A	Introduction, 13. Indemnification from Intellectual Property Infringement Claims	66	Would the Lottery agree to negotiate reasonable indemnity terms for third party IP which the Lottery chooses and is not provided directly by the Contractor?	For the game providers the Lottery has a direct contract with, the Successful Bidder is not responsible for indemnification. However, the Successful Bidder is responsible for its own games as well as third-party games provided through them, either as a third-party via API, aggregator or otherwise. All games provided are required to have a thorough trademark

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						and related infringement search, with documentation provided to the Lottery of such for each game.
100		A	Introduction, 14. Insurances b. Cyber Liability Insurance	66-67	It is industry practice to have an aggregate on Errors and Omissions Insurance; therefore, we respectfully request that item 14.a be amended to add the following language: Errors and Omissions Insurance with limits of not less than \$2,000,000 per claim and in the aggregate.	We will consider a modification of this language which includes an aggregate limit.
101		A	Standard Terms and Conditions 14. Insurances c. Fidelity Bond	67	Would the NHLC please confirm if there is a Fidelity Bond template that should be used by the Contractor?	The Lottery does not have a preferred fidelity bond template.
102		A	Introduction 27. 27. Contract Warranties & Representations A. Conditions for Assessment of Liquidated Damages, Unauthorized Software and/or Hardware Modifications	71	Would the Lottery please consider restricting prior written approval for software modifications associated with only the critical iLottery software components?	No, Lottery would like to maintain full traceability of each change performed to maintain integrity.
103		A	Introduction 27. Contract Warranties & Representations A. Conditions for Assessment of Liquidated Damages, Unauthorized Software and/or	72	Would the Lottery please consider adopting a change management process to enable changes to critical iLottery components that are logged and audited for awareness?	No, Lottery would like to maintain full traceability of each change performed to maintain integrity.

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			Hardware Modifications			
104		A	Introduction 27. Contract Warranties & Representations, A. Conditions for Assessment of Liquidated Damages, Unauthorized Software and/or Hardware Modifications	72	Would the Lottery please consider allowing emergency hardware modifications that are needed to upgrade functionality (i.e., upgrade server memory) outside of the advance approval process?	No, Lottery would like to maintain full traceability of each change performed to maintain integrity.
105		A	Introduction, 27. Contract Warranties & Representations B. Service Level Agreements	78	Please confirm our understanding that Service Level Agreements will be negotiated with successful proposers notwithstanding the language in Section 9. Section B (p 57)?	Correct.
106		A	Introduction, 27. Contract Warranties & Representations B. Service Level Agreements	78	Would the Lottery please define the term "End User?"	End user in this section is the Successful Bidder, its employees, subcontractors, and the like.
107		A	B. Service Level Agreements, Data Security Requirements Annual Reporting	82	Since the requirement for delivery of the SAS 70/SOC 1 Type 2 report is 45 days after the close of the State's fiscal year, is it acceptable to also deliver the SOC II at the same time?	The SOC audit report is due no later than 90 days after the close of the fiscal year but may be provided earlier so long as the appropriate period is covered by the audit.
108		A	B. Service Level Agreements, Data Security Requirements, Annual Reporting	82	The first and fourth bullet points of this section do not align. Would the Lottery please confirm if the SOC II requirement is for a Type I or a Type 2, who will pay for it, and will the first required SOC II also be required to be completed for a partial year?	The Lottery requires a SOC II, Type 1 audit to be paid for by the Contractor. If operations under this contract start after the beginning of a fiscal year (July) an audit report covering the

## NHLC RFP LOT 2023-02 ROUND 1 QUESTIONS AND ANSWERS

						partial portion of the year when the contractor was operating will be required. We anticipate beginning operations under this Agreement at the start of a fiscal year, which would make a partial year SOC audit moot.
109		B	Price and Payment Schedule Base System and Services Pricing	85	Would the NHLC please confirm if the "NGR - Draw Games (25% of total NGR)" price required in the Base Pricing Table of this section be from NGR (as it is currently listed in the table) or from sales turnover? In case from NGR, would the Lottery consider NGR to be calculated based on the theoretical payout of the draw games, given the highly volatile nature of certain draw games, as we have seen in other lotteries being best practice?	Yes, NGR is meant to be what is indicated in the RFP. The Lottery will not consider theoretical payout for NGR at this time.
110		B	Price and Payment Schedule, Base System and Services Pricing	85	Is there a content revenue share for revenue generated by the Bidder's provided third-party games that would be in addition to the Base Systems revenue share?	No.
111		B	Price and Payment Schedule, Base System and Services Pricing	85	Can the Lottery please confirm that all third-party game provider contracts will be negotiated and managed through and by the successful Bidder directly?	Besides the two existing e-Instant contracts with NPI and IWG that may be extended, all third-party game provider contracts will be negotiated and managed through and by the successful Bidder directly. However, the Lottery reserves the right to approve third party game providers and have a relationship with them.
112		B	Price and Payment Schedule, Non- Scored Items	86	<i>'List percentage of scratch ticket sales or Fast Play fee for e-Instant to other game license (if the Lottery chooses to convert an e-Instant game to a scratch or Fast Play game)'. Can the Lottery please confirm that this relates to licensing e-Instant content to a print or Fast Play vendor who then deliver the corresponding print or Fast Play game?</i>	Correct.

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113		B	Price and Payment Schedule, Supplemental e-Instant Pricing	86	Can compensation for supplemental e-instant games be structured as a percentage of Net Gaming Revenue or does it have to be a fixed dollar amount?	It must be a fixed dollar amount.
114		B	Price and Payment Schedule, Supplemental e-Instant Pricing	86	How does the Lottery anticipate compensating third-party content providers?	The Successful Bidder must directly compensate third-party game providers, with the possible exception of NPI and IWG, with whom, the Lottery may choose to extend its current e-Instant contract until June 30, 2027. In that instance and for that duration, the Lottery will directly compensate those game providers.