

**NEBRASKA LOTTERY
INSTANT AND ONLINE GAMES AND RELATED SERVICES
REQUEST FOR PROPOSALS
QUESTIONS AND ANSWERS
May 1, 2020**

1. General Question

Given the current pandemic, will the Nebraska Lottery remove the requirement to provide hardcopies by the specified due date and amend requirements to allow for electronic submission (with hard copies to follow at a later date)? Production of hard copies requires people work in relatively close quarters with one another, making it difficult at best during these times.

ANSWER: Yes, see #2.

2. General Question

If hard copies are still required, would the Nebraska Lottery allow for electronic submission on the specified due date with hard copies to be delivered within 10 days of submission date (to facilitate extended courier delivery timelines and complications to generate full hardcopy proposal production to ensure employee safety).

ANSWER: Yes, hard copies and the complete Retailer equipment set-up (terminal and peripherals) in training or demonstration mode (as specified under Submission of Proposal on page 22) must be submitted within 10 calendar days of June 12.

3. General Question

Will the Lottery confirm that all technology, facilities, and facility support equipment supplied under this RFP must be new and unused?

ANSWER: Yes, lottery equipment and technology must be new. Facilities and related equipment need not be new construction or acquisitions.

4. General Question

For planning purposes of vendors' implementation plan(s) will the Lottery provide the estimated contract award date?

ANSWER: August 13, 2020, per the RFP.

5. General Question

What is the average number of facings per retailer currently and what is the projected average number of facings per retailer in the new contract?

ANSWER: 18 for the first quarter of 2020. A projected average would be arrived at in concert with the successful Vendor.

6. General Question

What is the print quantity tolerance for all instant games? (+/- 2 or 3%)?

ANSWER: -5% to +2% generally, but in some instances due to prize structures or ticket callouts the tolerance is -0%/+0%.

7. General Question

What are the Lottery's payment terms for instant sales currently and what is the projected Lottery payment terms for instant sales in the new contract?

ANSWER: Retailers have 45 days to pay for packs after activation, or until 70% of the pack is validated. No change in these terms is envisioned.

8. General Question

What are the print options the Nebraska Lottery has used most frequently in the past two years? Were these reserved primarily for certain price points (e.g., \$5 and above) or all price points?

ANSWER: Scenes and pulses are most commonly used, but foil paper and specialty inks, and scented tickets have been used on occasion. See the launch schedule attachment for additional information.

9. General Question

How does the Lottery fund consumer promotions currently, particularly those that award cash prizes? Does the Lottery currently maintain a separate promotional fund or escrow payout from instant games featured within that promotion? How does the Lottery currently fund consumer promotions that involve only draw, terminal-based games? What is the Lottery's plan for funding consumer promotions in the new contract? Will the Lottery maintain a separate promotional fund in the new contract? How does the Lottery plan to fund consumer promotions that involve only draw terminal-based games in the new contract?

ANSWER: There is no promotional fund; promotions are part of the operating budget of the Lottery.

10. General Question

Will the Lottery provide the current retailer field service operating hours and any planned modifications to these hours in the new contract?

ANSWER: The network is active from 5 a.m. to 3 a.m.; retailers' hours vary. Field service is dispatched as appropriate throughout that window.

11. General Question

Will the Lottery provide a listing of all retailers by terminal type, full street addresses, postal zip codes, and land-line telephone numbers?

ANSWER: There is only one terminal type. The list is attached.

12. General Question

Will the Lottery provide sales by retailer by game for the past 52 weeks including total sales for the time period and indicating how many weeks each retailer was selling?

ANSWER: This information is available in a separate attachment with these answers.

13. General Question

How does the Lottery currently fund their retailer incentive program? What is the total dollar amount, and what is funded by the Lottery and what is funded by the Contractor? Can the Lottery send a copy of your most recent incentive programs?

ANSWER: There is no retailer incentive fund, and retailer incentives are part of the operating budget of the Lottery. The standing retailer compensation package can be found at <https://nelottery.com/homeapp/retailers>.

14. Nebraska Lottery Objectives, Item c, Page 10

This section states "To meet the revenue goals which have been established for the Nebraska Lottery, Item c, Page 10

QUESTION: Will the Lottery share its established revenue goals for the new contract?

ANSWER: Goals beyond June 30, 2021 will be established in concert with the successful Vendor.

15. Nebraska Lottery Objectives, Item g, Page 10

This section states “To provide opportunities for meaningful minority participation in operational aspects of the Nebraska Lottery.”

QUESTION: Will the Lottery further define “meaningful minority participation in the new contract.”

ANSWER: Contracts and agreements arising from contracts should be open to any qualified provider.

16. Nebraska Lottery Objectives, Item q, Page 11

This section states “To market Instant and Online games and game themes that satisfy the preferences of existing and potential Nebraska Lottery players.”

QUESTION: Will the Lottery provide a copy of its most current segmentation and tracking research reports?

ANSWER: Yes, relevant research will be provided as an attachment to these answers.

17. Background of the Nebraska Lottery, Products and Promotions, Page 15

QUESTION: Will the Lottery explain how new draw games are approved in accordance with legislative mandates?

ANSWER: The Lottery manages the approval process for such new products.

18. Section 1, Background of the Nebraska Lottery, 2nd bullet, Page 15

The RFP states “Nebraska Lottery Retailers receive one percent (1%) of Instant ticket sales if the Retailer is compliant with a merchandising agreement.”

QUESTIONS:

a. Is this 1% of Instant ticket sales, gross sales or net sales?

b. Do all retailers have the same requirements in their merchandising agreements?

c. How does the Lottery determine a retailer’s compliance; and how often does the Lottery pay the 1% to the retailers?

d. Will the Lottery provide a copy of its current Merchandising Agreement with retailers?

ANSWER: a) Net

b) Yes

c) Compliance is monitored through LSR visits, and payment takes place during weekly account sweeps.

d) The Merchandising Agreement will be attached to these answers.

19. Section 1, Background of the Nebraska Lottery, 3rd bullet, Page 15

The RFP states “Nebraska Lottery Retailers may also qualify to receive a one percent (1%) Instant ticket cashing bonus.”

QUESTION: What are the conditions under which a “retailer might receive a one percent (1%) Instant ticket cashing bonus”?

ANSWER: The cashing bonus requires participation in the automated Instant ticket distribution system.

20. Oral Presentation and Demonstration, RFP Recording of Prospective Vendor Presentations, Page 18

Presentations or meetings held between the Nebraska Lottery Evaluation Committee and a Vendor relating to a Proposal may be electronically recorded.

Recordings may be used by the Committee in their review of Vendors’ proposals. These recordings and transcriptions will be made a part of the Contract file for the purpose of determining the intent of the parties in the event of future Contractual disagreements.

QUESTION: Will the Lottery confirm if oral presentations will be maintained as confidential?

ANSWER: Yes.

21. Oral Presentation and Demonstration, Page 18

The Nebraska Lottery will schedule a time for each oral presentation and demonstration. Presentations and demonstrations must not exceed four (4) hours and must include a minimum of one (1) hour for questions.

QUESTIONS:

- a) Will the Lottery provide an agenda or list of topics to ensure vendors meet the evaluation needs of the Lottery?
- b) How much time will respondents have for set-up and removal, if a hardware demonstration is required?

ANSWER:

- a) No, vendors should determine the content of their presentations.
- b) The Lottery will arrange for separate conference space so that vendors have adequate time for preparation.

22. Section 1 Terms and Conditions – Dates Relevant to Award, Page 21

QUESTION: Will the Lottery consider adjusting the Proposal Due date from June 12, 2020 to July 17, 2020 given some of the business challenges presented with COVID-19?

ANSWER: Not at this time; see #1 and #2.

23. Section 2, Game Design and Development, Item 9, Pages 24

In this section the RFP states “All original content (game names, play styles, prize structures and related information) developed on behalf of the Nebraska Lottery will become the property of the Nebraska Lottery.”

QUESTIONS:

- b) Does the Lottery currently own all original content, or asked another way;
- c) Does the Lottery’s current vendor own any content or add-on games currently used by the Lottery that the Lottery’s current developed?

ANSWER: The Lottery owns all original content, but licensed properties are retained by the licensor.

24. Game Design and Development, Item 8, Page 24

QUESTION: Will the Lottery provide summaries of your promotional initiatives (instant, loyalty and draw) and ROI/sales impact for the last four years?

ANSWER: Overviews of promotions can be found at nelottery.com/homeapp/currentcontests, and a spreadsheet of past promotions is attached. ROI information is proprietary.

25. Game Design and Development, Item 8, Page 24

QUESTION: Will the Lottery provide details relating to new draw games or draw game changes the Lottery plans to implement prior to the new contract launch?

ANSWER: Lucky for Life is expected to move to daily drawings in the fourth quarter.

26. Game Design and Development, Item 8, Page 24

QUESTION: Will the Lottery provide any marketing plans and advertising campaigns currently scheduled prior to the new contract launch?

ANSWER: At the current time, advertising and marketing plans are not set.

27. Game Design and Development, Item 8, Page 24

QUESTION: Will the Lottery provide historical marketing plans and advertising campaigns for the last four years?

ANSWER: Marketing plans for the past two years will be made available as attachments.

28. Game Design and Development, Item 8, Page 24

QUESTION: Will the Lottery provide any research reports for the last four years (playership data, segmentation studies, internet/website/loyalty, new game research instant/draw, etc.)?

ANSWER: See #16.

29. Promotional Tickets, Free Replays, Coupons, Item 11, Page 27

The RFP states “The Contractor must waive commission or compensation on promotional tickets, free replays, discounts, or coupons for all Instant and Online games (including such free tickets issued as prizes in Instant and Online games).”

QUESTION: Will the Lottery confirm that Contractors will not receive any payments for the delineated transactions for all Instant and Online games?

ANSWER: That is correct, there is no compensation on promotional tickets, free replays, discounts, or coupons for all Instant and Online games (including such free tickets issued as prizes in Instant and Online games).

30. Sales, Marketing and Public Relations Support, Item 15(e), Page 28 and Research Item 2.22, Pages 28-31

QUESTION: Will the Lottery provide details on the annual amount and how each of the following was used in the past four years?

