



REQUEST FOR PROPOSAL

RFP NUMBER: CSP903117
INDEX NUMBER: LOT008
UNSPSC CATEGORY: 78131800, 80140000, 1411800

The State of Ohio, through the Department of Administrative Services, Office of Procurement Services, on behalf of the Ohio Lottery Commission, is requesting Proposals for:

THIS SOLICITATION CONTAINS AN EMBEDDED MINORITY SET-ASIDE COMPONENT

COOPERATIVE SERVICES FOR THE OHIO LOTTERY COMMISSION:
Instant Ticket Warehousing, Distribution and TelSell Services

OBJECTIVE: The Ohio Lottery is seeking a qualified vendor with experience in providing statewide support and partnership for the Instant Ticket Warehousing, Distribution, and TelSell Services Program.

RFP ISSUED: August 3, 2016
INQUIRY PERIOD BEGINS: August 3, 2016
INQUIRY PERIOD ENDS: August 24, 2016 at 8:00 AM
PROPOSAL DUE DATE: September 7, 2016 by 1:00 PM

Proposals received after the due date and time will not be evaluated.

Submit Sealed Proposals to:

Department of Administrative Services
Office of Procurement Services
Attn: Bid Desk
4200 Surface Road
Columbus, OH 43228-1395

Note: Please review the [Proposal Instructions](#) on our Web site.

The Offeror must submit this cover page (signed) with its Technical Proposal.

Offeror Name and Address: _____ _____ _____ _____ E-Mail Address: _____ Phone Number: () _____ - _____ Ext. _____	Name/Title: _____ _____ Signature: _____ By submitting a response to this RFP, and signing above, Offeror acknowledges, understands and agrees to comply with the RFP requirements and confirms all the instructions and links have been read and understood.
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RFP GLOSSARY OF TERMS

AA:	Affirmative Action
AOS:	Auditor of State
Bid Bond:	Guarantee of the availability of the products and/or services offered by the Offeror for a certain period of time following Proposal Submission.
CCTV:	A closed network TV system that is monitored, primarily for surveillance and security purposes. CCTV relies on strategic placement of cameras, and observation of the camera's input on monitors somewhere and video is recorded and stored for future use.
Contractor:	Vendor after Award
CRM:	Customer Relationship Management – A software application which allows the Lottery to view and manage information about its Retailers.
CSP:	Competitive Sealed Proposal
Customer Acceptance Testing:	An extensive verification process to demonstrate and ensure that the Program conforms to all Requirements.
DAS:	Department of Administrative Services
Encryption:	The process of transforming information to make it unreadable to anyone except those possessing special knowledge that meets or exceeds the requirements of encryption and encryption key management used by the United States government as certified by the National Institute of Standards and Technology (NIST), and that has not yet been broken or compromised, or determined by the Lottery to not be viable.
EOD:	Equal Opportunity Division
FEI:	Federal Employer Identification
FY:	Fiscal Year. July 1 through June 30 of the following year
Gaming System:	The set of software and hardware components required in order to deploy a particular game or set of games. Such components include game terminals, communications channels, and game host computers at the Lottery Central Office.
Internal Control System:	The audit system and its associated processes that performs auditing of the gaming system component to ensure the integrity, security, and accuracy of gaming transactions.
IntraSell:	The software platform used for the current contract
LPEF:	Lottery Profits Education Fund
LSR:	Lottery Sales Representatives
Logical Day:	A one day period on the test system. These days can be compressed so that multiple days may be tested in one physical day.
Lottery Primary Computer System Location:	The main physical location that houses the Lottery's central computer systems to (and from) which all lottery transactions flow and are recorded in a secure manner. Typically, all administrative and data processing staff are located here to monitor and maintain the computer systems to ensure continuous lottery operation.
Mandatory:	Must, Will, Shall
Major Part:	A product, system, or service provided, which is important for an implementation and/or operation of the Lottery.

Material Change:	Any event which, following Generally Accepted Accounting Principles (GAAP) or International Accounting Standards (IAS), would require a disclosure in the annual report of a publicly traded corporation.
MBE:	Minority Business Enterprise
OAC:	Ohio Administrative Code
OAKS:	Ohio Administrative Knowledge System (Ohio's Accounting System)
OBG:	Ohio Business Gateway
Offeror:	Vendor Submitting Proposal
OLC:	Ohio Lottery Commission
OPS:	Office of Procurement Services
ORC:	Ohio Revised Code
POS:	Point of Sale
RFP:	Request for Proposal
SIC:	Standard Industry Code
SOS:	Secretary of State
Subcontractor:	Person(s) to whom the Contractor entrusts a portion of the execution of the Contract.
TelSell:	Services provided to Lottery Retailers through telecommunication means.
UNSPSC:	The United Nations Standard Products and Services Code

1.0 EXECUTIVE SUMMARY

1.1 INTRODUCTION This is a Request for Competitive Sealed Proposals (RFP) under Section 125.071 of the Ohio Revised Code (ORC) and Section 123:5-1-08 of the Ohio Administrative Code (OAC). The Department of Administrative Services (DAS), Office of Procurement Services, on behalf of the Ohio Lottery Commission (the Agency), is soliciting competitive sealed proposals (Proposals) for Cooperative Services for the Ohio Lottery Commission. If a suitable offer is made in response to this RFP, the State of Ohio (State), through DAS, may enter into a contract (the Contract) to have the selected Offeror (the Contractor) perform all or part of the Project (the Work). This RFP provides details on what is required to submit a Proposal for the Work, how the State will evaluate the Proposals, and what will be required of the Contractor in performing the Work.

This RFP gives the dates on page 1 for the various events in the submission process. While these dates are subject to change, prospective Offerors must be prepared to meet them as they currently stand.

1.2 CONTRACT PERIOD Once awarded, the term of the Contract will be from the award date through June 30, 2021. The State may solely renew all or part of this Contract at the discretion of DAS for a period of one month and subject to the satisfactory performance of the Contractor and the needs of the Agency. Any other renewals will be by mutual agreement between the Contractor and DAS for any number of times and for any period of time. The cumulative time of all mutual renewals may not exceed four (4) years and are subject to and contingent upon the discretionary decision of the Ohio General Assembly to appropriate funds for this Contract in each new biennium.

1.3 BACKGROUND

1.3.1 The Ohio Lottery Commission. The Ohio Lottery Commission (OLC) was created in May 1973 by a voter-approved constitutional amendment. The first tickets went on sale in August 1974. Today, the Ohio Lottery Commission offers customers a wide variety of instant scratch games and on-line games at approximately 10,000 licensed retailer locations across the state.

Since inception, the Lottery has provided more than \$22 billion to public education. Annually, approximately 9 to 11% of the state's education portion is funded through the agency. The Ohio Lottery is governed by Ohio Revised Code Section 3770.

1.3.2 The Mission, Vision, Values of the Ohio Lottery Commission

Our Mission:

To offer entertaining games that maximize profits for K-12 public education.

Our Vision:

To create fun and innovative gaming experiences

Our Values:

- A. To adhere to all legal and ethical standards of the State of Ohio.
- B. To protect the integrity of the Ohio Lottery with employees, sales retailers and most importantly, players.
- C. To honor and maintain the annual commitment to the Lottery Profits Education Fund.
- D. To continue to offer to players only games which are fair and equitable in terms of quality, quantity and value of awarded prizes.
- E. To promote the accessibility of lottery games among all the citizens of the State of Ohio.
- F. To evaluate retailers not only on the basis of revenues generated, but with consideration to their location and the population that they serve.
- G. To maximize the excess of revenues over expenses, to judge all expenditures solely on the basis of their contribution to producing profits for the agency, and to make every effort to evaluate and improve operational efficiency.
- H. To be always worthy of the public's trust and respect.

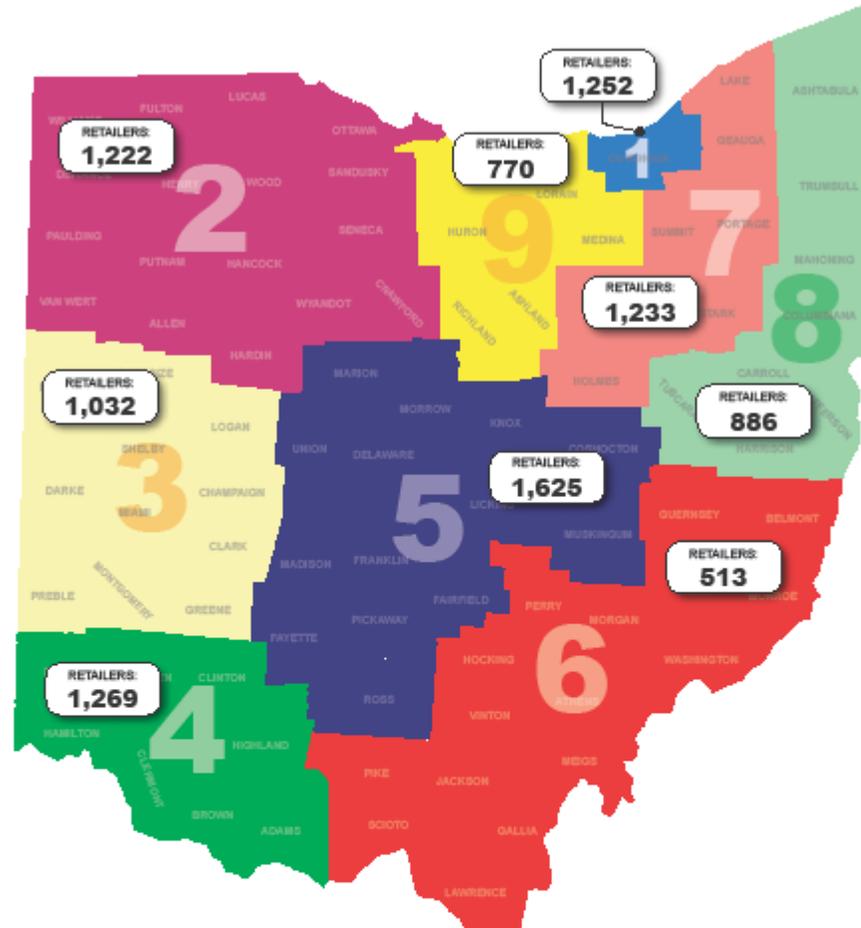
1.3.3 Executive Leadership. The Ohio Lottery is governed by a nine member commission board. The Commissioners approve new games and rules and other administrative duties as outlined in the ORC.

