



ADDENDUM NO.1 TO ALL OFFERORS:

Reference: Request for Proposal: **RFP#10267AR**
Commodity: **Enhanced Subscriptions, Loyalty, and other Services**
Dated: **February 26, 2013**

The above solicitation is hereby changed to read or clarified by the following:

1. Reference: Sealed Proposals Due date

The due date is extended from March 6, 2013 to **April 8, 2013 @ 3:00pm.**

2. The following questions were asked and answered at the pre-proposal meeting held at the VA Lottery headquarters on February 8, 2013. In addition, several questions were sent by interested vendors and have been answered to the best of our ability.

Section V.A – Base System Requirements

Please confirm that it is an initial requirement of the base system that it will continue providing subscription services to Mega Millions and Win for Life?

Yes

Please confirm who runs these two draws and provide technical details of how the existing subscription service works, including how the service integrates with the lottery draw provider?

GTECH Gaming System

Are there any draw games offered only to Virginia Lottery customers, and who organizes and runs these draws? Is there a proprietary/existing system for running

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lottery games or will the Offeror be expected to provide this technology as part of the base system?

All draws process through our gaming system

Please confirm who is expected to host and manage the base system, and if there are any restrictions on where it should be located?

VA Lottery is interested in all proposals and multiple solutions

Section V.B.1 – Subscription Services

Is VA Lottery expecting the Offeror to propose a replacement of the existing website? Or will VA Lottery continue to manage this with Offeror providing the pages relevant to subscriptions?

VA Lottery is interested in all proposals and multiple solutions

Does the requirement that the provided system be able to determine the winner and winning amount mean that the system needs to integrate with the system of the draw provider for each game, or are there cases where Virginia Lottery run the draw themselves?

Integration is possible but not mandated in the Offeror can provide another solution

Is the Offeror expected to host the system as well as maintain it? **Either**

Section V.B.2 – Loyalty, Recognition, Rewards & Points

Please clarify the requirement to support retail lottery games in greater detail. Is the expectation that the Offeror provide a base system that can be integrated with the existing retail estate if necessary? Please confirm that the Offeror is not expected to propose an actual retail solution?

VA Lottery is not looking for an Offer or to provide retail sales but we are looking for the Offeror to have the ability to provide the same product line

The question could imply that VA Lottery wish to continue using their own registration pages and player accounts, please confirm whether this is indeed the case, or whether you would prefer the Offeror to propose a replacement player account solution?

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Section V.B.3 – Free Game Gallery

B – The requirement states that the Offeror should host the free game gallery, is there any restriction on where this may be hosted? Does the explicit requirement for hosting in this question imply that there is no requirement to host the rest of the proposed solution, including the base system?

The VA Lottery is interested in hearing what can be provided but as a specified option it is not mandatory

Sections V.B.5/B.6/B.7 – Authentication/Transactions/Customer Service Tools

All of the above services would generally be supplied as part of, or integrated with, the player account solution. As indicated above, please clarify whether you are expecting the Offeror to propose its own player account solution or integrate with an existing player account solution?

VA Lottery is interested in all proposals and multiple solutions

Section V.B.7 – Customer Service

Please clarify whether you are expecting the Offeror to manage the customer services, or simply supply the necessary software to allow VA Lottery to manage this in-house? If the requirement is for the Offeror to manage the customer services, please confirm whether there is any restriction on where the customer services contact center should be based? Also, what hours of business, levels of staffing etc. are envisaged?

VA Lottery is interested in all proposals and multiple solutions

Section V.B.8 – Financial Transactions

This requirement implies that VA Lottery expect the Offeror to manage the financial transactions and fraud prevention in addition to supplying the necessary services/tools. Please confirm whether this is the case? As with Customer Services, if the requirement is for the Offeror to manage these services please confirm whether there are any restrictions on where the relevant operations are located?

VA Lottery invites Offeror's to propose solutions

Section V.B.12 – Dashboards & Business Intelligence Reports

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Please confirm whether the VA lottery has its own BI solution with which we are expected to integrate, or whether you expect the Offeror to propose a BI solution?

VA Lottery invites Offeror's to propose solutions

Section VI.B – Specific Proposal Requirements

No expected dates have been provided in relation to the project timeline so we assume the Offeror is free to propose their own. Do you have any expectations in terms of the delivery dates that we can use as guidance?

The VA Lottery would like to implement Loyalty by Sept 2013 if possible and the other solutions subsequently

Does this mean to transform paper based Instant ticket to electronic Instants?

The VA Lottery would like the Offeror the ability to offer games to go along with physical tickets

Will Virginia Lottery support API specification for Integration?

The VA Lottery assumes this questions is asking if we will help write specifications to which the answer is yes

Does Virginia Lottery have a target probability for success (like 97% probability of correct identity)?

At least 95% as stated in the RFP

Technically it is not possible as the player can be out of Virginia and USA and use computer that is directed to the players computer in Virginia. There are very few players that do this and it is suggested that in the licensing agreement with players it is stated that it is illegal. Please elaborate?