- a. Annual marketing/promotional budget
- b. Annual Key Account support budget
- c. Annual research budget

ANSWER: Details on the respective budget amounts are provided in the RFP.

- a) The marketing/promotional budget is used for retailer signage (such as jackpot signs), retailer promotional premiums, some advertising, certain promotional trip prizes, and other miscellaneous marketing expenses. It is also used to supplement the display unit budget.
- b) The Key Account budget is used primarily for a retailer golf event.
- c) The research budget is used for player and product research.

31. Retailer Training, Item 19, Page 30

In this section the RFP states “The Contractor must provide Retailers with training materials and an Equipment and Procedures Manual along with annual updates by July 1 of each year or as often as requested by the Nebraska Lottery. The Contractor must provide copies of all materials to be used in training and in the Equipment and Procedures Manual to the Nebraska Lottery for approval prior to distribution and training.”

QUESTION: Will the Lottery accept annual updates to the training materials and retailer Equipment and Procedure Manual in electronic form?

ANSWER: If electronic updates are provided via the retail terminal, that is acceptable. Initial training content should include printed materials.

32. Key Accounts, Item 21, Page 31

The RFP states “The Nebraska Lottery Key Accounts Manager works with Key Accounts on compliance, promotions, POS, marketing and sales. Vendors should indicate how they will cooperate with Nebraska Lottery Key Account personnel and describe resources (reports, software, personnel, etc.) that will be available to facilitate the accounting and procedural needs of Key Account operations regardless of the type of chain or common ownership arrangement.”

QUESTIONS:

- a) Will the Lottery provide additional information on Key Accounts; e.g. how many stores must a chain have to be considered a Key Account?
- b) How many Key Accounts currently are in Nebraska?
- c) List of current Key Accounts

- ANSWER:**
- a) There is no minimum number to be a key account.
 - b) There are 41 key accounts in the state.
 - c) The list of key accounts will be provided as an attachment to these answers.

33. Retailer Network Support, Page 31

QUESTION: Will the Lottery share the current retailer incentive plan and any potential modifications planned for the new contract?

ANSWER: There are no modifications currently planned to the incentive plan previously described.

34. Retailer Network Support, Item 20, Page 31

QUESTION: Has the Lottery conducted in-store retail merchandizing and display programs to improve sales? If so, will the Lottery describe the programs and results of the past 3 years?

ANSWER: Merchandising and display efforts are ongoing and include facing optimization, placement and type of displays best suited to a retailer’s location, and adapting POS and signage most appropriate for a retailer’s location.

35. Retailer Network Support, Item 20, Page 31

QUESTION: Would the Lottery share its process for retailer recruitment? How does the Lottery’s role differ from the Vendor’s role?

ANSWER: Retailer recruitment is ad hoc and conducted by Contractor and Lottery staff as opportunities present themselves.

36. Retailer Network Support, Item 20, Page 31

QUESTION: What are the Lottery’s annual goals for retailer recruitment in the new contract?

ANSWER: Past experience tells us the retailer network is likely at its potential within existing trade styles, however expansion with nontraditional trade styles would be welcome as appropriate.

37. Retailer Network Support, Item 20, Page 31

QUESTION: How often will the Lottery meet with chains/corporate accounts in an effort to recruit these retailers during the new contract?

ANSWER: As needed.

38. Retailer Network Support, item 25, Page 32

The Contractor must, upon request, place non-selling terminals and all related equipment in retailer or chain account training facilities.

QUESTION: How many retailer or chain account training facilities will require terminals during the new contract period?

ANSWER: Currently, there are no training terminals at Retailer training facilities.

39. Retail Development, Item 33, Page 33

The RFP states “Vendors should describe the additional programs and promotions for corporate accounts in which they would participate.”

QUESTION: Are there any planned restrictions on corporate account incentive promotions and programs of which vendors should be aware?

ANSWER: While the Lottery doesn’t necessarily plan any restrictions a number of chain accounts have limits on the size and type of incentives which may be offered.

40. Retailer Equipment Installation and Maintenance, Item 35, Page 33-34

The RFP states “The Contractor must provide an additional on-site terminal at Retailer locations as determined by the Lottery.”

QUESTIONS:

a) How many retailers currently have *permanent* multiple on-site terminals?

b) What is the Lottery’s projection for retailers with permanent multiple on-site terminals in the new contract?

c) Is the additional on-site terminal an active, selling terminal or a back-up terminal in the event the on-site terminal is not functioning?

ANSWER:

- a) Eighteen (18).
- b) This figure has been relatively constant throughout the current contract. However, some chains may opt to seek second terminals as their locations grow.
- c) The additional terminals are active selling terminals.

41. Retail Development, Item 34, Page 33

The RFP states “Contractor staff must meet with the Nebraska Lottery and Retailer groups, either on a regional or statewide basis as requested by the Nebraska Lottery. Discuss experience with retailer groups in other jurisdictions.”

QUESTION: Will the Lottery provide information on the frequency and size of the meetings; e.g. annual number during the term of the contract?

ANSWER: In the past, the Lottery has hosted retailer roundtable meetings in various cities across the state. Retailers from a 60-mile radius were invited to attend to receive updates from Lottery and Contractor personnel and share their personal insights. These meetings were held two to three days a week for a total of approximately 12 meetings over a few months’ time.

42. End Caps and Play Stations, Page 35

QUESTIONS:

a. Will the Lottery provide examples of current end caps which are not shown on the Lottery’s website?

b. How many end caps does the Lottery expect to deploy for the duration of the new contract?

ANSWER:

- a) Yes, an example is attached with these answers.
- b) Every terminal should have an end cap. It is possible that existing end caps may be useable under the new contract, depending on the configuration of the terminal.

43. Lottery Sales Representatives, Item 60, Page 41

In connection with LSR's involvement in recovery of all lottery-related equipment and materials provided by the Contractor or the Nebraska Lottery when a Retailer voluntarily quits, or is terminated or suspended from the Retailer network:

QUESTIONS:

- a. Will the Lottery provide the approximate number of Retailers that voluntarily quit or are terminated or suspended from the Retailer network annually? Does the Lottery anticipate the current annual rate will be represented in the new contract?
- b. Will the Lottery provide the approximate number of new retailers that have been added each year, in the last 10 years, by year?
- c. Does the Lottery have a plan for adding retailers by year in the new contract?

ANSWER: The retailer network consistently averages approximately 1,200 locations, with 50 to 100 changing status (ownership or temporary closure for remodeling) during the course of the year. See #36.

44. Field Maintenance Service, Item 67 (g), Page 45

This section states "Discuss the anticipated average response time when an on-site repair is necessary, taking into consideration geographic distribution and retailer density".

QUESTION: Will the Lottery provide the current response time for on-site repairs?

ANSWER: Response times are dictated by zones associated with population centers, and range from two (2) hours to five (5) hours.

45. Special Events, Resources and Staffing, Item 68, Page 45

This section states "The Nebraska Lottery currently has two (2) special event trailers".

QUESTION: Will the Contractor be required to purchase the two (2) special event trailers or only support these (or similar) units? If the Contractor is required to support these units, will the Lottery detail the nature and amount of projected support items by year for the new contract?

ANSWER: The Lottery will retain ownership of the trailers. Any improvements or upkeep associated with the trailers will be paid by the Lottery, but the Contractor staff will be responsible for maintaining the trailers in appropriate operating condition and identifying necessary service and maintenance. Such maintenance will include, but is not limited to, tires, air conditioning, electrical system, glass, lighting (interior and exterior), locks, and cleaning supplies. In addition to towing the Contractor is responsible for storage of the trailers, whether on-site or at a separate location.

46. Retailer Meetings and Retailer Advisory Board, Page 51

In connection with the requirement for the Contractor to participate in periodic Retailer meetings throughout the state:

QUESTIONS:

- a) Will the Lottery provide the number of retailer meetings expected each year during the new contract?
- b) Will the Lottery provide the number of advisory board members who need accommodations each year for each Retailer Advisory Board Meeting in the new contract?

ANSWER: a) See #41.

b) There are 12 members of the Advisory Board; accommodations include meeting space, mileage reimbursement and comestibles, not lodging.

47. Hours/Days of Operations, Page 51

This section states "The Contractor offices and warehouse will be required to match the hours and days of public operations of the Nebraska Lottery...".

QUESTION: Will the Lottery provide the hours and days of public operations of the Nebraska Lottery?

ANSWER: Monday through Friday, 8 a.m. to 5 p.m. Central Time, excluding 12 State holidays.

48. Business Planning Meetings, Page 51

The RFP states “The Contractor will be required to participate in and provide accommodations at periodic strategic planning and tactical development meetings, such as the annual Business Planning Meeting attended by Nebraska Lottery, Contractor and advertising agency staff.”

QUESTION: Will the Lottery list and detail the expenses the Contractor is expected to provide and pay for during the contract period with regard to Business Planning Meetings?

ANSWER: Business planning meetings generally entail two days, and there is a two-day mid-year review meeting. Expenses include meeting space, AV costs, associated parking costs, and comestibles. Lodging and meals for Contractor personnel attending are the Contractor’s responsibility.

49. Website and Mobile Support, Page 51

The RFP states “The Contractor may be expected to provide website and application assistance in various capacities.

QUESTION: Will the Lottery provide additional information or an example of the support required each year during the new contract?

ANSWER: The Lottery handles virtually all aspects of the website, but this provision is included as a contingency in the event hosting, content development, programming and data feeds are necessary.

50. Section 2, Ticket Color/Ticket Graphics/Ticket Display Areas/Inks, Item 82, Page 53

QUESTION: Will the Lottery provide more detail on the requirement to provide “montage tickets”?

ANSWER: A montage is considered a single piece of art spanning multiple tickets, generally employed with \$1 games. An example would be the statewide landscape scene depicted on our first Instant game, Nebraska Match Three.

51. Section 2, Ticket Sizes, Item 84, Page 53

Item 84 states that standard ticket sizes generally are 2.4 x 4, 4 x 4, 5 x 4, 6 x 4, 8 x 4, 10 x 4, and 12 x 8.