Currently, Dennis R. Berg serves as the Executive Director of the Lottery. Mr. Berg was named Director of the Ohio Lottery on February 10, 2012. Mr. Berg oversees an agency selling Ohio Lottery game products to approximately 10,000 retailers statewide. Under his leadership, the agency is also responsible for the licensing and monitoring of video lottery terminals at Ohio's racetracks.

Senior management at the Lottery consists of twelve (12) Deputy Directors, who each lead a division with multiple departments.

1.3.4 Lottery Retailers. Currently, there are approximately 10,000 retail locations. Retailers earn 5.5 cents for every dollar in Lottery products they sell. In addition, they earn Retailer Incentives for selling top prizes in most of the OLC on-line games and the higher priced-point instant scratch-off games. Additionally, Retailers can earn a cashing commission of 1% and a cashing bonus of .5%.

The chart below reflects the regional contact information and the approximate number of retailers by region.



Ohio Lottery Central		
615 West Superior Avenue • Cleveland, Ohio 44113-1879 • (800) 686-4208		
1. Cleveland 1100 Resource Dr. Brooklyn Hts. Business Ctr. Brooklyn Hts., Ohio 44131 Local (216) 774-5671	4. Cincinnati 10840 Kenwood Rd Cincinnati, Ohio 45242 Local (216) 774-5674 Toll Free (800) 589-9682	7. Akron-Canton 5926 Mayfair Road North Canton, Ohio 44720 Local (216) 774-5677 Toll Free (800) 589-6467
2. Toledo 315 Arco Drive Toledo, Ohio 43607 Local (216) 774-5672 Toll Free (800) 589-6442	5. Columbus 780 Morrillon Road Columbus, Ohio 43230 Local (216) 774-5675 Toll Free (800) 589-6445	8. Youngstown 242 Federal Plaza West Youngstown 44503 Local (216) 774-5678 Toll Free (800) 589-6468
3. Dayton 7462 Webster Street Dayton, Ohio 45414 Local (216) 774-5673 Toll Free (800) 589-6463	6. Athens 190 West Union Street, Suite 101 Athens, Ohio 45701 Local (216) 774-5676 Toll Free (800) 589-6466	9. Lorain 300 West Erie & Broadway Lorain, Ohio 44052 Local (216) 774-5679 Toll Free (800) 589-6469

The following chart represents the various types of retailers by Standard Industry Code (SIC), SIC type, retailer numbers, and instant ticket sales totals. Please note, the instant ticket sales are for Fiscal Year (FY) 15 and are unaudited.

SIC	SIC TYPE	Retailers	Instant Sales
53110	DEPARTMENT-DISCOUNT STORE	151	\$36,863,113
54111	SUPERMARKETS	699	\$168,008,187
54112	SMALL FOOD-DELI-SPECIALTY FOOD STORE	684	\$93,606,905
54113	CONVENIENCE FOOD STORE	1,544	\$326,199,898
55411	GASOLINE STATIONS	118	\$15,928,301
55412	GASOLINE STATION W-CONVENIENCE STORE	3,429	\$707,036,949
58120	EATING PLACE	147	\$9,156,034
58130	BARS-TAVERNS	1,782	\$17,850,132
59120	DRUG STORES	352	\$25,672,567
59210	LIQUOR CARRY OUT STORES & DRIVE-THRUS	1,059	\$149,757,401
59940	NEWSSTANDS & TOBACCO SHOPS	320	\$41,005,271
59991	SMALL RETAIL SALES STORES	55	\$5,013,753
59992	SMALL RETAIL SERVICE STORES	35	\$3,791,247
59993	AGENCIES & CLUBS	342	\$1,032,546
59994	GENERAL SERVICE STORES	39	\$6,029,694
59997	BOWLING LANES	126	\$3,965,211
59998	VARIETY STORES	28	\$3,098,876
59999	HARDWARE STORE	12	\$420,526
59996	MONEY-CHECK STORE	7	\$258,722
59995	VIDEO STORE	5	\$336,441
		10,934	\$1,615,031,774

- 1.3.5 Current Instant Ticket Warehouse, Distribution, and TelSell Services are provided by Intralot U.S. In 2009, Intralot U.S. was awarded the contract for the Instant Ticket Warehouse and Distribution contract.

Intralot currently performs/provides:

- A. Warehousing of all instant game inventory and consumable products
- B. Instant game distribution, packing, and shipment of:
 - 1) Initial Distribution
 - 2) Daily Orders
 - 3) Emergency Orders (when necessary)

- 1.3.6 Current Warehousing and Distribution Functions. Intralot is responsible for the receipt of all instant game inventories, administration and distribution to retailers. It is through IntraSell that retailers' orders are generated and ultimately ends at their Pick & Pack terminals for packing and shipping to retailers.

Intralot is responsible for receiving, warehousing, and distributing instant ticket games in a temperature controlled environment to ensure the integrity of the printed product. The games are distributed through a Pick & Pack order screen at multiple work stations consistent with what is required to ensure all generated orders are completed daily for delivery to retailers by the next business day. In addition to regular daily orders, Intralot also provides monthly initial allocation packing for new game launches which are a separate function. The initial allocation orders are completed separately because these games have an effective selling date as determined by the Ohio Lottery Commission and supported by multiple divisions of the OLC throughout the process.

All Instant Game pack inventories are always in an Inventory Management status consistent with instant game inventories. Intralot is responsible for providing a courier for the delivery of games to the retailers. Currently the games are delivered within 24 hours or by the next business day. All games are packed in bags/boxes that are provided by Intralot.

Intralot is responsible for providing warehouse space, offices, and land line telephone and work stations for Lottery Staff. The Lottery space is a secure area that is accessible only by Lottery designated personnel and it is in this area that all game returns are reconciled and placed in the appropriate control status.

Games that are returned in sellable condition are placed in an available status and are added back to the inventory. The games are then redistributed in accordance to Pick & Pack rules for new orders. Damaged games are held in a designated area for games destruction. Intralot is responsible for all partial pack game destructions that are designated as End of Game and are secured by the Lottery. Intralot and the Lottery are responsible for scheduling a date for ticket destruction. Intralot provides the Lottery with the destruction date. The Lottery liaison is responsible for confirming the completeness of the process.

1.3.7 Instant Ticket Overview

- A. Instant Tickets are currently printed by two (2) vendors (Scientific Games and IGT), but may include other vendors for specialized product at future times. Instant Ticket inventory records are provided by the vendors in an industry standard format. Shipping of Instant Tickets to Northeast Ohio is included in the existing printing contracts.
- B. Retailers receive Instant Tickets on a consignment basis and can return both full and partial unsold books of tickets to the Lottery via their Lottery Sales Representative (LSR).
- C. Instant Game launches are generally scheduled once per month with the exception of base games (standard lottery games). Beginning with FY17, initial allocations will be scheduled for every six (6) weeks.
- D. The Instant Ticket Plans for Fiscal Years 2015 and 2016 are provided on Attachment One.
- E. Printing vendors provide Instant Ticket products packaged in shrink-wrapped books, placed in cartons on pallets. Historic book information, such as sizes and quantities sold is provided on Attachment Two: Instant Ticket Sales, Book, and Book Size Information.
- F. Currently, retailers are charged for instant tickets 65 days following the "activation" of a book or at the end of each game. In FY17, the Lottery is considering changing the parameters to 65 days or 95% low tier cashing following the "activation" of a book or at the end of each game.
- G. The OLC operates a comprehensive Structured Query Language (SQL) database called the Integrated Agent Database (IAD) which contains all pertinent retailer data from the agent application forward. This is updated with sales information from the gaming system providing financial as well as organizational information. This database can be queried down to zip +4 from a location standpoint, as well as by SIC code, equipment type, and numerous other fields.
- H. Game launch Point of Sale (POS). At each new game launch, retailers also receive support point of sale (POS) items (e.g. oversized tickets, posters) with their initial shipment. The POS information can be found on Attachment Three, Game Launch POS Items.
- I. Gaming Supplies, which include ticket stock and bet slips, are currently printed by Hooven-Dayton, Inc. Hooven-Dayton ships these consumables to the Perkins Warehouse managed by the Ohio Lottery Commission and the Instant Ticket Warehouse currently located in Strongsville, OH which is managed by Intralot. This information can be found on Attachment Four, Terminal Supply Facts.

1.3.8 Objectives. The Lottery has the following objectives for issuing this RFP and entering into a Contract for the implementation of the Program and Services:

- A. To acquire the Program and Services in accordance with the Ohio Lottery Commission (Chapter 3770 of the Ohio Revised Code).
- B. To maximize and increase net revenues for the Lottery Profits Education Fund (LPEF).
- C. To ensure that the Program is fully operational, tested and installed prior to June 30, 2017 with all required tickets and consumables ready for distribution in accordance with the Lottery's instant ticket distribution schedule.
- D. To ensure that the Program and Services will allow the Lottery with flexibility to meet changing requirements and upgrades with minimal costs throughout the term of this Contract.
- E. To ensure that the Program and Services will operate with the highest level of integrity and security.
- F. To ensure that the Awarded Contractor is capable of providing the Program and Services, and that the Awarded Contractor will be capable of continuing to provide the Program and Services during the term of the Contract.

1.3.9 Calendar of Events. The schedule for the Project is given below, and is subject to change. The State may change this schedule at any time. If the State changes the schedule before the Proposal due date, it will do so through an announcement on the State Procurement Website, www.ohio.gov/procure. The Website announcement will be followed by an addendum to this RFP, also available through the State Procurement Website.

After the Proposal due date and before the award of the Contract, the State will make schedule changes, if applicable, through the RFP addendum process. The State will make changes in the Project schedule after the Contract award through the change order provisions located in the general terms and conditions of the Contract.

It is each prospective Offeror's responsibility to check the Website question and answer area for this RFP for current information regarding this RFP and its calendar of events through award of the Contract. No contact shall be made with agency/program staff until contract award is announced.