Offeror must ensure that every possible attempt is made to determine that the origination is within in the Commonwealth of VA with the understanding that this cannot be assured with 100%

Will the supplier have to supply telephone service? Is there already a telephone service running that can be used?

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Is the API integration available for the Central System? If available, when will it be released?

This does not currently exist

Will there be a cost associated with getting the API documentation to the Central System?

Not to our knowledge

Is API for ACH banking and debit card transaction available?

This will depend on the proposed provider

Can Virginia Lottery make current reports available?

The VA Lottery is not looking replicate the reports we currently have so at this time we will not release our current reports

We respectfully request that the Lottery consider providing bidders an additional thirty (30) days in which to submit proposals, making the proposal due date April 5, 2013.

Addressed above

The title page of the RFP appears to require completion by the Offeror, but it is not mentioned in the RFP. Will the Lottery please clarify whether the cover page of the RFP should be completed and submitted with the proposal?

Yes

The Lottery indicates that it currently uses a third party vendor to complete the verification process for player age and address verification. Does the Lottery anticipate that it will continue to use this same third party for the services to be provided under this RFP? If yes, will the Lottery please provide Offerors with the necessary information about such third party to ensure that each proposal complies with third party requirements?

VA Lottery invites Offerors to propose solutions

Can the Lottery please be more specific with respect to how “quickly” a game would need to be added/deleted/changed? All of these activities would require testing prior to deployment.

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Can the Lottery please clarify the intent of this requirement; specifically, will the Lottery still employ the player payment methodology as described in Section II – Background, Subsection B, and allow for winnings to go against a player’s wallet?

VA Lottery invites Offerors to propose solutions and it does not have to be what is currently being done

Will the Lottery please clarify that the use of the term geo-fencing is to provide geo-location verification for subscription transactions?

Yes

Can the Lottery please confirm that the primary requirement is a “should” (Level a.) and IF it is bid, then the underlying requirements (1 -4) will also have the corresponding “shall” or “should” requirements?

Yes

In the event that a third party is used to provide identity authentication and does not provide real-time report monitoring, would the Lottery be willing to accept summary reports on a regular basis?

Must be real time

Considering the fact that substantial information surrounding players and their transactions must be retained, could the Lottery please provide further details regarding this requirement? Is this referring to unencrypted player information?

Verification of the players and the not the services

Will the Lottery pay the fees associated with financial services?

VA Lottery invites Offerors to propose solutions

Will the Lottery please confirm that it will provide customer service (i.e. a hotline) for player inquiries, and that the successful Offeror shall be responsible to provide only the tools required for the Lottery to act in this capacity?

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Will the Lottery please confirm that Offerors are only required to respond to the requirements in Section VI, Proposal Preparation and Submission Requirements, Subsection B, Specific Proposal Requirements?

Additionally, after Section VI(B)(2)-(15), there are references to subsections of Section IV. But Section IV is the “Definition of Requirements and Options.” Will the Lottery please confirm that the references within Section VI.B.2-15 are to Section V, Statement of needs?

Yes

Will the Lottery please provide the associated weight assigned to each evaluation category?

No

Given the nature of this RFP and the requested services, will the Lottery please clarify how it envisions awarding a contract to multiple vendors? Specifically, if two or more vendors are awarded a contract, how would the division of services be allocated and the compensation structure be affected?

The VA Lottery will determine this upon evaluation of the proposals received

Is VA Lottery looking for a packaged application or would a component-based custom solution be considered?

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Can the proposed solution use web services to integrate into VA Lottery's current Microsoft infrastructure?

VA Lottery invites Offerors to propose solutions

How important is the requirement for 50+ lottery games to be included in the solution?

VA Lottery invites Offerors to propose solutions however this is of great interest to the Lottery

Does the system have to be hosted in the Commonwealth of Virginia?

No

Who is the VA Lottery’s current identity authentication provider?

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IDology

What is the current number of subscriptions?

2012: \$5,296,000.00 35,000 subscribers 87,596 subscriptions

2011: \$5,223,963.00 34,397 subscribers 85,912 subscriptions

Is it the VA Lottery's plan to run existing subscriptions through the new system?

The Lottery does not anticipate running two systems and will need to migrate existing subscriptions at some point

Can the Virginia Lottery provide a legal definition?

The definition of a subscription is the purchase of a ticket prior to the draw.

Can the Virginia Lottery provide a definition of what information is considered personally identifiable?

Personally Identifiable Information under the Commonwealth Of Virginia ITRM SEC501-01 IT Security Standard is defined as the following:

- 1. The first name or first initial and last name in combination with and linked to any one or more of the following data elements, when the data elements are neither encrypted nor redacted.**
 - a. Social Security Number**
 - b. Drivers license number or state identification card number issued in lieu of a driver's license number.**
 - c. Financial account number, or credit card or debit card number, in combination with any required security code, access code, or password that would permit access to a resident's financial accounts.**
 - d. Other personal identifying information, such as insurance data or date of birth.**

Sincerely,

Amanda K. Rollf, VCO, VCA
Purchasing Manger

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Name of Firm

Signature/Title

Date

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