QUESTIONS:

a) Will the Lottery provide instant ticket Launch Schedules for the last two (2) fiscal years, showing ticket sizes used by price point, order quantity per game, and special features utilized?

b) Will the Lottery provide actual historical instant ticket obsolescence percentages by price point?

ANSWER: a) The ticket sizes noted above generally correspond to price points; \$1, \$2, \$3, \$5, \$10, and \$20. The launch schedule is provided as an attachment to these answers.

b) No, this is not tracked by price point as the cost is born by the Contractor.

52. Section 2, Ticket Prints, Item 88, Page 57

Item 88 specifies that “the Contractor will pay the necessary and reasonable expenses including travel (round-trip), meals, and lodging for up to two (2) people to attend occasional game prints.”

QUESTION: Will the Lottery share how many trips Lottery representatives have actually used to attend print production events per year, for the past two (2) years? Will the Lottery share the projected number of trips Lottery representatives will use to attend print production events per year in the new contract?

ANSWER: The number of prints attended is generally fewer than six (6), with generally one person attending. The number of prints attended under the new Contract will likely be similar, provided executions under the new Contract go smoothly.

53. Section 2, Item 88, subsection Ticket Prints, Page 57

The last paragraph states “Game production may not begin until sign-off permission has been received from the Nebraska Lottery.” The previous paragraph states the Lottery will attend “occasional” game prints.

QUESTION: Will the Lottery clarify what is meant by “sign-off permission,” and is “sign-off permission” different for games for which the Lottery does not attend production?

ANSWER: Whether a Lottery representative is on-hand for sign-off or sign-off is delegated to a Contractor employee present at the plant in lieu of a Lottery representative the standard of quality is expected to be the same. Sign-off permission is authorization that a print may commence and that the Lottery accepts what Working Papers and Contract Proofs show. However, it is noted that in the event the finished product fails to meet expectations or perform according to Working Papers, the Lottery has the right to reject the product at any time.

54. Probability, Pouch and Monitor Games, Item 91, Page 57

QUESTION: Given monitor games such as keno are operated by Charitable organizations, will the Lottery describe its expectation of how the Vendor should distinguish these games?

ANSWER: Charitable games (which are not offered by the Lottery, such as keno) involving monitors consist of drawings at regular intervals (typically 5 minutes). While the Lottery is currently limited to one drawing per day per game, Vendors with any experience providing games (other than keno) using monitors to determine or show the outcome of the game are encouraged to do so.

55. Section 2, Bar Codes, Item 100, Page 63

Item 100 states that packs of tickets must be in rows of fan-folded continuous strips, which will provide pack integrity and proper control. No breaks in packs will be permitted.

QUESTION: Does the Lottery currently require the use of inserts in packs of fan-folded ticket packs? If so, will the Lottery provide the insert specifications? Does the Lottery plan to require the use of inserts in packs of fan-folded ticket packs in the new contract?

ANSWER: Inserts in fan-folded packs are not used, but the capability to do so is important. It is not uncommon to include inserts in the packing envelope or provide information via a sticker placed on the pack shrink wrap; the need for such actions generally arises after the game is printed and the opportunity for fan-fold inserts has passed.

56. Required Retailer Terminals and Related Equipment, Page 81

The RFP states “Currently, the terminal network is a mixture of locations configured with satellite connectivity, cellular connectivity and dual connectivity. Some locations (determined by the Nebraska Lottery) have more than one terminal due to sales volume.”

QUESTION: Will the Lottery provide the current communications network breakdown by device type(s) and location?

ANSWER: The device types are:

DUAL Comm Terminals	179
VSAT Comm Terminals	541
VENTUS Comm Terminals	467

The locations of retailers appear in an attachment with these answers.

57. Required Retailer Terminals and Related Equipment, Item 133, Page 82

The RFP states “All terminals must be capable of delivering on-screen information to Retailers in a bi-lingual mode (i.e. Spanish), by July 1, 2021.”

QUESTION: Will the Lottery confirm that for the July 1 date only English and Spanish are required?

ANSWER: Yes.

58. Validation and Wagering Systems Requirements, Item I, Page 84

The RFP states “The system must provide the ability to track coupons by various criteria.”

QUESTION: Will the Lottery further define the “various criteria”?

ANSWER: The criteria would include, but are not limited to, value, game, specific serial number, location (retailer, city and region), date and time redeemed, and origin of the coupon (preprinted or terminal generated).

59. Validation and Wagering Systems Requirements, Item 136, Page 85

The RFP states “The Random Number Generator (RNG) that will be utilized by the system or terminal must be certified by an independent party selected by the Lottery, at the Contractor’s cost.”

QUESTION: Will Contractor’s existing GLI certifications meet this requirement?

ANSWER: Yes, provided the certification extends to all Nebraska Lottery products and terminals.

60. Instant and Online System, Item 154, Pages 89-90

This requirements states that “The Contractor will be required to migrate all existing game data regarding any Online games that are active as of July 1, 2021, as well as any unexpired (still within 180 days of the drawing for which they were issued) winning and non-winning wagers from games closed prior to the start of the Contract period from the previous Contractor into the proposed system. Data migration must begin no later than June 15, 2021, and be completed no later than 5:00 a.m., C.T., on July 1, 2021.

The Contractor will be required to begin, by June 15, 2021, to migrate all existing Instant ticket game data regarding any Instant games that are still active or in the warehouse or in any stage of production as of July 1, 2021, from the previous Contractor into the proposed system. All games migrated must be fully operational within the new system on July 1, 2021. Data migration must begin no later than June 15, 2021, and be completed by no later than 5:00 a.m., C.T., on July 1, 2021.”

QUESTION: Will the Lottery describe how long the Online and Instant data to be migrated has been accumulating and the current disk capacity required to store that data?

ANSWER: Existing sales data covers since 2010 on the Business Intelligence system, but live data for active Instant games at the time of conversion may date to December 31, 2018 and live data for active Online games must date at least 180 days prior to conversion on July 1, 2021.

61. Instant Ticket & Other Materials Inventory Control, Item 159 (k), Mail-in Claims Processing, Page 92

QUESTION: Will the Lottery confirm that the mail-in claims processing is the same as walk-in claims processing?

ANSWER: Yes.

62. Retailer Accounting Billing & Funds Transfer, Item 160 (g), Page 93

The RFP states “Capability to automatically credit Retailer commission for cashing or seller’s bonuses and incentives. Bonuses and incentives will be automatically calculated based on parameters defined by the Nebraska Lottery.”

QUESTION: Will the Lottery provide an example of the bonuses and incentive that are to be automatically calculated based on parameters defined by the Lottery? And specifically will the Lottery confirm examples of the parameters?

ANSWER: As stated in #13, retailer incentives are part of the operating budget of the Lottery. The standing retailer compensation package can be found at <https://nelottery.com/homeapp/retailers>.

63. Instant Game and Promotion File Maintenance, Item 162, Page 98

The RFP states “The installation of parameters and prize and pack data required for each new Instant ticket game or promotion will be performed by the Contractor and may be observed by the Nebraska Lottery. Describe in detail the process of adding, modifying, and deleting Instant games and promotions.”

QUESTION: Will the Lottery clarify the heading of Instant Game and Promotion File Maintenance and how it relates to the requirement for the vendor to describe in detail the process of adding, modify, and deleting instant games and promotions? Does promotions refer to promotional games?

ANSWER: Instant games entail loading specific files into the Central Gaming Systems, the steps for which are outlined in item 162. Promotions are generally contests or offers that entail setting predetermined parameters, such as Buy X Get Y, or Get 7 Drawings for a Discounted Cost.

64. System Modification and Acceptance Testing, Page 100

The RFP states “The Contractor will be required to provide complete specifications for new software or modifications to existing software within thirty (30) days after written request from the Nebraska Lottery. The Contractor must provide fully operational new or modified software within one hundred (100) days of signed specifications by the Nebraska Lottery. Failure to meet deadlines will result in liquidated damages.”

QUESTION: Will the Lottery consider modifying the 30 days period for completion of specifications to a period to be agreed upon by both parties?

ANSWER: The Lottery wishes to stay with the 30-day time frame, but is willing to entertain options with the Contractor on a project by project basis.

65. Hardware and Equipment, Instant and Online Game Hardware, Item 167, Page 103

In this requirement the RFP states “Nebraska Lottery Claim Centers, including the Nebraska Lottery headquarters, must be provided with one (1) privileged terminal and one (1) warrant writer/signature printer and necessary supplies. The Contractor must also have a backup warrant/signature printer and necessary supplies on-hand. Required signatures may change during the life of the contract, and thus the Contractor will be responsible for updating digital signatures. The Contractor must update digital signatures (preferably electronically) at their cost.”

QUESTION: Will the Lottery provide the total number of Claim Centers and their locations planned in the new contract?

ANSWER: There are six Claim Centers, as noted in the RFP, and those locations are likely to remain the same.

66. Online Game Software, Item 171, Page 107

The RFP states “The software must support and track multi-board and multi-draw wagers as well as future half-year and yearlong subscription plays. Discuss the ability of the system to also allow for sale of date-specific futures as much as 180 days in the future and not be tied to a contemporary drawing. The Nebraska Lottery must be able to access reports on all multi-board and multi-draw wagers and subscription plays.”

QUESTION: Will the Lottery confirm the RFP includes a requirement for a subscription system, or whether it will be part of a separate procurement?

ANSWER: This is essentially two issues. First, the Lottery wishes to be able to sell tickets for future draws (non-sequential). Second, the ability to offer subscriptions would be considered a separately negotiated item. Regardless, Vendors should discuss their experience and capabilities in this area.

67. Promotion and Coupon Functions, Item 173, Page 110

The RFP states “The system must support raffle style promotions where an additional number is printed either on the bottom of the Online game ticket or on a separate coupon; triggered by a qualifying purchase (specific dollar amount or Nth ticket purchase) or Nth transaction validation. The numbers issued should be transferable to a PC located at the Nebraska Lottery. The Lottery will initially administer the drawing, validation and redemption of prizes. The Lottery may choose to have players visit their website to check the numbers posted there. Vendors should discuss the feasibility of handling validations or prize redemptions.”