NOTE: The following Events and Dates are subject to change:

	Date
RFP Publication	July 29, 2016
Inquiry Period	July 29 – August 19, 2016 @ 8 AM - Columbus, OH Time
Deadline for Proposal Submission	September 2, 2016 @ 1 PM – Columbus, OH Time
Evaluation Period (Review, Site Visits, Scoring)	September 3 – October 07, 2016
DAS and OLC review and approval of Awarded Contractor	February 03, 2017
Contract Executed	February 17, 2017
Projected Contract Conversion Date	February 2017 – June 30, 2017

There are references in this RFP to the Proposal due date. Offerors must assume, unless it is clearly stated to the contrary, that any such reference means the date and time (Columbus, OH local time) that the Proposals are due. Proposals received after 1:00 P.M. on the due date will not be evaluated.

1.3.10 Minority Business Enterprise Program (MBE).

The State is committed to making more State contracts and opportunities available to minority business enterprises (MBE) certified by the Ohio Department of Administrative Services pursuant to Section 123.151 of the Ohio Revised Code and Rule 123:2-15-01 of the Ohio Administrative Code. This RFP contains a sheltered solicitation requirement which encourages Offeror to seek and set aside a portion of the Work to be exclusively performed by Ohio certified MBE businesses. For more information regarding Ohio MBE certification requirements, including a list of Ohio certified MBE businesses, please visit the DAS Equal Opportunity Division web site at:

<http://das.ohio.gov/Divisions/EqualOpportunity/MBEEDGECertification/tabid/134/default.aspx>

To search for Ohio MBE Certified Providers, utilize the following search routine published on the DAS Equal Opportunity Division website:

1. Select "Locate MBE Certified Providers" as the EOD Search Area selection;
2. Select "MBE Certified Providers" link;
3. On the subsequent screen select "All Procurement Types" as a search criterion;
4. Select "Search"; and
5. A list of Ohio MBE Certified Service Providers will be displayed.

In seeking solicitations from Ohio certified MBE subcontractors, the Offeror must:

1. Utilize a competitive process to which only Ohio certified MBEs may respond;
2. Have established criteria by which prospective Ohio MBEs will be evaluated including business ability and specific experience related to the Work requirements; and
3. Require the Ohio certified MBE maintain a valid certification throughout the term of the Contract, including any renewals.

After award of the RFP, the Contractor must submit a quarterly report(s) and/or form to the agency representative or designee, and a copy to the DAS Procurement Analyst, documenting the work performed by and payments made to the MBE subcontractor(s). This RFP provides details on the report(s) and/or form and the timing on filing.

MBE Subcontractor Plan

Pre-award identification of Ohio certified MBE subcontractor and Contractor selected percentage: Offeror's Proposal must include an Ohio certified MBE subcontractor plan (Plan). The Plan must (a) state the specific percentage of the cost of the Work that it will set aside for Ohio certified MBE subcontractors only; (b) include a description of a competitive process used for the selection of Ohio certified MBE subcontractors to which only Ohio certified MBEs responded; and (c) identification of proposed portions of the Work to be performed by Ohio certified MBE subcontractors. The TelSell portion of the project may not be subcontracted.

1.4 SCOPE OF WORK

The following describes the Project and what the Successful Contractor must do to complete the project satisfactorily. It also describes what the Awarded Contractor must deliver as part of the completed Project (the "Deliverables"). The Program and Services consist of the following:

1. Data Processing.
2. Warehouse Operations
3. Security Management
4. Staffing Plan
5. Management of a Telephone Based Order System
6. Management of Instant Tickets and Gaming Supply Inventory
7. Packaging and Delivery of Instant Tickets and Gaming Supplies
8. Management of Return Receipt Instant Tickets and Gaming Supplies
9. Destruction of Instant Tickets
10. Implementation Plan
11. Anticipated Difficulties and Solutions
12. MBE Subcontracting Plan

OPTIONAL ITEMS, ENHANCEMENTS AND SERVICES

The Lottery is seeking innovative and creative ideas that may increase the effectiveness of its current operation. Offerors are encouraged to submit potential improvements, optional items and/or creative services that would improve upon the current Cooperative Services for the Instant Ticket Warehousing, Distribution, and TelSell Services Program.

1.4.1 Data Processing.

- A. The Awarded Contractor will be provided with the following data processing hardware and software components from the existing online gaming vendor:
 - 1) Secure real-time data connection from the current vendor's facility to the Lottery's gaming system.
 - 2) Inbound call routing from the Lottery Customer Service Hotline.
- B) The Awarded Contractor may be provided with the following data processing software components from the existing online gaming vendor or may choose to provide an alternate software solution. Said solution must integrate with the current gaming system.
 - 1) Intralot's IntraSell software application to support TelSell and retailer account functions and services. The system will be capable of supporting up to one hundred (100) users with varying privileges assigned by and agreed to by the Lottery. Access to the system and test data will be provided to the Awarded Contractor once a Non-Disclosure Agreement is signed with the current online vendor.
 - 2) The IntraSell software application supports warehousing, physical inventory control, packaging, distribution, returns, and destruction with a broad range of features including the following:
 - a. The software employs combinations of auditory, color, and shading cues on the order processing workstations to help make order distribution efficient and accurate. Orders will be dispatched from TelSell to the packing stations in the order received, unless they are designated as priority.
 - b. Orders are displayed on the order packager's screen and show order information such as retailer, game and number of books needed, books scanned, orders in queue, courier to be used, etc.
 - c. The software prints labels and manifest upon scanning of last book in the order.
 - d. The software permits an order to be divided and will generate separate manifests and multiple shipping labels.
 - e. The software generates an export file acceptable to UPS, or other common courier(s).
 - f. The software does not pre-assign books and will provide an Auto-Order module for new game orders; and
 - g. The software processes returned full-books into available inventory and re-issue when appropriate.
 - 3) The IntraSell software application generates a series of TelSell and order fulfillment reports; including packer statistics; game carton lookup; courier manifest reports; pending and filled order detail; and returns information.

In addition to these reports, the Offeror can suggest alternative methods to create specialized reports that would benefit the program, as well as upgrades to the current software.

- C. The Awarded Contractor shall provide the following data processing hardware and software components:
 - 1) All workstation hardware and operating systems for the TelSell, Pick and Pack area, and administrative stations including manifest and label printers.
 - 2) A dedicated toll-free number for incoming retailer calls and all outbound call services.
 - 3) Adequate security for any applications and/or network connections or configurations to protect the Lottery such as firewalls, virus protection and intrusion detection.

The Offeror shall describe its experience in 3rd party gaming system and/or logistics software similar to the software that will be provided under this RFP.

Offeror's Work Plan shall describe, in detail, how it meets the requirements in sections B and C.

1.4.2 Warehouse Operations

The Awarded Contractor will provide one secured location for the receipt, inventory, warehousing, and distribution of Lottery Instant Tickets, and Gaming Supplies, and for the TelSell operations within 30 miles of Lottery Headquarters located at 615 W. Superior Ave., Cleveland, OH 44113. The Awarded Contractor will be solely responsible for any build out for this facility including offices, physical security systems and environmental systems. Responsibility for maintaining the physical security of the location and the Contractor's personnel shall rest with the Contractor. The Lottery requires a facility of sufficient size to accommodate current operations and future growth.

Offeror must:

- A. Provide two (2) dedicated, secured and suitably furnished offices within the facility. This space may be used by the Lottery management, security personnel, or other Lottery personnel as necessary to coordinate and monitor TelSell and warehousing activities.
- B. Describe the proposed location of the warehousing facility.
- C. Provide the physical hours for the facility.
- D. Provide the proposed hours for accepting delivery from Lottery suppliers, (e.g., SGI, IGT, UPS, etc.)
- E. Describe the proposed size of the TelSell section within the facility.
- F. Describe the physical layout of the packing and staging area.
- G. Describe the heating/cooling/ventilation control system of the entire warehouse.
- H. Provide a Business Continuity and Disaster Recovery Plan. The plan must describe how the plan will protect the Lottery from financial loss in the event of a disaster that impacts the warehousing, processing of instant ticket and consumable orders, TelSell services, and all other services that is provided via the warehouse. The Awarded Contractor must provide an updated Business Continuity/Disaster Recovery plan with each contract renewal.
- I. Describe any training/certification for operating warehouse equipment, (e.g. forklift).
- J. Outline safety/educational programs for warehouse employees

Offeror's Work Plan shall detail how it will meet the requirements for Warehouse Operations.

1.4.3 Security Management

Operational integrity is the Lottery's highest priority; and therefore, the Awarded Contractor's facilities and staff shall conform to any and all security measures deemed necessary. The Awarded Contractor shall have comprehensive security system to protect the Lottery's interest. All procedures and controls regarding the security of the warehouse must be approved by the Lottery.

The Awarded Contractor must provide that:

- A. No staff members have been convicted of a crime involving moral turpitude or an offense involving illegal gambling or have been found guilty of fraud or misrepresentation in any manner by submitting to a background check. The Lottery will conduct vendor staff background checks at its expense.
- B. Their staff will comply with security requirements and shall describe existing measures to ensure integrity of operations by their staff.
- C. Security standards will be established by the Security Office of the OLC for using subcontractors.
- D. A secured warehouse area in which the lottery tickets and other materials are to be stored. The facility must be equipped with a complete plant security system that is acceptable to the Lottery. The warehouse will be inspected for security after contract award if the Lottery deems such an inspection is necessary.
- E. Security controls, including access control to areas for all areas deemed "sensitive" by the Lottery Security Department. The Awarded Contractor must have an electronic access control system in place (card or biometric). Access control records to areas determined by the Lottery to be sensitive, must be retained for no less than one (1) year and available to the Lottery upon request. Facility access records will be retained for a minimum of six (6) months. Describe the controls and procedures in place at the warehouse facility.
- F. Access control to the facilities will be controlled by a ProWatch digital proximity access control system consistent with the system currently in use at the Lottery. There must be a keypad located at each entry/exit main door and any access door to any space used exclusively by Lottery personnel. The Awarded Contractor shall be responsible for installation and the system must communicate with a number installed in the Lausche Building.

- G. Security equipment and procedures. At a minimum the Awarded Contractor must install and administer a color, digital, surveillance CCTV system with enough camera capacity to monitor all instant ticket storage areas, and interior and exterior loading dock areas, and any other sensitive facility areas, as determined by the Lottery Security Department. Cameras must have tilt, pan, and zoom features (mechanical or digital). Each camera must have no less than 1080p resolution. Two (2) cameras, as designated by the Lottery, must have 4k resolution. Video storage must be no less than 90 days at 30fps. Enterprise level viewing software must be made available that provides the Lottery Security Department with 24/7 remote viewing capability to the cameras and recordings, using H.264 or newer compression and the appropriate network infrastructure in place to allow for smooth streaming video. The Awarded Contractor will provide the equipment necessary for transmission to and reception at the Lottery Security Office.
- H. A burglar alarm/intrusion detection and monitoring system must be installed to prevent unauthorized access to the facility. All perimeter doors and overhead doors must have door contacts, sound discriminators to protect all perimeter windows and motion detectors to protect all warehouse space and hallways. The Awarded Contractor will designate available personnel to respond to alarms after hours. The Awarded Contractor shall notify the Lottery, Office of Security, of any alarm received at the location(s).
- I. Fire and Flood prevention detection equipment and procedures in place to prevent and detect fire as well as flooding.

Offeror's Work Plan shall define its Security Management Plan to cover each item above.

1.4.4 Staffing Plans

The Lottery expects the Awarded Contractor to play a significant role in the Lottery's Warehouse, Distribution, and TelSell Program. The Lottery will not accept temporary warehouse employees with the intent of replacing fulltime permanent employees. However, during peak or high volume seasonal sales periods the Lottery will agree to discuss the possible need for temporary warehouse employees. The Lottery will not be financially responsible for additional workers.

If an employee resigns or is terminated (whether voluntary or involuntary), the Awarded Contractor will have 60 business days to fill the position.

The Lottery reserves the right to require additional staff based on operational needs and sales growth; the Lottery will not be financially responsible for additional workers.

It is required for the Offeror to fully describe in its Work Plan the staffing plans for the following areas to ensure that the proper number of employees are employed based on current sales levels and future sales growth for all areas of the Warehouse, Distribution, and TelSell Program:

- A. Management Staff
- B. TelSell Employees
- C. Warehouse Employees

1.4.5 Management and Staffing Of a Telephone Based Order System

The Awarded Contractor will be required to provide a fully functional telephone based ordering system (TelSell) to process retailer orders. It is important for the staffing of the TelSell system to understand and be trained on the various attributes of Ohio Lottery's Instant Ticket games, as well as the nuances of the product, (e.g., ticket attributes, and price points, top prizes, sales data, payout percentages, and suggestive ordering based on the individual retailer product mix.). This portion of the project may not be subcontracted.

Offerors are encouraged to suggest other options to enhance Intralot's IntraSell module. All options would be at the Offeror's expense.

- A. Offeror's Work Plan must:
 - 1. Describe, in detail, the solution, features, and capabilities of the TelSell based ordering system if the Offeror has chosen to use their own software solution.
 - 2. Describe the plan to successfully contact retailers (e.g. daily, weekly, bi-weekly, etc.).
 - 3. Describe how inventory and sales levels will be reviewed.
 - 4. Describe how sold out inventory will be tracked and monitored at the retailer level.
 - 5. Describe the reports available and if those reports provide near real-time status, (e.g. Shipments, Issues, Actives, Settles, etc.).
 - 6. Describe the ability to restrict an order for a retailer from being placed for various reasons.
 - 7. Describe the ability to perform prognostic ordering. Describe the capabilities associated with this requirement.
 - 8. Describe the call/voice recording system. The description must include how calls are maintained, call volume, call length, and the format in which calls are recorded, and how the Lottery will access call to review. The Lottery reserves the right to monitor all TelSell calls to retailers.

9. Describe the operational days and times for the onsite TelSell operations; also identify any and all dates that the facility will be closed (e.g., Holidays).
10. Describe how order processing would be scheduled, including the volume of retailer accounts that would be handled by any one TelSell person in a single day.
11. Describe the procedures for expedited or emergency orders from retailers and/or LSRs.
12. Describe the quality control processes (e.g., frequency of monitoring; processes, etc.) for TelSell calls and the reports provided to the OLC.
13. Describe how TelSell Representatives will be assigned to retailers, (i.e. by geographic location, by district, by region, etc.).
14. Outline the details on training new and existing TelSell Representatives. Will there be customer service training available from outside entities?
15. Describe the ability to provide retailers information regarding their order history, dispenser count, and other relevant information.
16. Describe how multiple call schedules for the TelSell Representatives are assigned. Describe the capabilities associated with this requirement as well as the call features associated with the Program.
17. Describe how orders are identified (e.g. Normal, Emergency, and Trunk Stock etc.). Describe the capabilities associated with this requirement.

B. The Awarded Contractor must:

1. Maintain a disaster/recovery plan for TelSell Services.
2. Provide the Lottery with annual reports regarding vendor's employee performance.
3. Provide six (6) headsets for the Lottery to be able to monitor live calls for training and quality purposes.
4. Provide an 800 number at the Contractor's expense for incoming customer service calls, and sufficient outbound calls.

1.4.6 Management of Instant Tickets and Gaming Supply Inventory

The Awarded Contractor will be responsible for all inventories upon receipt at the warehouse facility.

Offeror's Work Plan must:

- A. Describe the processes to be followed during the arrival and return of Instant Tickets and Gaming Supplies and the methods for tracking incoming inventory from Instant Ticket Vendors, suppliers, and regional offices.
- B. Describe the ability to restock full ticket packs and redistribute full Instant Ticket packs and gaming supplies when appropriate.
- C. Describe the method to be used performing a physical inventory to account for every instant ticket game at the end of the life cycle and the procedures to be used for resolving discrepancies. Note: All games are new games, returns, and closed games.
- D. Describe the security plan detailing the movement and transportation of Instant Tickets and Gaming Supply Inventory.

1.4.7 Packaging and Delivery of Instant Tickets and Gaming Supplies

The Awarded Contractor will be expected to package orders entered by the TelSell Representative in a secure fashion. Currently, retailers receive an inventory listing manifest document with their Instant Ticket package (Attachment Five). Retailers must continue to receive this information for both Instant Tickets and Gaming Supplies. The Lottery requires limits of maximum weight for packaging for shipment. Such limits will be negotiated upon award. All instant ticket orders and gaming supplies must be delivered within twenty-four (24) hours of the order placement Monday through Friday. Note: Friday orders must arrive at the retailer location on the following Monday.

A. Offeror's Work Plan must:

1. Describe the packing materials that will be used for the packaging of Instant Tickets and Gaming Supplies to handle packaging for delivery to retailers. Offeror may propose alternative packaging methods and/or materials than those currently in use. This description should also indicate planned size and weight limits on packages.
2. Provide the details on the equipment that will be used (e.g., racking system, automated equipment, etc.). Note: The equipment that will be used must be described in detail; the type of equipment, the age of equipment, maintenance details, new/used/refurbished, etc.
3. Describe the picking and packing control procedures.
4. Describe the process for packaging orders and the ability to prioritize orders if appropriate.
5. Describe the proposed method for delivery and, if applicable, the criteria to be used for the selection of couriers or proposed method. The Awarded Contractor shall include a justification of the distribution method recommended, and demonstrate that its recommendation is the most cost-effective method available.
6. Provide a plan for delivery to retailers in every geographic part of the State. Identify any geographically distanced areas which may have a different timeframe for delivery.
7. Confirm that all delivery staff, whether Contractor's staff or subcontractor's staff, shall utilize communications link and be in regular contact with a dispatcher.

8. Describe the procedures used by the delivery service to verify receipt of all orders and how discrepancies will be resolved. Describe what information and in what format the information will be sent to the Lottery and Awarded Contractor for verification.
9. Describe the capabilities associated with the ability to monitor warehouse inventory levels in real-time.
10. Provide a detailed distribution plan. Quality control procedures must be included. A plan for the delivery of emergency orders to retailers must also be included, (e.g. Saturday, Sunday, inclement weather, etc.).
11. Provide back-up procedures for the delivery of Instant Tickets and Gaming Supplies should the primary delivery service become unavailable.
12. Describe the plan to be used for initial allocation of Instant Tickets for the introduction of a new instant game. During instant game launch, the Awarded Contractor shall be expected to ship additional game related launch POS items.
13. Describe the plan to be used for managing initial allocations while processing daily orders.
14. Describe the ability to provide recommended quantities for a new game allocation while maintaining regular daily orders and any promotions, and describe basis for this ability.

B. The Awarded Contractor must:

1. Provide a detailed plan for the packaging of Instant Ticket Games and Supplies.
2. Package and deliver all orders for Instant Tickets and Gaming Supplies within twenty-four (24) hours of the order placement Monday through Friday.
3. Deliver a limited number of Instant Ticket books to the nine (9) Lottery Regional Offices upon Lottery request. These deliveries shall be at the Contractor's expense.
4. Develop procedures and processes for the documentation of lost or stolen Instant Tickets and Gaming Supplies by the courier service, as well as procedures for notifying the Lottery of such losses.
5. Provide the procedures on training new and existing warehouse staff.

1.4.8 Management of Returned of Instant Tickets and Gaming Supplies

The Awarded Contractor shall retrieve full and partial lot Instant Tickets and Gaming Supplies from Regional locations at game close and throughout the life cycle of the game.

Offeror's Work Plan must:

- A. Describe the method of returning all books from the Lottery Regional Offices back to the Offeror's Warehouse.
- B. Detail the procedures that will be used to process, document, and store all Instant Tickets that are returned from Lottery Regional Offices.
- C. Describe the process of retrieving Instant Ticket Returns from Lottery Regional Office. Note: The Awarded Contractor is responsible for the costs associated with the shipment of returned Instant Ticket packs from all lottery offices to the Contractor's warehouse for processing.

1.4.9 Destruction of Instant Tickets

The Lottery desires a comprehensive instant ticket destruction program that contains green or eco-friendly environmental elements.

Offeror's Work Plan shall provide:

- A. The description of the location where instant tickets will be destroyed. If remotely, please describe the plan.
- B. The procedures for the destruction and disposal of all processed Instant Ticket returns and/or other materials.
- C. Any environmental concerns regarding Instant Ticket disposal and offer possible solutions to those concerns.
- D. In detail, if the Offeror will use their own equipment to destroy the tickets and other materials.

1.4.10 Implementation Plan

The Awarded Contractor shall be responsible for developing and implementing a plan to convert the existing instant ticket inventory, and set up related facilities, arrange for necessary services for transferring current inventory.