QUESTION: Has the Lottery conducted a raffle style promotion in the past and will the Lottery provide a detailed example of such a promotion?

ANSWER: The Lottery has conducted a bonus raffle promotion on various occasions. The latest example, the Lucky for Life Nebraska Football Spring Game promotion, is described at nelottery.com/homeapp/article/4210/display.

68. Instant Game Software, Item 173 (j), Page 110

The RFP states in connection with the promotional and coupon capabilities of the proposed system, “Vendors must be able to identify where/when the number was issued, limit the number issued, and be able to turn the feature on/off for certain games, Retailer groupings or date range.”

QUESTION: Will the Lottery clarify this requirement specifically to the requirement to identify where/when the number was issued?

ANSWER: The Lottery wishes to know the issuing retailer and the date and time the coupon was issued.

69. ADDITIONAL SYSTEM REQUIREMENTS, Item 196, Page 116

The RFP states “The ability to accept transactions using debit cards as means of payment; interfacing terminal sales transaction(s) with a Retailer’s own card processing system or service.”

QUESTIONS:

- a) Which party is responsible in the event a Retailer's own card processing system or service is the cause of any failure of a transaction;
- b) Will each retailer be required to allow Contractor access to its payment system via agreement with the Lottery for the Contractor to interface with the Retailer’s system; or
- c) If not, how can Contractor ensure that it has such access to meet this requirement?

ANSWER: The Lottery is only seeking Vendor experience and recommendations on how such a potential interface may work.

70. Section 4, General Provisions, Contractor Obligations, first paragraph, Page 129

QUESTION: Please clarify which “books, records, and any other evidence pertaining to the Contract” the Lottery requires the Contractor to retain and make available. It is our understanding this would include, financial and accounting records, transactional information, and system performance and ticket production records directly related to the Contract. What other information, if any, does the Lottery require be maintained and made available under this provision?

ANSWER: None.

71. Section 4, General Provisions, Financial Soundness, Item 229, Pages 132-133

QUESTION: In regards to information that Vendor seeks to remain confidential, is it correct that the Lottery requires two separate sections of confidential information in the introduction to the proposal, one for financial information and one for trade secrets (see, “Proposal Subject to Open Records”, page 143)?

ANSWER: That is correct.

72. Section 4, General Provisions, Item 233 (h.), Page 134

QUESTION: Please clarify why the Lottery needs dates of birth for persons assigned to the Lottery's account and 10% owners of Vendor.

ANSWER: That information is material to background checks required by law.

73. Section 4, General Provisions, Contract Provisions, subsection (h), Pages 147-148

QUESTION: Please confirm whether it is the Lottery's position that it shall not be responsible to pay the Vendor for goods and services rendered prior to termination under this provision or under any other legal or equitable theory. If so, please provide explanation and support for that position.

ANSWER: Specifically, "If any Contract entered into as a result of this RFP is terminated for lack of sufficient funding, or a change in Nebraska Law or the Nebraska Constitution, the Nebraska Lottery and the State of Nebraska shall not be liable to the Contractor for any damages, losses, financial obligations, breach of contract, or any other claims or amounts arising from or related to any such termination," means the Lottery bears no responsibility or penalty for Contractor costs resulting from the cancellation.

74. Section 4, General Provisions, subsection "Contract Provisions," Item O, Page 149

In referenced section it states, "Required coverage must remain in effect throughout the term of the contract and the Contractor must submit copies of each required insurance contract and any renewals thereof to the Nebraska Lottery."

It is industry standard to provide certificates of insurance for any required coverage and not the actual policies due to proprietary information.

QUESTION: Will the Lottery accept certificates of insurance for each line of coverage required in lieu of actual policy copies?

ANSWER: Yes.

75. Section 4, General Provisions, Contract Provisions, subsection (n), Page 149

Please confirm that, to the extent the information requested by the Lottery under this provision may constitute personally identifying information of the individuals indicated, the Lottery will comply with all applicable state and federal privacy obligations in connection with such information and the handling and storage of such information provided to it in compliance with this provision.

ANSWER: Yes, such information will be held by Lottery Security and, as part of an investigation, under Nebraska law is not subject to release.

76. Section 4, General Provisions, Contract Provisions, subsection ~~(m)~~ (sic) (v), Page 150

Contract Provisions, subsection (v) – This provision, as drafted, potentially but directly interferes with Vendor's employer-employee relationship by making hiring and transfer decision subject to the Lottery's discretion. While we understand and agree that the Lottery may require the removal of an employee based on performance or other issues, making hiring and transfer decision subject to the Lottery's approval potentially provides opportunity for abuse. For instance, the Lottery would be able to place significant and material pressure on Vendor to hire a specific person regardless of qualification. Likewise, requiring Lottery approval for transfer potentially interferes with Vendor's employees' professional and career development.

QUESTION: Please confirm that providing notice of hiring and transfer is adequate (since the Lottery could require that person's removal), that a commitment to replace personnel with similarly qualified persons and a further commitment to use Vendor's best efforts to encourage and foster continuity among the employees assigned to Lottery's account is acceptable.

ANSWER: The intent of the subsection (v) is to provide the Lottery with oversight of Contractor employees assigned to the Nebraska Lottery account, not with control over where Contractor employees may transfer.

77. Liquidated Damages. Page 151

Will the Lottery provide a detailed list of the liquidated damages assessed and paid over the last five years with the current vendor?

ANSWER: The most commonly applied liquidated damages relate to self-reported untimely field service responses to retailer service calls.

FY19	\$16,500
FY18	\$2,500
FY17	\$2,600
FY16	\$2,050
FY15	\$2,300

78. Section 4, General Provisions, Liquidated Damages, Pages 151-152

Please confirm the following:

- a. that the terms of subsections (a)-(f) apply specifically and solely to the liquidated damages events described in subsection (g)-(eee) (and any other such provisions mutually agreed upon by the parties during contract negotiations, if any);
- b. that liquidated damages shall not be assessed in the event the Lottery does not incur actual damages;
- c. that in the event that liquidated damages may potentially be assessed by the Lottery under multiple provisions relating to a single incident, that assessment may be made under only one such provision;
- d. that Vendor shall not be liable for liquidated damages to the extent the incident was caused by the Lottery, its retailers, third parties, communications failures or events of Force Majeure;
- e. that liquidated damages shall not be assessed in the event the Lottery is not damaged;
- f. that the Lottery shall notify Vendor of a proposed assessment of liquidated damages prior to such assessment becoming effective, that Vendor shall have the right to object to any such assessment within five (5) business days following its receipt of the notice and that, in the event Vendor does object to any such assessment, the parties will schedule a time to discuss such assessment, provided that any portion of to which Vendor does not object shall be due and payable as agreed in the contract; and
- g. that the Lottery must assess liquidated damages within twelve (12) months of the discovery of an incident, or such liquidated damages will be deemed waived by the Lottery.

ANSWER: Specifics of liquidated damages may be negotiated as part of final Contract terms.

79. Section 5, Vendor Turnover, Transition/End of Contract, paragraph #3, Page 167

Please clarify specifically what source code the Lottery will require to be turned over during the transition to a new vendor.

ANSWER: In the event that the Contractor departs the arrangement prior to the end of the Contract as a conversion is about to occur the gaming system source code must be provided to the Lottery in order to maintain continuity. No source code will be turned over to a new vendor under this scenario.

80. General Question

Will the Lottery please provide logos in .png or .jpeg format for all products?

ANSWER: Attached.

81. General Question

Will the Lottery please provide a list of promotions conducted in the last two years by type (i.e. second-chance promotions, terminal-generated promotions, retailer promotions, etc.)?

ANSWER: Yes, attached.

82. Section 2: Game Concept Licensing, Item 10, Page 26

The RFP states:

Vendors should discuss cost-sharing scenarios regarding fees, including but not limited to trademarks, trade names, service marks, copyrights, patents, and licenses, associated with the use of any game themes or concepts. Approximately three to five licensed properties are launched each year.

QUESTION: Under your current contract, does your current supplier provide any additional services or cost-sharing related to third party licensed properties?

ANSWER: Relevant sections of the current contract answer this; see the following.

2.2 GTECH will pay 50% of the costs of all fees, including but not limited to trademarks, tradenames, servicemarks, copyrights, patents, and licenses, associated with the use of any game theme(s) or concept(s).

6.1 GTECH is required, at its own expense, to obtain a federal and state trademark search of the name selected for each instant and online game and an opinion from counsel on the advisability of the Nebraska Lottery using the selected name. GTECH must provide such opinion to the Nebraska Lottery General Counsel, or other designee of Lottery. The Nebraska Lottery will review the opinion and determine if the selected name is satisfactory prior to the signing of game specifications or working papers. If the name is approved by the Nebraska Lottery, such name will be incorporated into final game specifications. No game will be printed until the Nebraska Lottery receives an opinion from counsel that the selected name is permissible. GTECH will indemnify and hold the Nebraska Lottery harmless from any and all claims, regulatory proceedings and/or causes of action arising from or relating to, directly or indirectly, any claim or assertion by any third party that any game name infringes on the intellectual property rights of any other party.

6.2 GTECH will, at its own expense, conduct all intellectual property searches for all proposed instant and online ticket artwork, game designs, ticket format and layout, graphics, pictures, and other images, to insure that the proposed instant or online ticket does not infringe upon the intellectual property of any third party. GTECH will indemnify and hold the Nebraska Lottery harmless from any and all claims, regulatory proceedings and/or causes of action arising from or relating to, directly or indirectly, any claim or assertion by any third party that the instant or online ticket infringes on the intellectual property rights of a third party. This intellectual property search and indemnity and hold harmless obligation will not apply to instances in which (i) the Nebraska Lottery exceeds the scope of the limited license that was previously obtained by GTECH and agreed to by the Nebraska Lottery or (ii) in instances in which the Nebraska Lottery obtained artwork or other materials independent of GTECH's involvement or creation, and such artwork or other materials were provided to GTECH and included unmodified for use with an instant or online ticket. As an exception to (ii), GTECH will conduct all intellectual property searches for any instant ticket submitted by the Nebraska Lottery as a result of a design contest.