Offeror must provide the following items in its proposed Implementation Plan as part of the Work Plan:

- A. Initial phases should include comprehensive technical specifications for any programming required of the OLC.
- B. Timelines with plans for staffing and transitions.
- C. An implementation plan for transferring Instant Tickets distribution responsibility from the Current Vendor. This plan will address the return of Instant Ticket and Gaming Supply inventory from the Current Vendor and the transfer of inventory to the new distribution warehouse.
- D. Describe the plan that will have a functioning TelSell system and staff capable of contacting retailers, process orders, and ship orders within the warehouse/ distribution facility on July 1, 2017.

- E. The timeline for implementation based upon the number of weeks required for the system to be operational. Timeline should indicate major milestones, as well as any OLC responsibilities.
- F. The method that will be used to train LSRs on the new order receipt and return processes. If possible, sample training materials should be provided.
- G. The training methods that will be used for Retailers regarding the new order receipt and return processes. If possible, sample training materials should be provided.
- H. An overview of the training materials/programs that will be provided to the TelSell staff.
- I. Timeline for the development of procedures for OLC review.
- J. A detailed plan if a temporary warehouse will be used during the transition period.
- K. Staffing plan for the transition to include but not limited to, a dedicated Business Analyst to gather and document requirements. Describe the team that will part of the implementation.

The Awarded Contractor will:

- A. Be allowed access to the IntraSell Software Application once a Non-Disclosure Agreement is signed with the current Online Vendor.
- B. Upon acceptance of the winning bid, the Lottery, the Awarded Contractor and the Gaming Systems Vendor must mutually agree to a detailed acceptance testing plan and timeframe for completion.
- C. Have access to the entire system, or initial phases of the system, once a Non-Disclosure Agreement is signed with the current Online Vendor.

1.4.11 Anticipated Difficulties and Solutions

Offeror shall address potential difficulties, recommended solutions to the difficulties, and any assumptions used in developing those solutions.

- 1.5 CONFIDENTIAL, PROPRIETARY OR TRADE SECRET INFORMATION DAS procures goods and services through a RFP in a transparent manner and in accordance with the laws of the State of Ohio. All proposals provided to DAS in response to this RFP become records of DAS and as such, will be open to inspection by the public after award unless exempt from disclosure under the Ohio Revised Code or another provision of law. Refer to section 5.1.6 in the Instructions.
- 1.6 REGISTRY OF OFFERORS DAS will prepare a registry of Proposals containing the name and address of each Offeror. The registry will be on the Office of Procurement Services Web site and available for public inspection after the Proposals are received.
- 1.7 PROPOSAL SUBMITTAL Offeror must submit both a "Technical Proposal" and a "Cost Proposal" as a part of its Proposal package. These are two separate components which shall be submitted in separate sealed envelopes/packages, clearly identified on the exterior as either "Technical Proposal" or "Cost Proposal" with CSP903117 and due date on each. Offeror must submit this signed cover page with its technical Proposal. Offeror shall mark the correct CSP number on all envelopes/packages. Refer to section 5.1.5 in the Instructions for further detail.

The State wants clear and concise Proposals; simply repeating information from the RFP document will not be considered a complete response. Offeror should, however, take care to completely answer questions and meet the RFP's requirements thoroughly. All Offerors, including current contract holders, if applicable, must provide detailed and complete responses as Proposal evaluations, and subsequent scores, are based solely on the content of the Proposal. No assumptions will be made or values assigned for the competency of the Offeror whether or not the Offeror is a current or previous contract holder.

The State will not be liable for any costs incurred by an Offeror in responding to this RFP, regardless of whether the State awards the Contract through this process, decides not to go forward with the Project, cancels this RFP for any reason, or contracts for the Project through some other process or by issuing another RFP.

- 1.8 NUMBER OF PROPOSALS TO SUBMIT Offeror must submit one (1) original, completed and signed in blue ink, and seven (7) copies for a total of eight (8) Proposal packages.

In addition to the printed copies of the Proposal, the Technical Proposal must be submitted on eight (8) CDs or jump-drives using a Microsoft Word, Microsoft Project or PDF file, as appropriate. The electronic version should include all proposal sections within a single file to facilitate searches for terms across the breadth of the Proposal excluding the Pricing Section which should be placed on its own CDs. If there is a discrepancy between the hard copy and the electronic copy of the Technical Proposal, the hard copy will control, and DAS will base its evaluation of the Offeror's Proposal on the hard copy.

The State requests that both the Technical and Cost Proposals be written in 12 point Arial font.

2.0 EVALUATION OF PROPOSALS

2.1 MANDATORY REQUIREMENTS The following table contains items that are Mandatory Requirements for this RFP.

Determining the Offeror’s ability to meet the Mandatory Requirements is the first step of the DAS evaluation process. The Offeror’s response must be clearly labeled “Mandatory Requirements” and collectively contained in Tab 2 of the Offeror’s Proposal in the “Offeror Required Information and Certification” section.

DAS will evaluate Tab 2 alone to determine whether the Proposal meets all Mandatory Requirements (accept/reject). If the information contained in Tab 2 does not clearly meet every Mandatory Requirement, the Proposal may be disqualified by DAS from further consideration.

TABLE 1 - MANDATORY PROPOSAL REQUIREMENTS

Mandatory Requirements
1. Offeror must submit documentation that it can provide a dedicated \$1 million dollar line of credit to be maintained throughout an awarded Contract.
2. Offeror must confirm agreement to the audit requirements contained in this RFP, to be audited by the Auditor of State, and/or the Ohio Lottery Commission.
3. Offeror must have had a Contract for delivery systems and/or warehousing, distribution, and TelSell services within five (5) of the last six (6) years. Offeror must identify all North American Lotteries which contracted with the Offeror for a combined delivery systems and/or warehousing, distribution, and TelSell (telemarketing) including dates of the Contracts. The TelSell services provided must be specifically related to lottery retailer calls.

If the State receives no Proposals meeting all of the mandatory requirements, the State may elect to cancel this RFP.

2.2 PROPOSAL EVALUATION CRITERIA If the Offeror provides sufficient information to DAS in its Proposal, demonstrating it meets the Mandatory Requirements, the Offeror’s Proposal will be included in the next step of the evaluation process which involves the scoring of the Proposal Technical Requirements (Table 3), followed by the scoring of the Cost Proposals. In the Proposal evaluation step, DAS rates the Proposals based on the following listed criteria and the weight assigned to each criterion. The possible points allowed in this RFP are distributed as indicated in the Table 2 - Scoring Breakdown.

2.3 TABLE 2 - SCORING BREAKDOWN

Criteria	Maximum Allowable Points
Proposal Technical Requirements	1075 Points
Proposal Cost	630 Points
MBE Subcontracting Plan	95 Points
Total	1800 Points

2.4 **SCORE RATINGS** The scale below (0-5) will be used to rate each proposal on the criteria listed in the Technical Proposal Evaluation table.

DOES NOT MEET 0 POINTS	WEAK 1 POINT	WEAK TO MEETS 2 POINTS	MEETS 3 POINTS	MEETS TO STRONG 4 POINTS	STRONG 5 POINTS
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DAS will score the Proposals by multiplying the score received in each category by its assigned weight and adding all categories together for the Offeror's Total Technical Score in Table 3. Representative numerical values are defined as follows:

DOES NOT MEET (0 pts.): Response does not comply substantially with requirements or is not provided.

WEAK (1 pt.): Response was poor related to meeting the objectives.

WEAK TO MEETS (2 pts.): Response indicates the objectives will not be completely met or at a level that will be below average.

MEETS (3 pts.): Response generally meets the objectives (or expectations).

MEETS TO STRONG (4 pts.): Response indicates the objectives will be exceeded.

STRONG (5 pts.): Response significantly exceeds objectives (or expectations) in ways that provide tangible benefits or meets objectives (or expectations) and contains at least one enhancing feature that provides significant benefits.

2.5 **TABLE 3 - TECHNICAL PROPOSAL EVALUATION**

Criterion	Weight	Rating (0 to 5)	Extended Score
Corporate Capabilities			
1. Offeror must demonstrate a minimum of five (5) continuous year's history from the Proposal submittal date performing the services outlined within the Scope of Services.	5		
2. Offeror must describe their experience and use in 3rd party gaming system and/or logistics software similar to the software that will be provided under this RFP.	5		
Offeror Prior Projects			
1. The Offeror provides three (3) prior projects where similar services may be reviewed and confirmed, with projects of similar size and scope. (Complete Form 5.2.4 for each project).	5		
Project Manager			
1. Offeror must name a Project Manager and detail qualifications of the individual. (Complete Forms 5.2.5 and 5.2.6 for proposed Project Manager).	5		
Work Plan. Offeror's Work Plan must clearly describe, in detail, how it will meet the following as described in the Scope of Work.			
1. Data Processing	10		
2. Warehouse Operations	30		
3. Security Management	20		
4. Staffing Plan	35		
5. Management of a Telephone Based Order System	25		
6. Management of Instant Tickets and Gaming Supply Inventory	20		
7. Packaging and Delivery of Instant Tickets and Gaming Supplies	15		
8. Management of Return Receipt of Instant Tickets and Gaming Supplies	15		
9. Destruction of Instant Tickets	10		
10. Implementation Plan	10		
11. Anticipated Difficulties and Solutions	5		

Total Technical Score: _____

- 2.6 PRESENTATIONS AND SITE VISITS DAS may require top Offerors to make presentations. Such presentations will provide an Offeror with an opportunity to present its Proposal and to ensure a mutual understanding of the Proposal's content. This will also allow DAS and the Agency an opportunity to test or probe the professionalism, qualifications, skills, and work knowledge of the proposed candidates. The interviews will be scheduled at the convenience and discretion of DAS and the Agency. DAS or the Agency may record any presentations. Presentations will be scheduled to be held in Strongsville, Ohio at the vendor's expense, if applicable.

DAS and the Lottery may choose to make site visits as part of the evaluation process. These site visits would be made to other states' instant ticket distribution centers. The State will select the locations and dates of any site visits. The site visits will be at the State's expense.

In this RFP, DAS asks for responses and submissions from Offerors, most of which represent components of the above criteria. While each criterion represents only a part of the total basis for a decision to award the Contract to an Offeror, a failure by an Offeror to make a required submission or meet a mandatory requirement will normally result in a rejection of that Offeror's Proposal. The value assigned above to each criterion is only a value used to determine which Proposal is the most advantageous to the State in relation to the other Proposals that DAS received.