6.3 GTECH will reimburse the Lottery for 50% of any third party development cost incurred by the Lottery for any instant or online games which may be developed by a third party on behalf of the Nebraska Lottery. Decisions on third party development costs and licensed properties will be made in consultation with GTECH and the Nebraska Lottery. The Nebraska Lottery has final decision making authority on such matters.

6.4 The Nebraska Lottery will have sole discretion in determining whether particular game names or concepts will be licensed and utilized as instant or online games or promotions.

6.5 GTECH will not refuse to provide any licensed property game duly licensed by the Nebraska Lottery, for which GTECH has been granted a sublicense and appropriate indemnity protection.

83. Section 2: Game Marketing and Operational Assistance, Page 26

The RFP states:

The Contractor will be required to provide on-going assistance relating to the marketing of the Lottery's Instant and Online games. Such assistance shall include, at a minimum the following:

c. Product, premium, and merchandise inventory purchase; warehousing and distribution; equipment maintenance; training; and all related services.

QUESTION: Will the Lottery please provide additional detail on product, premium and merchandise inventory purchase? What is the current budget for these items and what is the expected budget under the new contract?

ANSWER: The current contract answers this; see the following.

10.3 GTECH will act as a general procurement agent for the Nebraska Lottery upon request. Items that may be subject to procurement by GTECH may include but are not limited to vehicles that are offered as prizes in conjunction with instant and online games, other game prizes, advertising, marketing and promotional materials, merchandising items, premium items, or any other goods or services as requested by the Nebraska Lottery. GTECH will not make any procurement on behalf of the Nebraska Lottery without obtaining permission to do so from the Nebraska Lottery Director. Although GTECH will receive reimbursement for the actual purchase price of these procurements, GTECH may not mark up the purchase price nor receive additional compensation for these services.

84. Retailer Network Support, Item 20.a, Page 31 and Retail Development, Item 29, Page 33

The RFP states:

20.a. discuss possible retailer incentive programs for Instant and Online products, including when such programs should be initiated and the Vendor's proposed role in and funding of such programs.

29. Proposals should discuss possible Retailer incentive programs for Instant game price points and/or seasonal offerings, as well as individual Online games and/or game features (multi-draw, multiplier, etc.), including when such programs should be initiated and the proposed role of the Contractor in such programs.

QUESTION: Will the Lottery please clarify the difference between the retailer incentive programs referenced in Item 20.a and the retailer incentive programs referenced in Item 29?

ANSWER: The efforts while similar, do have different objectives. For example, in Item 20 a. the Vendor is being asked to discuss system-wide incentives that might apply to all retailers equally. In Item 29, the Vendor is being asked to discuss tailored incentives for particular games or price points among certain retailers or chains and at certain times of the year. Both examples are important, but both carry different potential.

85. Instant Ticket Display Units, Item 38, Page 34

The RFP states:

Vendors must describe how they propose to timely replace defective display units.

QUESTIONS: Will the Lottery please provide the current breakdown of what model(s) of display units are currently in use and how many of each? Will the Lottery please provide monthly or annual repair and/or replacement rates for the display units? Will the Lottery please clarify the number of display units projected under the new contract?

ANSWER: Each retailer, nearly 1,200, has a display (some more than one). Each display consists of multiple facings; some in single housings and some in multiple housings. The average number of facings at retailers is 18. There are a variety of on-counter and in-counter and modular display units in the field. Many retailers also utilize ticket menu boards (lighted and unlighted). Schafer Systems is the primary source of our display units.

86. End Caps and Play Stations, Items 41 and 42, Page 35

The RFP states:

End Caps are a critical piece of point-of-purchase real estate and play a key role in protecting terminal connections and accommodating POS materials for both Instant and Online games.

41. Vendors should discuss End Caps (their size, configuration and applications for their use), and should indicate what options may be available for use in the Nebraska Lottery Retailer network.

42. Vendors should discuss Play Stations and their usefulness at Retailers and should indicate what options may be available for enhancing the existing Play Stations in use in the Nebraska Lottery Retailer network.

QUESTION: Will the existing Play Stations remain installed once the new replacement terminals and associated peripherals are replaced or will the Lottery require the Contractor to install new Play Stations? If the Lottery requires new Play Stations, which party is responsible for the purchase, the Lottery or the Vendor, and what are the projected quantities by year for the new contract?

ANSWER: Yes, current play stations will remain. The Lottery is interested in whether the Vendor has any thoughts or an alternative approach to play stations. Most locations do not have play stations. Any new acquisitions would come at the Lottery's cost.

87. Hotline Services, Item 48, Page 36

The RFP states:

48. Each Vendor must provide a flow chart on how Retailer calls are handled by the system.

The toll-free lines must be interfaced to a recording system that records all phone conversations on the Hotline circuits. Hotline call recordings must be maintained for a period of at least six (6) months.

QUESTION: Please clarify if, and by what specifications, the Vendor is required to provide any Hotline call recordings to the Lottery?

ANSWER: Technical specifications are up to the Vendor, but simple audio files (mp3, wav, etc.) are acceptable.

88. Lottery Sales Representatives (LSRs), Item 56 Page 40

The RFP states:

"...For purely referential purposes, the current Contractor is contracted to have 11 regional LSRs and two (2) senior LSRs to support the other LSRs."

QUESTION: Given the distribution of retailers throughout the state of Nebraska, this vendor assumes some of the current regional LSRs are potentially working and living a significant distance from Lottery headquarters. In order to understand how these regional, and potentially remote, LSRs may fit into our planned solution and coverage, will the Lottery please provide the home zip codes for the current LSR staff coverage? For example:

ANSWER: All LSRs live in their respective territories.

2	69001
3	68882
4	68803
5	68025
6	68701
7	68506
8	68507
9	68118
10	68137
11	68007

89. Lottery Sales Representatives (LSRs), Item 65, Page 42

The RFP states:

LSRs may be authorized by the Nebraska Lottery to issue credits to Retailers for player redemption of promotional and free ticket coupons. Vendors must describe how they propose to allow LSRs to issue these credits.

QUESTION: Will the Lottery please describe the circumstances under which these credits are issued; and further, share the current process for issuing these credits?

ANSWER: If a preprinted coupon does not scan or a free ticket prize is not produced as designed, the LSR enters the credit via the terminal. The vast majority of credits are created at the time of redemption when the barcode is scanned. LSRs do collect redeemed coupons for shipment to the warehouse for player database entry (the coupon back must be completed by the player).

90. Field Maintenance Service, Item 67c, Page 43

The RFP states:

The staffing levels recommended for covering installation, maintenance and repair functions, including field staff and management staff. (The current Contractor has seven (7) Field Service Technicians (FSTs), one (1) management position, and one (1) depot manager. If a lesser or greater number of FSTs is proposed, the Vendor should include the rationale for the proposed number.)”

QUESTION: Given the distribution of retailers throughout the state of Nebraska, this vendor assumes some of the current field staff and management staff are potentially working and living a significant distance from Lottery headquarters. In order to understand how these staff, and potentially remote, field staff and management staff fit into our planned solution and coverage, will the Lottery please provide the home zip codes for the current field staff and management staff?

ANSWER: Management is located at the warehouse; the technicians live in the following zip codes.

1	69162
2	69034
3	68319
4	68729
5	68506
6	68106
7	68107

91. Overprint Designs, Item 93, Page 58

The RFP states:

Vendors should indicate on how many separate play areas they could potentially apply overprint designs (Vendors may make reference to different ticket sizes).

QUESTION: Will the Lottery please clarify how this requirement differs from Item # 94? Overprint designs generally refer to graphics over the rub-off material which is very similar to the requirement of Item # 94.

ANSWER: While similar, the items seek to differentiate between the number and size of locations on a ticket where rub off material may be applied and the nature (color and properties) of that material. For example, can one section of a ticket have rub off material with overprint of one color, while another has overprint of another color? Or can one play area have typical rub off material while another area features a dauber effect reveal?

92. Rub-Off Material, Item 94, Page 59

The RFP states:

Vendors should be capable of applying rub-off cover materials in multiple areas on each ticket. Vendors should indicate on how many separate play areas they could potentially print with rub-off cover material (Vendors may make reference to different ticket sizes).

QUESTION: Rub-off areas can be applied to multiple areas on a ticket dependent on the ticket size. Can the Lottery please provide additional information on this requirement and how it differs from the requirement of Item #93?

ANSWER: While similar, the items seek to differentiate between the number and size of locations on a ticket where rub off material may be applied and the nature (color and properties) of that material. For example, can one section of a ticket have rub off material with overprint of one color, while another has overprint of another color? Or can one play area have typical rub off material while another area features a dauber effect reveal?

93. Coatings, Item 98, Page 61

The RFP states:

Vendors must describe capabilities to apply the protective or other special coating, including UV coating, over the entire ticket front.

QUESTION: The industry standard for lotteries is to include UV coating over the display area only, not the entire ticket front. Will the Lottery please clarify UV coating over the display area meets this requirement?

ANSWER: That is acceptable.

94. Production Ticket Samples, Item 102, Page 65

QUESTION: Will the Lottery accept agent samples of lottery tickets which are identical in quality and security characteristics to that of voided live samples?

ANSWER: Yes.

95. Returned Tickets, Item 117, Page 76

The RFP states:

The Proposal must address each of the requirements (referenced) set out above and must include a description of the procedures that will be used to:

- a. account for the return and reissuance of full packs of tickets returned from Retailers.
- b. account for the return of and storage of partial packs and damaged packs of tickets returned from Retailers.

c. account for the reassignment of partial packs among Retailers, if authorized by the Nebraska Lottery.”

QUESTION: Based on requirement 117.c, will the Lottery please provide additional information relating to the procedure for reassignment of partial packs and provide a count of the yearly number of occurrences a reassignment of partial packs of tickets among retailers occurs?

ANSWER: Currently, partial packs are not reassigned. However, the Lottery is interested in the Vendor’s capabilities for or experience with partial pack reassignment or recommendations for partial pack reassignment policies.