Once the technical merits of a Proposal are evaluated, the costs of that Proposal will be considered. It is within DAS' discretion to wait to factor in a Proposal's cost until after the conclusion of any interviews, presentations, demonstrations or discussions. Also, before evaluating the technical merits of the Proposals, DAS may do an initial review of costs to determine if any Proposals should be rejected because of excessive cost. DAS may reconsider the excessiveness of any Proposal's cost at any time in the evaluation process.

- 2.7 COST PROPOSAL POINTS DAS will use the information the Offeror submits on the Cost Summary Form to calculate Cost Proposal Points. DAS will calculate the Offeror's Cost Proposal points after the Offeror's total technical points are determined, using the following method:

Cost points = (lowest Offeror's cost/Offeror's cost) x Maximum Allowable Cost Points as indicated in the "Scoring Breakdown" table. "Cost" = Percentage of Sales as identified in the Cost Summary section of Offeror's Proposal. In this method, the lowest cost proposed will receive the maximum allowable points.

The number of points assigned to the cost evaluation will be prorated, with the lowest accepted Cost Proposal given the maximum number of points possible for this criterion. Other acceptable Cost Proposals will be scored as the ratio of the lowest Cost Proposal to the Proposal being scored, multiplied by the maximum number of points possible for this criterion.

An example for calculating cost points, where Maximum Allowable Cost Points Value = 60 points, is the scenario where Offeror X has proposed a cost of \$100.00. Offeror Y has proposed a cost of \$110.00 and Offeror Z has proposed a cost of \$120.00. Offeror X, having the lowest cost, would get the maximum 60 cost points. Offeror Y's cost points would be calculated as \$100.00 (Offeror X's cost) divided by \$110.00 (Offeror Y's cost) equals 0.909 times 60 maximum points, or a total of 54.5 points. Offeror Z's cost points would be calculated as \$100.00 (Offeror X's cost) divided by \$120.00 (Offeror Z's cost) equals 0.833 times 60 maximum points, or a total of 50 points.

Cost Score: _____

- 2.8 MBE SUBCONTRACTING PLAN POINTS In the Evaluation Scoring Formula of the RFP, the Offeror who identifies one or more qualified Ohio certified MBE subcontractor and has the highest percentage of its cost proposal set aside exclusively for identified Ohio certified MBE subcontractors' Work will receive the maximum number of points set forth in the RFP. The remaining Offerors will receive a percentage of the maximum points allowed. Offerors who do not identify a percentage to be set aside for Ohio certified MBE subcontractors or do not identify one or more Ohio certified MBE subcontractor will receive zero points.

- 2.9 FINAL STAGES OF EVALUATION The Offeror with the highest point total from all phases of the evaluation (Technical Points + Cost Points) will be recommended for the next phase of the evaluation.

Technical Score: _____ + Cost Score: _____ = Total Score: _____

If DAS finds that one or more Proposals should be given further consideration, DAS may select one or more of the highest-ranking Proposals to move to the next phase. DAS may alternatively choose to bypass any or all subsequent phases and make an award based solely on the Proposal evaluation phase.

- 2.10 REJECTION OF PROPOSALS DAS may reject any Proposal that is not in the required format, does not address all the requirements of this RFP, or that DAS believes is excessive in price or otherwise not in the interest of the State to consider or to accept. In addition, DAS may cancel this RFP, reject all the Proposals, and seek to do the Work through a new RFP or by other means.

3.0 COST SUMMARY

3.1 SUBMISSION The Cost Summary shall be submitted with the Proposal (under separate cover labeled as the Cost Proposal). All prices, costs, and conditions outlined in the Proposal shall remain fixed and valid for acceptance for 120 days, starting on the due date for Proposals. No price change shall be effective without prior written consent from DAS, Office of Procurement Services.

The Offeror's total cost for the entire Work must be represented as the Percentage of Sales. All costs for furnishing the services must be included in the Cost Proposal.

3.2 THE OFFEROR'S FEE STRUCTURE The Contractor will be paid as proposed on the Cost Summary after the Agency approves the receipt of product(s)/services and continued completion of all deliverables. All costs must be in U.S. Dollars.

3.3 REIMBURSABLE EXPENSES None; there will be no additional reimbursement for travel or other related expenses. The State will not be responsible for any costs not identified.

3.4 BILL TO ADDRESS
To be more efficient in our payment processing time, all billing/invoicing must be submitted to one of two payment options below; please do not submit to both.

Mail:
Ohio Shared Services
PO Box 182880
Columbus, OH 43218-2880

-Or-

E-mail:
www.invoices@ohiogov

To avoid payment delays, please ensure the Purchase Order number (which will be provided upon contract award) is included on all invoice(s).

See Attachment Six for Billing Methodology.

Cooperative Services for the Ohio Lottery Commission
CSP903117
UNSPSC CATEGORY CODES: 78131800, 80140000, 1411800

OFFEROR: _____

Pricing shall be given as a percentage of sales.

Pricing as a percentage of gross Instant Ticket sales in the format x.ddd percent, where x represents the whole number value and "d" represents decimal digits.

FISCAL YEAR JULY 1 TO JUNE 30	PRICING AS A PERCENT OF SALES
Fiscal 2018	%
Fiscal 2019	%
Fiscal 2020	%
Fiscal 2021	%
Fiscal 2022	%
Fiscal 2023	%
Fiscal 2024	%
Fiscal 2025	%

Historical figures for instant ticket sales

FY2015 - \$1,424,883,215
FY2016 (est.) - \$1,550,122,202

The following items are to be included in the costs given above:

1. Data Processing.
2. Warehouse Operations
3. Security Management
4. Staffing Plan
5. Management of a Telephone Based Order System
6. Management of Instant Tickets and Gaming Supply Inventory
7. Packaging and Delivery of Instant Tickets and Gaming Supplies
8. Management of Return Receipt Instant Tickets and Gaming Supplies
9. Destruction of Instant Tickets
10. Implementation Plan
11. All requirements related to management of instant tickets and supplies.
12. Optional items accepted by the State will become additional items to the scope of work.

Additional offered items:

Warehousing and Delivery of certain Point of Sale Items:

Warehouse pricing is dependent upon weight, quantity, size, and other parameters and will be agreed upon by the Awarded Contractor and the Ohio Lottery Commission on an individual basis prior to delivery to the warehouse.

Pricing for delivery of the above Point of Sale items:

Weight (in Pounds)	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024	Fiscal 2025
Up to 3	\$	\$	\$	\$	\$	\$	\$	\$
3 – 4	\$	\$	\$	\$	\$	\$	\$	\$
4 – 5	\$	\$	\$	\$	\$	\$	\$	\$
5 – 6	\$	\$	\$	\$	\$	\$	\$	\$
6 – 7	\$	\$	\$	\$	\$	\$	\$	\$
7 – 8	\$	\$	\$	\$	\$	\$	\$	\$
8 – 9	\$	\$	\$	\$	\$	\$	\$	\$
9 – 10	\$	\$	\$	\$	\$	\$	\$	\$
10 – 11	\$	\$	\$	\$	\$	\$	\$	\$
11 – 12	\$	\$	\$	\$	\$	\$	\$	\$
12 – 13	\$	\$	\$	\$	\$	\$	\$	\$
13 – 14	\$	\$	\$	\$	\$	\$	\$	\$
14 – 15	\$	\$	\$	\$	\$	\$	\$	\$
15 – 16	\$	\$	\$	\$	\$	\$	\$	\$
16 – 17	\$	\$	\$	\$	\$	\$	\$	\$
17 – 18	\$	\$	\$	\$	\$	\$	\$	\$
18 - 19	\$	\$	\$	\$	\$	\$	\$	\$
19 – 20	\$	\$	\$	\$	\$	\$	\$	\$

NOTE: For each pound over 20 pounds there shall be an incremental charge of \$0.50 per pound for all fiscal years (for example, a 22 pound shipment in FY2018 would be priced at \$"the rate" + \$0.50 + \$0.50 = \$"the rate" + \$1.00.

All Offerors who seek to be considered for a contract award must submit the above information in the format specified. The Original Cost Summary must be included in a separate, sealed envelope/package labeled on the exterior as "Cost Proposal" with the RFP Number and due date. All costs must be in U.S. dollars.

Cost of Performance Bond: _____

Pick/Pack Option

Receipt, processing and repacking certain Lottery promotional materials to create sales kits in support of retailer promotions/product launches. This will include the inside packing materials and template to pack:

Pick/Pack Pricing (NOT USED IN EVALUATION)	
Hourly labor rate:	\$
Materials per pack:	\$

IDENTIFICATION OF OHIO CERTIFIED MBE SUBCONTRACTOR AND CONTRACTOR SELECTED PERCENTAGE. If offered, the Offeror's proposal must include an Ohio certified MBE subcontractor plan (Plan). The Plan must (a) state the specific percentage of the cost of the Work that it will set aside for Ohio certified MBE subcontractors only; (b) include a description of a competitive process used for the selection of Ohio certified MBE subcontractors to which only Ohio certified MBEs responded; and (c) identification of proposed portions of the Work to be performed by Ohio certified MBE subcontractors.

TRACKING. The Offeror shall indicate on all invoices submitted to the Agency the dollar amount attributed to the Work provided by the selected Ohio certified MBE subcontractors along with documentation of the Ohio certified MBE subcontractor's activities. Offeror shall report all Ohio certified MBE subcontractor payments under this Contract monthly to the Agency. Compliance with Offeror's proposed cost set-aside percentage is a term of this contract and failure to attain the proposed percentage by the expiration of the contract may result in the Offeror being found in breach of contract.

REMEDIES

MODIFICATION OR WAIVER. Offeror may apply in writing to the Agency, on a form prescribed by DAS, for a waiver or modification of its proposed MBE set-aside cost percentage. However, no modification or waiver request may be submitted before at least thirty percent (30%) of the Work is completed or after eighty percent (80%) of the work is completed. Offeror shall submit evidence acceptable to the Agency demonstrating that Offeror made a good faith effort to seek Ohio certified MBE subcontractors, in order to justify the granting of a waiver or modification. Within 30 days of receipt of the request, the Agency will determine whether the Offeror's good faith efforts and submitted documentation justify the granting of a waiver or modification. If a waiver or modification is denied, Offeror will have an opportunity to attain the percentage before the completion of the work. Compliance with any modified cost set-aside percentage is a term of this contract and failure to attain the percentage by the expiration of the contract may result in the Offeror being found in breach of contract.

FEE AT RISK. Compliance with Offeror's proposed cost MBE set-aside percentage is a term of this contract. Contractor agrees to place five percent (5%) of its payment at risk for failure to attain the cost MBE set-aside percentage by the expiration of the contract.

4.0 AWARD OF THE CONTRACT

- 4.1 CONTRACT AWARD DAS intends to award the Contract based on the schedule in the RFP, if DAS decides the Work is in the best interests of the State and has not changed the award date.

DAS expects the Contractor to commence the Work upon receipt of a state issued purchase order. If DAS awards a Contract pursuant to this RFP and the Contractor is unable or unwilling to commence the Work, DAS reserves the right to cancel the Contract and return to the original RFP process and evaluate any remaining Offeror's Proposals reasonably susceptible of being selected for award of the Contract. The evaluation process will resume with the next highest ranking, viable Proposal.

- 4.2 CONTRACT If this RFP results in a Contract award, the Contract will consist of this RFP including the Terms and Conditions, all forms, written addenda to this RFP, the Contractor's accepted Proposal and written authorized addenda to the Contractor's Proposal. It will also include any materials incorporated by reference in the above documents and any purchase orders and amendments issued under the Contract. The general terms and conditions for the Contract are contained in the following link:

<https://procure.ohio.gov/Zip/5.3%20Terms%20and%20Conditions.pdf>

If there are conflicting provisions between the documents that make up the Contract, the order of precedence for the documents is as follows:

1. The one-page Contract Signature Page, Form 5.2.2
2. The RFP, as addended, including the Terms and Conditions;
3. The documents and materials incorporated by reference in the RFP;
4. The Executive Order. EO2011-12K incorporated by reference in the RFP;
5. The Contractor's Proposal, as amended, clarified, and accepted by the State; and
6. The documents and materials incorporated by reference in the Contractor's Proposal.

Notwithstanding the order listed above, amendments issued after the Contract is executed may expressly change the provisions of the Contract. If they do so expressly, then the most recent amendment will take precedence over anything else that is part of the Contract.

- 4.3 ECONOMIC PRICE ADJUSTMENT The Contract prices(s) will remain firm throughout the initial term of the Contract. Thereafter, prior to Contract renewal, the Contractor may submit a request to adjust their price(s) to be effective on the effective date of the Contract's renewal. No price adjustment will be permitted prior to the effective date; on purchase orders that are already being processed; or on purchase orders that have been filled.

Price increases must be supported by a general price increase in the cost of the materials/services rendered due to documented increases in the cost of related materials/services. Detailed documentation, to include a comparison list of the Contract items and proposed price adjustments must be submitted to support the requested adjustment. Supportive documentation should include, but is not limited to: copies of the old and the current price lists or similar documents which indicate the original base cost of the product to the Contractor and the corresponding adjustment, and/or copies of correspondence sent by the Contractor's supplier on the supplier's letterhead, which contain the above price information and explains the source of the adjusted costs in such areas as raw materials, freight, fuel or labor, etc.

Should there be a decrease in the cost of the finished product due to a general decline in the market or some other factor, the Contractor is responsible to notify DAS immediately. The price decrease adjustment will be incorporated into the Contract and will be effective on all purchase orders issued after the effective date of the decrease. If the price decrease is a temporary decrease, such should be noted on the invoice. In the event that the temporary decrease is revoked, the Contract pricing will be returned to the pricing in effect prior to the temporary decrease. Failure to comply with this provision will be considered as a default and will be subject to the Suspension and Termination section contained herein.

4.4 SPECIAL PROVISIONS.

1. Insurance. The following insurance requirements replace those found in 5.3 Terms and Conditions.
The Contractor shall provide the following insurance coverage at its own expense throughout the term of this Contract: Additionally, such other types and amounts of insurance as the State of Ohio and/or the Ohio Lottery shall from time to time reasonably require.
 - A. Workers' compensation insurance, as required by Ohio law, and, if some of the Project will be done outside Ohio, the laws of the appropriate state(s) where work on the Project will be done. The Contractor shall also maintain employer's liability insurance with at least a \$1,000,000 limit.

- B. Commercial General Liability insurance coverage for bodily injury, personal injury, wrongful death, property damage. The defense cost shall be outside of the policy limits. Such policy shall designate the State of Ohio as an additional insured, as its interest may appear. The policy will also be endorsed to include a blanket waiver of subrogation. At a minimum, the limits of the insurance shall be:

General Aggregate - \$2,000,000
Products/Completed Operations Aggregate - \$2,000,000
Per Occurrence Limit - \$1,000,000
Personal and Advertising Injury Limit - \$1,000,000
Fire Legal Liability - \$100,000
Medical Payments - \$10,000
Building and Business Personal Property - \$1,000,000
Warehouseman's Legal Liability - \$1,000,000
Warehouse to Warehouse In-Transit and Motor Truck Cargo Coverage
Extra Expense Coverage – Coverage necessary to set-up duplicate operations
Business Interruption Coverage – Coverage to ensure continued operations with minimal disruption in the event of a catastrophic loss
Commercial Automobile Liability - \$1,000,000 (per occurrence)

All policies shall also be endorsed to provide the State with 30-day prior written notice of cancellation or material change to the policy. It is agreed upon that the Contractor's Commercial General Liability shall be primary over any other insurance coverage.

Certificates for Worker's Compensation and proof of insurance must be provided. The certificate(s) must be in a form that is reasonably satisfactory to the State as to the contents of the policies and the quality of the insurance carriers. All carriers must have at least an "A-" rating by A.M. Best.

- C. Errors And Omissions Insurance

The Contractor shall provide errors and omissions insurance with limits of not less than \$1,000,000.00 per occurrence/\$1,000,000.00 in annual aggregate which shall be maintained in force during the term of each Contract, and any renewals or extensions thereof, against the losses, damages or expenses that are incurred as a result of the wrongful acts and/or errors or omissions of each Offeror, or any subcontractor or any officers, employees or agents thereof.

2. Performance Bond

The Awarded Contractor must provide a performance bond. The amount of the performance bond must be \$1,000,000 and must remain in place through the term of the Contract and may be renewed or continued annually with the approval of the State. Each Offeror must enclose a letter of commitment from a bonding company for the performance bond with its Proposal. A standard bond form, from any company authorized to do business within the state of Ohio, is acceptable. The bond shall be made payable to the Treasurer, State of Ohio, referencing CSP901317. The performance bond must be submitted to the Office of Procurement Services, state of Ohio within five (5) business days of receipt of a purchase order from the agency. Offeror shall list the cost of the Performance Bond on the Cost Summary.

3. Right To Audit

The State reserves the right to audit all Contractor and subcontractor facilities, processes, and/or procedures, as they relate to the Contract, using Lottery employees, its designees, including the State of Ohio Auditor's Office.

The Contractor and all its subcontractors under the Contract are required to maintain records and supporting evidence pertaining to the fulfillment of the Contract obligations in accordance with generally accepted accounting principles and other procedures specified by the Lottery.

The Contractor and any subcontractors shall make all such records and materials available at its offices at all reasonable times during the term of the Contract and for five (5) years after the date of final payment under the Contract, for inspection by the Lottery, by any authorized representative of the Lottery and/or the State of Ohio Auditor of State's Office ("State Auditor"), and copies thereof shall be furnished to the Lottery and/or the State Auditor by the appropriate entity, at no cost to the Lottery or the State Auditor, if requested by the Lottery or the State Auditor.

The Lottery reserves the right, at its sole discretion, to perform additional audits, which may include but are not limited to the following: financial/compliance, security, economy/efficiency, program results, or limited scope audits, where appropriate. Additionally, the Lottery reserves the right to inspect any of the Contractor's third-party auditor's reports and management letters.

Unless the audit would be impaired, any audit by the Lottery will only be conducted with reasonable prior notice to the Contractor, and subject to all security, quality, and other procedures which may be in force at the Contractor's site. In the case of an audit indicating non-compliance with the terms of the Contract, the State may pursue any and all available remedy as specified in the Contract, including terminating the Contract due to the Contractor's default.

If any audit reveals any material deviation from the Project's specifications, any misrepresentation, or any overcharge to the State, the State will be entitled to recover damages, as well as the cost of the audit.

For each subcontract in excess of \$25,000, the Contractor will require its subcontractors to agree to the requirements of this section and of the record-keeping section. Subcontracts with smaller amounts involved need not meet this requirement. The Contractor may not artificially break up contracts with its subcontractors to take advantage of this exclusion.

4. Audits

The Contractor shall provide, as soon as it is available, to the Lottery on an annual basis a copy of its audited financial statements for such year. The Lottery requires (and will retain) an electronic and hardcopy of an annual third-party audit of the Contractor's operations, internal controls, and related activities, which includes, but is not limited to, SOC I (or the latest version of such audits as defined by American Institute of Certified Public Accountants (AICPA)). The Contractor will select the appropriate and qualified audit firm(s), subject to the Lottery's written approval, and will bear the cost of such audits. Such audit(s) shall be in such form and in compliance with standards and agreed upon procedures as approved by the Lottery. Such audit(s) may be required to be conducted within the first ninety (90) days of the Contractor's conversion of the Instant Ticket, Warehouse, Distribution and TelSell Program. The Contractor shall also fully cooperate with any audit firm(s) as contracted by the Lottery and/or the State Auditor's Office with respect to any audit to be performed involving the Contractor's operations, as required by law or as desired by the Lottery and/or the State Auditor's Office.

5. Contract Remedies

A. Actual Damages. Contractor is liable to the state of Ohio for all actual and direct damages caused by Contractor's default. The State may buy substitute supplies or services, from a third party, for those that were to be provided by the Contractor. The State may recover the costs associated with acquiring substitute supplies or services, less any expenses or costs saved by Contractor's default, from the Contractor.

B. Deduction of Damages from Contract Price. The State may deduct all or any part of the damages resulting from Contractor's default from any part of the price still due on the contract, upon prior written notice being issued to the Contractor by the State.

C. Liquidated Damages. The following Liquidated Damages Clauses shall apply.

1) Mandatory Staffing Levels for Warehouse and TelSell Employees: The Contractor agrees to maintain the approved staffing levels for both the Warehouse and Distribution section as well as for the TelSell program. These levels will be mutually agreed-upon after award of the Contract. If the Contractor fails to maintain the mandatory staffing levels after 60-days of an employee resignation or termination (whether voluntary or involuntary), the Lottery may assess liquidated damages in the amount of one hundred (\$100) dollars per day.