96. Online Ticket Stock Development, Delivery and Control, Page 78

The RFP states:

Thermal or standard stock will be allowed depending on terminals provided, but thermal stock is preferred.

Thermal stock must be top coated to maximize image durability and back coated to control curl and improve graphics.

QUESTION: Will the Lottery please confirm the requirements for thermal stock? The industry standard for lotteries is thermal paper, top coated only and generally accepted industry standards no longer require back coating to control curl and improve graphics.

ANSWER: The Lottery agrees with this statement.

97. Retailer Terminals, Peripherals and Support, Page 80

The RFP states:

Digital jackpot signs for three jackpot-driven games are also available at most retail locations; approximately 650 large (36-inch) window signs, and approximately 400 small (8-inch vertical and 14-inch horizontal) counter/wall signs.

QUESTIONS: Will the Lottery confirm that it owns the digital jackpot signs (window and counter/wall) as described in the requirement? Will the Lottery clarify whether the digital jackpot signs are wired or wireless?

ANSWER: The Lottery owns the jackpot signs, sourced from Carmanah Signs. Most are wireless; all are capable of wireless connectivity.

98. Required Retailer Terminals and Related Equipment, Page 81

The RFP states:

Currently, the terminal network is a mixture of locations configured with satellite connectivity, cellular connectivity and dual connectivity. Some locations (determined by the Nebraska Lottery) have more than one terminal due to sales volume.

QUESTIONS: Will the Lottery please provide the current breakdown of locations configured with satellite connectivity, cellular connectivity and dual connectivity? Will the Lottery please clarify the projected number of locations to be configured under the new contract?

ANSWER: Retailer Terminals total 1187

DUAL communication terminals total 179

VSAT communication terminals total 541

VENTUS (cellular) communication terminals total 467

The anticipated number of locations is approximately 1,200.

This information is attached.

99. Validation and Wagering Systems Requirements, Item 136.i, Page 84

The RFP states:

The terminal and system must be able to read barcodes on personal electronic devices, coupons, promotional items and register tape, and produce (and account for with corresponding system reports) appropriate responses such as free tickets (plays), value-added tickets (plays), coupons, entry slips, sounds, discount pricing (multiple game, multiple ticket or cross-promotional). The system must provide the ability to track coupons by various criteria.

QUESTION: Will the Lottery please clarify the barcode format displayed on the register tape; and from where the register tape originates? For example, does the register tape originate from the POS device?

ANSWER: In this instance, the barcode is envisioned as something unique to the product transaction or offer containing all necessary identification readable and trackable by the system. The format will be a standard barcode format (UPC, I2of5, PDF 417, Data matrix, etc.) originating from any number of sources such as pre-printed coupons, emailed coupons or register tape coupons produced by the store POS system in response to some stimuli.

100. Instant Ticket & Other Materials Inventory Control, Item 159 (p), Page 92

The RFP states:

The Contractor will be required to make available to the Nebraska Lottery in the format required by the Nebraska Lottery all required information from the warrant writing processes for input into the Lottery's relationship marketing system, and (including any offsets) the State's accounting system and the State's warrant reconciliation system.

QUESTION: Will the Lottery please provide additional information on the format required for input into the Lottery's relationship marketing system?

ANSWER: Item 159 p. deals with Instant and Online Ticket Claims Processing, not what is indicated above in the question. The information required will include name and address, date, game and prize amount in a standard comma or space delimited data file format such as xls or xml.

101. Ticket Checking Functionality, Item 203, page 119

The RFP states:

The Contractor must provide ticket checking functionality at retail and via mobile application for use by players.

QUESTION: This Vendor interprets the requirement for ticket checking functionality via mobile application will be provided in a stand-alone mobile app, separate from the Lottery's existing app. Will the Lottery please confirm this interpretation?

ANSWER: Ticket checking functionality will be part of the Lottery existing app, as of May 2020.

102. Technical Support and Training, Item 207, Page 121

The RFP states:

Indicate how many support personnel will be used on a full-time basis from contract award until July 1, 2021. Indicate how many will be available after July 1, 2021, and for what time periods.

The Contractor must provide on-going instruction and training on how to read and interpret system, sales, marketing, and all other reports and data.

Failure to meet any of these technical support requirements will result in liquidated damages.

QUESTION: Does the Lottery currently use a schedule for on-going instruction and training or is training currently conducted on an as-needed basis?

ANSWER: Training is generally provided on an as-needed basis, however it is anticipated that a set schedule of 25 to 30 training sessions for Lottery personnel as well as retailers may be required in various locations around the state in the weeks immediately preceding go-live.

103. Contractor Site Requirements, Paragraph 6, Page 124

The RFP states:

The Contractor site must provide a secure office for systems equipment and testing of at least 250 square feet available for use by Nebraska Lottery personnel at all times.

QUESTIONS:

- a. Will the Lottery please clarify what it means by a “secure office?”
- b. Will the Nebraska Lottery please specify if there are any specific infrastructure requirements for this “secure office” outside of standard power/electrical requirements and connectivity requirements?

ANSWER: “Secure” is intended to mean that the office is only accessible by Lottery personnel. Standard logistical arrangements are acceptable.

104. Contractor Site Requirements, Item 221, Paragraph 2, Page 125

The RFP states:

Warehouse facilities must include dedicated, security office space of at least 150 square feet for use by Nebraska Lottery representatives.”

QUESTION: Would the Lottery please clarify what it means by a “security office?” Alternatively, does the Lottery require a “dedicated, secure office space of at least 150 square feet ...”?

ANSWER: Lottery Security staff require a separate office within the warehouse facility, accessible only to Lottery Security and including standard logistical arrangements.

105. Contractor Site Requirements, Item 221, Paragraph 4, Page 125

The RFP states “Warehouse facilities must additionally provide a security space of at least 150 square feet for security guards and monitoring equipment.”

QUESTION: Will the Lottery confirm that this security space is in addition to the space requested in Item 221, Paragraph 2 on page 125?

ANSWER: This space is in addition to the space for Lottery Security, and is intended for on-site third-party guards.

106. Product Development and Support, Page 23

The RFP states:

The Contractor will work closely with the Nebraska Lottery and its advertising agency as decisions are being made regarding games, promotions, research, and implementation schedules.

QUESTION: Will the Lottery please provide the following information regarding promotions conducted as part of the Nebraska Lottery loyalty program:

- a. Would the Lottery please provide examples of promotions conducted to drive loyalty club membership?
- b. How many promotions are conducted through the loyalty program each year?
- c. What are the number of users who have entered a ticket in the loyalty program in the last year?

ANSWER: Attachments will provide an overview of promotions for the past two years, and relationship marketing (MVP Club) information.

	RFP Reference Number	RFP Page Number	Question
107.	N/A	N/A	<p>Will the Lottery please provide a print-quality Lottery logo, as well as game logos, for use in Vendors' Proposals?</p> <p>ANSWER: Examples attached.</p>
108.	Section 1: Terms and Conditions and Section 4: General Provisions (Contractor Obligations), and Contract Provisions	8, 129, and 146	<p>To ensure a fair and transparent process, would the Lottery please indicate whether and on what terms it will agree to negotiate provisions of the RFP?</p> <p>ANSWER: Agreement upon negotiation terms prior to an award is difficult. The majority of evaluation points will be based on factors including but not limited to technical solutions including processes and software, systems and equipment capability and configuration, Vendor expertise and experience, and analytical resources and business acumen. The language on page 146 is intended to protect the Lottery and ensure continuity in the event of a breakdown in the evaluation, negotiation and transition process, not to put the Vendor/Contractor at a disadvantage competitively or as a business partner.</p>
109.	Section 1: Terms and Conditions	18	<p>Would the Lottery please confirm that the Vendors may invoke confidential protection of duly identified confidential information at meetings held between the Lottery Evaluation Committee and Vendor referenced in this section?</p> <p>ANSWER: Meeting content, as with response content marked confidential, will be considered confidential.</p>
110.	3. Implementation Plan	19	<p>This RFP requirement states "Vendors may take this opportunity to use graphics, charts, preprinted marketing pieces, or other enhancements to support the chronology or add to the presentation." Would the Lottery please confirm that any preprinted materials or supplemental materials provided in support of this requirement will not count towards the page limit for this requirement?</p> <p>ANSWER: That is correct. The five-page limit is intended for narrative material.</p>

	RFP Reference Number	RFP Page Number	Question
111.	Dates Relevant to Award	21	<p>Would the Lottery please allow Vendors to submit an additional round(s) of clarifying questions, once they have had a chance to review the Lottery’s initial responses to questions to be released by Friday, May 1?</p> <p>ANSWER: In the interests of timely proposal submission, any additional Vendor questions may only be for clarification of a previous question and answer and must be received by 12:00 p.m. C.T. on May 5; Lottery responses will be made available by 5:00 p.m. C.T. May 7. The Lottery reserves the right to not answer any additional questions.</p>
112.	Submission of Proposal	22	<p>Given the current COVID-19 pandemic, would the Lottery please remove the requirement for Vendors to provide hard copies, and allow for the official submission to be the and twelve (12) copies on electronic media, with the exception that production ticket samples mentioned in Requirement 102. will still be due to the Lottery in physical form by Friday, June 12?</p> <p>ANSWER: No. However, hard copies and the complete Retailer equipment set-up (terminal and peripherals) in training or demonstration mode (as specified under Submission of Proposal on page 22) must be submitted within 10 calendar days of June 12.</p>
113.	Submission of Proposal	22	<p>This RFP requirement states, “Please do not include formatting features such as section tabs, plastic sleeves, special envelopes, spiral binding, die cut boxes or other decorative presentations.” Would the Lottery please reconsider allowing use of tabs in Vendors’ responses? We believe these would help the Nebraska Lottery Evaluation Committee in its evaluation of Vendors’ proposals.</p> <p>ANSWER: Tabs will be allowed, but the other formatting features will remain excluded.</p>
114.	9. On-Going Assistance in Development of Instant Games	24	<p>It is understood that all new original content developed solely for the Nebraska Lottery will be owned by the Lottery, but that the Lottery will not claim ownership of any other content including, but not limited to, content that is licensed by the Vendor or that is independently developed by the Vendor, will the Lottery confirm this understanding or please clarify otherwise?</p> <p>ANSWER: That is the understanding of the Lottery.</p>

	RFP Reference Number	RFP Page Number	Question
115.	Game Concept Licensing, and 86. Artwork	25 and 52	<p>Will the Nebraska Lottery indemnify and hold Contractor harmless against claim, etc. that arises from or relates to, directly or indirectly, the Nebraska Lottery exceeding the scope of the agreed license or in instances where the Nebraska Lottery obtained artwork or materials independent of the Contractor's involvement or creation which is provided to, and is not modified by, the Contractor?</p> <p>ANSWER: The Lottery will abide by the terms of concept and artwork licensing agreements.</p>
116.	86. Artwork	54	<p>Please confirm that Contractor's responsibility in connection with being responsible for obtaining trademarks, tradenames, etc. is limited to insuring that the same do not infringe a third party's rights.</p> <p>ANSWER: That is, and always has been, the Contractor's responsibility.</p>
117.	82. Montage Tickets	53	<p>Would the Lottery please describe "montage tickets"?</p> <p>ANSWER: A montage is considered a single piece of art spanning multiple tickets, generally employed with \$1 games. An example would be the statewide landscape scene depicted on our first Instant game, Nebraska Match Three.</p>
118.	85. Ticket Stock	54	<p>Would the Lottery confirm 10 pt. stock as the standard paper stock?</p> <p>ANSWER: The paper stock provided by the current Contractor is 10 pt.</p>
119.	Game Rules	56	<p>Will the Lottery confirm our understanding that liability to a player for a misprinted or defective ticket will be limited as set forth in the applicable Game Rules to the replacement of the ticket or the retail sales price for the ticket?</p> <p>ANSWER: That is generally correct, however subsection p. of Liquidated Damages (see page 153) describes potential additional liability.</p>

	RFP Reference Number	RFP Page Number	Question
120.	91. Profitability, Pouch and Monitor Games	57	<p>Would the Lottery define “pouch games”?</p> <p>ANSWER: Pouch games are games consisting of a collection of tickets packaged in individual pouches made available for sale together; requiring activation at the time of sale.</p>
121.	91. Probability, Pouch and Monitor Games	57	<p>Would the Lottery please define what they mean by “monitor games”?</p> <p>ANSWER: Charitable games (which are not offered by the Lottery, such as keno) involving monitors consist of drawings at regular intervals (typically 5 minutes). While the Lottery is currently limited to one drawing per day per game, Vendors with any experience providing games (other than keno) using monitors to determine or show the outcome of the game are encouraged to do so.</p>
122.	Ticket Integrity	64	<p>Would the Lottery please confirm our understanding that the client’s standards, game specifications (including security features) referred to in the second paragraph under Ticket Integrity would all be included in the Working Papers or otherwise agreed in writing between the parties?</p> <p>ANSWER: That is correct.</p>
123.	Ticket Inspection	69	<p>The last sentence of the section entitled “Ticket Inspection” is “Tickets may be rejected by the Nebraska Lottery for any documented reason.” Please confirm our understanding that tickets may be rejected for any documented reason for rejection that is listed in the RFP/and or contract.</p> <p>ANSWER: While documented reasons listed in the RFP and/or Contract cover a wide range of possibilities, there is always the potential for some other unforeseen circumstances (undocumented at this time, but documented at some time in the future) that would necessitate rejection of a game.</p>

	RFP Reference Number	RFP Page Number	Question
124.	127. Reading Media Formats and 128. Age Authentication	82	<p>In Requirement 127., the RFP states that “Retailer terminals must be capable of reading media such as magnetic card strips and barcodes.” In Requirement 128., the RFP states, “The terminal must be able to read barcodes or magnetic card strips.” Will the Lottery please adjust the wording in Requirement 127, such that it is optional, and not mandatory, that the terminal be able to read magnetic card strips? The ability to read magnetic strips is not a standard requirement for a lottery terminal, and there are limited use cases for such additional hardware. Barcode readers are more essential for gaming transactions and scanning government issued ID’s for age control.</p> <p>ANSWER: The Lottery recognizes the differentiation between the uses for barcodes and magnetic card strips. The use of “such as” in Item 127 does not imply a mandatory requirement for both media, but is intended to call attention to examples of media. It is the Lottery’s understanding that peripheral magnetic strip readers have been used in previous industry deployments, which is why the example was used. The language (and) will not be changed.</p>
125.	159. Additional Requirements	92	<p>Would the Lottery please confirm that a data breach means an event resulting in the loss of Player or Lottery data? In addition, would the Lottery please confirm that the Contractor will not be responsible for a data breach to the extent a data breach is caused by the Lottery or Lottery subcontractors not under the Contractor’s control?</p> <p>ANSWER: Personally identifiable information (PII) applies to players and retailers—content processed within the Contractor system as a component of Lottery data. Beyond the loss of data, a breach, includes the unauthorized release of such data. The Contractor’s responsibility for protecting data on the Contractor’s system is based upon systemic and technical features, and personnel following procedures and protocol associated with operation of the Contractor’s system. Unauthorized actions by Lottery personnel or Lottery subcontractors will be addressed with those entities through remedies available to the Lottery in those contexts.</p>
126.	161. Instant and Online Game Lottery Management Reporting	95	<p>Would the Lottery provide additional details on the contents of the desired interface file going to Quick Books?</p> <p>ANSWER: Contents of such interface could include sales, returned tickets, validations, commissions, and prizes paid.</p>

	RFP Reference Number	RFP Page Number	Question
127.	161.cc. Additional Reports or Inquiries	97	<p>Requirement 161 provides that “The system must include, but not be limited to, the following...” Regarding the sub requirement, item cc, “The ability to provide any reports or inquiries not previously noted above at the direction of the Nebraska Lottery,” we understand that this requirement is subject to system capability and that the Lottery would provide reasonable prior notice utilizing the change control process to process such a change. Would the Lottery please confirm this understanding?</p> <p>ANSWER: That is correct.</p>
128.	164. Proposed System	100	<p>Since the Lottery has given vendors the flexibility on where to locate their data centers, will the Lottery reconsider the requirement that mandates that the test system (servers) reside in Lincoln, NE? The Lincoln, NE test lab will retain the necessary testing equipment (terminals, warrant writer, PCs, player displays, Pick-N-Pack Printers, etc.). Co-locating the test system (servers) with Operations Personnel and support staff will lead to better maintaining and monitoring of the hardware and enhance the Lottery’s testing activities.</p> <p>ANSWER: Item 145 allows the proposal of options for primary and secondary computer sites for the Gaming System, provided that one of the facilities “including testing resources” is located in Lincoln. Item 164 asks for details of the Internal Control System (ICS), but does not reference testing or the location of the system being required. The subsequent section on System Modification and Acceptance Testing states on page 100 that the system for “Nebraska Lottery testing” must be located in Lincoln.</p> <p>It is presumed that the Contractor will host its test resources in the most appropriate location, but the testing resources at the Lottery’s disposal should be in proximity to the Lottery.</p>
129.	System Modification and Acceptance Testing, and Section 4: (Liquidated Damages, ee. and ff.)	100 and 150	<p>To enable an efficient and orderly process to implement required system enhancements, changes, additions to Contractor software and given the application of related liquidated damages, would the Lottery agree to negotiate a commercially reasonable change control process?</p> <p>ANSWER: A recommended change control process may be specified in a Vendor’s response to the RFP.</p>

	RFP Reference Number	RFP Page Number	Question
130.	Software	104	<p>Would the Lottery please confirm they will negotiate commercially reasonable or standard escrow terms as required with the Contractor post-award?</p> <p>ANSWER: The escrow of software is designed to protect the Lottery against potential interruptions of continuity, and the requirements to be included in the escrow are specific. The characteristics of the escrow custodian may be defined in the Contract.</p>
131.	Software	104	<p>Since the Contractor cannot escrow a third-party subcontractor’s source code without permission, will the Lottery agree to a commercially reasonable standard carve-out for such third-party source code that cannot be escrowed?</p> <p>ANSWER: The RFP language describing the escrow requirements makes allowances for identification of documentation of software from a commercial source other than the (third-party) Software owner used by the Contractor, thus such a carve-out exists.</p>
132.	196. Additional System Requirements	116	<p>This section is titled “Additional System Requirements”. Given that item 196.f, for example, is not authorized in Nebraska, will the Lottery please confirm that items a-f are considered future desired features and capabilities, but not mandatory requirements that must be included in our offering/price for system go live?</p> <p>ANSWER: That is correct. However, many such items are in place in other jurisdictions and contribute to the organization’s overall success. Vendors are encouraged to discuss any such items they believe could be viable offerings in Nebraska either as part of a Contract resulting from this RFP or as part of a secondary agreement at a later time.</p>
133.	198. Web-based Retailer Reporting	117	<p>Will the Lottery please confirm whether or not a Retailer portal is a mandatory requirement for this RFP?</p> <p>ANSWER: A Retailer Portal is not mandatory, but discussion of such capability would be appropriate.</p>

	RFP Reference Number	RFP Page Number	Question
134.	Content of the RFP and Structure of Responses	129	<p>Would the Lottery consider negotiating a standard and commercially reasonable limit on the Contractor’s liability subject to standard exceptions?</p> <p>ANSWER: Circumstances resulting in liability vary in nature, in duration and impact. The extent of damages must be calculable and reasonable for both parties. Vendors with alternative methods of determining and assessing liability should denote that in the response, and the matter may be taken up during Contract negotiations.</p>
135.	229. Financial Soundness	132	<p>Due to the potential volume and size of financial statements, would the Lottery please confirm submission of financial statements <u>in electronic format only</u>, and not as part of the hard copy submission, is acceptable?</p> <p>ANSWER: Either paper or electronic submission of financial statements is acceptable.</p>
136.	242. Cost Proposal	138	<p>Would the Lottery please confirm Vendors may vector and/or refer to whether items are included in the base price of the Cost Proposal or not within the technical proposal?</p> <p>ANSWER: Yes, items may be identified in the technical proposal as to whether or not they are included in the base price, but details may only be covered in the Cost Proposal.</p>
137.	Property of the National Lottery	138	<p>It is acknowledged that “The Nebraska Lottery shall have the right to use all materials, ideas, or adaptation of the ideas contained in any proposal received in response to this RFP as the Nebraska Lottery deems appropriate without compensation.” Will the Lottery please confirm our understanding that the Lottery will respect the Vendor’s designation of confidential material and treat all information duly identified as confidential as required in this RFP as confidential pursuant to the terms of the RFP?</p> <p>ANSWER: The Nebraska Lottery confirms that understanding.</p>

	RFP Reference Number	RFP Page Number	Question
138.	Litigation Security	139	<p>A Litigation bond is usually written for a predetermined period of time, i.e. one or two years from the date the proposal is submitted. The requirement Page 139 is that the “security will be retained for a period of two (2) years from the date of the submission proposal”. In the Schedule on page 21 it states that the Selection of the contractor will be no later than August 13, 2020. Would the Lottery please confirm that the Litigation bond needs to be in effect until August 13, 2022?</p> <p>ANSWER: If the litigation bond is provided in lieu of a signed Covenant Not To Sue, it must be submitted at the time the response is submitted and will remain in effect for two years from the date of submission.</p>
139.	Litigation Security	139	<p>Will the Lottery please confirm if an industry standard annual bond form would be accepted for this RFP?</p> <p>ANSWER: That is acceptable.</p>
140.	Performance Bond	139-140	<p>This section states that the Contractor must provide a bond for the duration of the contract. Surety companies require that bonds be renewed on an annual basis. Will the Lottery please confirm that the Performance bond can be renewed on an annual basis?</p> <p>ANSWER: That is correct.</p>
141.	Performance Bond	139-140	<p>Sureties require that there be no forfeiture language in the RFP or contract. The Surety requires an opportunity to “cure the default” in lieu of strict forfeiture. There are several sections where Forfeiture is mentioned in this RFP and we ask that this be replaced with the following “Cure the Default” language.</p> <p>Will the Lottery please delete the forfeiture language: “Failure to meet the obligations set forth in this RFP and the resulting Contract will be grounds for forfeiture of the bond.” and replace it with: <i>“The Performance Bond will guarantee the faithful performance of the Contractor for the duration of the Agreement. Failure to meet material contractual obligations will be grounds for the Nebraska Lottery to make a claim against the bond.”</i></p> <p>ANSWER: That is acceptable.</p>

	RFP Reference Number	RFP Page Number	Question
142.	Fidelity Bond	140	<p>A Fidelity Bond and/or Crime Insurance does not extend coverage to agents or subcontractors and as such we respectfully request that the Lottery delete the words “agents or subcontractors” in this section.</p> <p>ANSWER: No. If the Contractor does not wish to extend fidelity bond or crime insurance coverage to their agents or subcontractors, measures must be taken to ensure that those agents or subcontractors provide such protection.</p>
143.	Insurance, a.	140	<p>There is a requirement to evidence General Liability coverage. No coverage limit is indicated in this section of the RFP. Would the Lottery please confirm if \$5 Million in coverage will be sufficient?</p> <p>ANSWER: Contractors should carry liability coverage appropriate to their operations.</p>
144.	Insurance, d.	141	<p>There is a requirement to evidence Automotive Insurance coverage. No coverage limit is indicated in this section of the RFP. Would the Lottery please confirm if \$2 Million in coverage will be sufficient?</p> <p>ANSWER: Contractors should carry automotive coverage appropriate to their operations.</p>
145.	Proposals Subject to Open Records	143	<p>Would the Lottery please confirm our assumption that the Lottery’s “reasonable attempts to maintain the confidentiality of any trade secrets or proprietary information identified by a Vendor if such Vendor properly identifies the particular data or other materials that are trade secrets or proprietary information” would include first giving Vendors a chance to respond and take actions required to protect information properly identified as Confidential as required by the RFP prior to any such release?</p> <p>ANSWER: That is reasonable.</p>

	RFP Reference Number	RFP Page Number	Question
146.	Contract Provisions, f.	147	<p>The third sentence on page 147 f. states: <i>"The Performance bond shall be forfeited, at the option of the Nebraska Lottery, in that instance."</i> Will the Lottery please delete the sentence above and replace it with: <i>"The Performance Bond will guarantee the faithful performance of the Contractor for the duration of the Agreement. Failure to meet material contractual obligations will be grounds for the Nebraska Lottery to make a claim against the bond."</i></p> <p>ANSWER: That is acceptable.</p>
147.	Contract Provisions, f.	147	<p>Would the Lottery consider a reasonable cure period prior to termination for non-performance?</p> <p>ANSWER: That is acceptable.</p>
148.	Contract Provisions, g.	147	<p>The fifth sentence on page 147 g. states: <i>"The performance bond shall be forfeited in that instance."</i> Will the Lottery please delete the sentence above and replace it with: <i>"The Performance Bond will guarantee the faithful performance of the Contractor for the duration of the Agreement. Failure to meet material contractual obligations will be grounds for the Nebraska Lottery to make a claim against the bond."</i></p> <p>ANSWER: That is acceptable.</p>
149.	Contract Provisions, g.	147	<p>Would the Lottery consider negotiating a cure period longer than 10 days, but still commercially reasonable cure period prior to termination for unsatisfactory performance?</p> <p>ANSWER: That is acceptable.</p>
150.	Contract Provisions, h.	147-48	<p>Would the Lottery please confirm our understanding that the Lottery would pay for services received and accepted to the extent possible under a termination for lack of sufficient funding?</p> <p>ANSWER: The Lottery would pay for services received prior to the termination date. The Lottery bears no responsibility or penalty for Contractor costs resulting from the cancellation.</p>

	RFP Reference Number	RFP Page Number	Question
151.	Contract Provisions, o.	149	<p>The third sentence on page 149 o. states: <i>“Required coverage must remain in effect throughout the term of the contract and the Contractor must submit copies of each required insurance contract, and any renewals thereof...”</i> It is customary in the insurance industry to evidence coverage through a Certificate of Insurance. Will the Lottery accept a Certificate of Insurance in lieu of providing copies of each insurance contract?</p> <p>ANSWER: Yes.</p>
152.	Contract Provisions, r.	150	<p>Will the Lottery be willing to negotiate a reasonable revision to the requirement that all subcontractors agree to unannounced inspections of their facilities and be further willing to clarify the definition of subcontractors for the purposes of this provision to avoid confusion with mere suppliers who may not agree to such provisions?</p> <p>ANSWER: That is acceptable.</p>
153.	Liquidated Damages, k.	152	<p>With respect to this liquidated damages provision:</p> <p>k. Failure to provide sufficient staff, as determined by the Nebraska Lottery, on-site to assist during turnover transition for acceptance testing of the Gaming System, or failure to have programmers on-site to correct any problems found during the Nebraska Lottery’s acceptance testing: \$5,000 per day beginning June 15, 2021</p> <p>Will the Lottery insert the words “and communicated in writing to the Contractor with sufficient prior notice and provided that the number of required staff shall not exceed [x]” with “x” being a commercially reasonable number determined by the Lottery and in line with current staffing after the words “as determined by the Nebraska Lottery”?</p> <p>ANSWER: The Lottery does not believe that change is necessary if all parties act in good faith.</p>
154.	Contract Provisions, p.	153	<p>Will the Lottery confirm our understanding that the Lottery will work with the Contractor to identify the liability or error prior to the request for public acknowledgement?</p> <p>ANSWER: That is acceptable.</p>

	RFP Reference Number	RFP Page Number	Question
155.	Contract Provisions, p.	153	<p>Will the Lottery please confirm our understanding that Force Majeure events are included in the causes for interruption listed in q for which the Contractor will not suffer liquidated damages?</p> <p>ANSWER: That is correct.</p>
156.	Miscellaneous Provisions	161	<p>Will the Lottery include epidemics and pandemics in the inclusive list of force majeure events?</p> <p>ANSWER: That is acceptable.</p>
157.	Miscellaneous Provisions	161	<p>Would the Lottery confirm our understanding that catastrophic storms or weather events causing a state of emergency to be declared, or extreme weather events outside of normal or historic weather patterns may be considered force majeure events?</p> <p>ANSWER: That is acceptable.</p>
158.	Miscellaneous Provisions	161	<p>Would the Lottery agree to negotiate reasonable limits to the usufruct provision, clarifying that the usufruct is limited in time and scope to the fulfilment of Contractor's obligations under the Contract for the period in which the Contractor is unable to perform?</p> <p>ANSWER: That is acceptable.</p>
159.	Contract Cancellation, k.	165	<p>Since termination for cause would be unreasonable for an immaterial failure to comply with a minor provision, would the Lottery please confirm our understanding that the following clause is subject to reasonable materiality threshold? "If the Contractor fails to comply with any of the terms, conditions, or provisions of the RFP or subsequent Contract in any manner whatsoever."</p> <p>ANSWER: That is correct.</p>

	RFP Reference Number	RFP Page Number	Question
160.	Contract Cancellation, p.	166	<p>Page 166 p. states that: <i>“Upon notification the Contract shall be null and void and the performance bond shall be forfeited...”</i> Will the Lottery please delete the sentence above and replace it with the “cure the default language” as follows: <i>“If the Vendor defaults in the performance of its contractual obligations or if the Lottery incurs damages due to the Vendor’s breach of its duties, the surety shall have the option to cure the default or tender funds sufficient to pay the cost of completion, up to an amount not to exceed the penal sum of the bond. With the concurrence of the Lottery, the surety may assume the remainder of the contract to perform or sublet.”</i></p> <p>ANSWER: That is acceptable.</p>
161.	Transition/End Of Contract	167	<p>Would the Lottery please confirm our understanding that the Contractor is not required to share Contractor or subcontractor proprietary source code pursuant to this provision? In addition, would the Lottery also please confirm that this provision refers only to source code related to intellectual property developed solely for the Lottery which does not include any Contractor owned or licensed intellectual property?</p> <p>ANSWER: This is correct.</p>