2) Failure to Distribute Tickets within One (1) Business Day of Order: The Contractor must distribute instant ticket packs within one (1) business day of the order being entered into the ticket ordering system.

In the event that an order is not distributed within one (1) business day from the time that the order is entered into the system, the Lottery may assess liquidated damages in the amount of twenty five (\$25) dollars per pack per day for each pack not distributed within the allotted time.

3) Security Violations: The Contractor shall preclude any person who is not authorized by the Lottery from accessing the secured areas of the production facility, computerized systems, and/or the ticket distribution warehouse except for the Contractor's employees and suppliers of support products and services. The Contractor shall preclude access to any data by any person except as specifically authorized by the Lottery and the Offeror's Ohio General Manager. Unauthorized access shall be defined as each and every act which permits access to data or secured locations without specific authorization or a series of acts by which unauthorized access to data or secured locations is attempted after an initial breach of security.

If the Contractor fails to preclude unauthorized physical access to secured areas, within the warehouse facility, the Lottery may assess liquidated damages up to fifty thousand dollars (\$50,000.00) for each occurrence or violation. An occurrence shall be defined as each and every act that permits access by an unauthorized person.

- 4) **Untimely or Inaccurate Reports:** The Contractor must produce and deliver timely, sufficient, accurate and unaltered reports including data transmissions within the specified timeframes and descriptions as required by the Lottery. Reports shall be produced and delivered on both a scheduled and on-request basis according to the schedule mutually approved by the Contractor and the Lottery. Should the Contractor deliver a report, deemed by the Lottery as insufficient or inaccurate, the Lottery shall immediately notify the Contractor and provide the Contractor with the report name and the date and time that the report was produced. Once this information has been received by the Contractor, the Contractor shall have two (2) hours in which to deliver a corrected report to the Lottery.

For each late, insufficient or altered report that is not delivered or corrected within the two (2) hours after notification to the Contractor as described in above, the Lottery may assess liquidated damages in the amount of one thousand dollars (\$1,000.00) per day, per report until the report is provided, made sufficient or corrected.

- 5) **TelSell Telephone System or Inventory Control System is Unavailable:** The Online Gaming provider is responsible for ensuring that the Telemarketing and Inventory Control System is available for the ordering of inventory during normal business hours. The Online Gaming provider must recommend a liquidated damages amount in the event that the TelSell System or Inventory Control System is unavailable.
- 6) **Third Party Integration:** The Contractor must be able to successfully integrate into the existing systems or equipment upon reasonable request of the Lottery.

The Contractor must recommend a liquidated damages amount in the event where the Successful Vendor does not successfully integrate into the existing system or equipment upon reasonable request of the Lottery.

- 7) **Failure to Report Incidents:** The Contractor shall be responsible to immediately report all significant incidents related to the operation of the Program. The immediate reporting shall be delivered personally or by telephone and email within one (1) hour of the discovery of the incident, followed by a letter addressed to the Lottery, within twenty-four (24) hours of the incident. Written reports and notifications must be sent by email. At a minimum, each of the following types of events shall require a written report:
 - a. Security violations;
 - b. Other conditions as defined by a memorandum of understanding; and/or
 - c. Any situation which may cause the general public to become alarmed and/or which may damage the integrity or public image of the Lottery.

In the event that the Contractor fails to report incidents, the Lottery may assess liquidated damages of one thousand dollars (\$1,000) per calendar day until an incident is correctly reported.

- 8) **Failure to Comply with Required Standards or to Remedy Audit Recommendations:**
 - a. If the Contractor fails to address recommendations made as a result of an audit or to comply with required Lottery standards, liquidated damages may be assessed.
 - b. In the event that audit recommendations addressing any of the Contractor's activities are not corrected by the date agreed upon by the Lottery and Contractor, the Contractor may be charged liquidated damages of five thousand dollars (\$5,000). An additional five thousand dollars (\$5,000) for each subsequent thirty (30) calendar day period, or any portion thereof, may be assessed for which the audit recommendation corrections have not been completed.
 - c. In the event the Contractor fails to comply with any required Lottery standard, the Lottery may assess liquidated damages of five thousand dollars (\$5,000) for each instance. If the Contractor fails to comply within the date specified, liquidated damages may apply in the amount of an additional five thousand dollars (\$5,000) for each subsequent seven (7) calendar day period, or any portion thereof, for which compliance has not been achieved.
- 9) **Other Breaches of Contract:** The Lottery may assess liquidated damages if the Contractor fails to comply with any material provision of the Contract for which liquidated damages are not specifically provided for herein, after the Lottery provided notice as may be required under the Contract. The occurrence will be assessed and appropriate liquidated damages may be applied.

6. **Trademarks of Names and Logos**

The Contractor agrees not to use the Lottery names, logos, images, as a part of any Contract not associated with the OLC without prior approval by the Lottery.

7. Code of Conduct for Vendor(s)

The Lottery is an extremely sensitive enterprise because of the nature of the business and because it is government operated. Therefore, it is essential that its operation, and the operation of other enterprises that would be linked to the Lottery in the public mind, avoid not only impropriety but also the appearance of impropriety. Because of these concerns, Vendors associated with the Lottery are expected to:

- A. Offer goods and services only of the highest standards.
- B. Use their best efforts to uphold the integrity of the lottery industry and prevent the lottery industry from becoming embroiled in unfavorable publicity.
- C. Make sales presentations in a responsible manner and, when it is necessary, point out the superiority of their goods or services over those of their competitors in a manner as to avoid unfavorable publicity to the lottery industry.
- D. Avoid promotional activities that could be interpreted as improper and produce embarrassment to the lottery industry.

8. Lottery Approval of Staffing, Background Checks

The Lottery shall require each Contractor to provide no less than the minimum levels of staffing or service necessary to meet the requirements as set forth in any Contract. Further, each Contractor shall provide a senior staff member as account representative dedicated to the Ohio Lottery account. The Lottery reserves the right to reject any staff assigned to any Contract by each Contractor.

The Lottery reserves the right to review and, if perceived necessary, disapprove of any employee of any Contractor who is assigned to any Lottery Contract, either at Contract inception or during the term. Each Contractor shall supply résumés for all individuals it intends to utilize in providing Contract services for the Lottery. The Lottery may interview and may require that any Contractor's officers, directors, members, principals, investors, owners, subcontractors, employees, or any other individuals or entities associated with the Contractor, as it deems appropriate, be held in compliance with the provisions of Ohio Rev. Code Sec. 3770.051 as they apply to Lottery vendors, and specifically as they relate to initiating background checks, and provisions against playing the Lottery.

Background investigations may be conducted with the assistance of the Ohio State Highway Patrol and The Ohio Attorney General's Bureau of Criminal Investigation or any other agency successful by the Lottery. With its signing of a Contract, each Contractor consents to such investigations, and to cooperate with such investigations. The Lottery may terminate any Contractor's Contract based upon the results of these background checks.

9. Prohibition Against Playing the Lottery

Each Contractor understands that its principals, officers and/or employees working on any Ohio Lottery Contract are prohibited from purchasing any Ohio Lottery tickets or claiming Ohio Lottery prizes during the term of that Contract or any extension hereto. Under ORC 3770.99, (A) Whoever is prohibited from claiming a lottery prize award under division (E) of section 3770.07 of the Revised Code and attempts to claim or is paid a lottery prize award is guilty of a minor misdemeanor, and shall provide restitution to the state lottery commission of any moneys erroneously paid as a lottery prize award to that person.

10. Media and Advertising

Neither the Contractor nor any Subcontractors, nor any of its or their respective employees, officers, directors, partners or major shareholders, shall issue any press release, conduct any press or news conference, participate in any media interview or otherwise make any public statement or announcement on behalf of, with respect to or in connection with the Contract or the Program and Services without the prior written consent of the Lottery Executive Director or their designee(s) in each instance.

Neither the Contractor nor any Subcontractors, nor any of its or their respective employees, officers, directors, partners or major shareholders, shall use Lottery's name, logos, images or any other information or data related to the Services to be provided pursuant to the Contract as a part of or in connection with any commercial advertising without the prior written consent of the Lottery Director or their designee(s) in each instance.

11. Cooperation of the Parties

The Contractor and the Lottery agree to cooperate fully, to work in good faith, and to mutually assist each other in the performance of the Contract. In this regard, the parties will meet to resolve problems associated with the Contract. Neither party will unreasonably withhold its approval of any act or request of the other to which its approval is necessary or desirable. Should the Lottery obtain systems, equipment, materials, or processes from a source other than the Contractor, that would require the Contractor to cooperate or make changes in order to permit compatibility, and then the Contractor must cooperate with the other source under the Lottery's direction. Such cooperation may include, but is not limited to, providing the necessary interfaces and platforms.

12. Contract Compliance for the Ohio Lottery Commission

The Ohio Lottery Commission has a Contract Compliance Management Program where the Lottery's contract manager must complete contract performance evaluations (every 6 months). It is the responsibility of the contract managers to ensure that Contractors are complying with the terms and the conditions of the contract. Contract Managers will meet with the Contractor on a regular basis, reviewing their services, and informing them of any potential issues before the evaluation process begins. This evaluation information is provided to the Contractor and shared with DAS.

13. News Releases and Advertising

News releases pertaining to this RFP or the services, study, data, or project to which it relates must not be made without prior written approval by the Lottery, and then only in accordance with explicit written instructions from the Lottery.

5.0 LINKS To be applicable to all Proposals and subsequent award(s), including sections named below.

5.1 Instructions

- 5.1.1 Proposal Instructions
- 5.1.2 Inquiries
- 5.1.3 Protests
- 5.1.4 Addenda to the RFP
- 5.1.5 Proposal Submittal
- 5.1.6 Confidential, Proprietary or Trade Secret Information
- 5.1.7 Waiver of Defects
- 5.1.8 Multiple or Alternate Proposals
- 5.1.9 Addenda to Proposals
- 5.1.10 Proposal Format
- 5.1.11 Evaluation of Proposals
- 5.1.12 Proposal Format and Documentation Required

5.2 Forms

- 5.2.1 Offeror Required Information
- 5.2.2 Contract Signature Page
- 5.2.3 Offeror Profile
- 5.2.4 Offeror Prior Projects
- 5.2.5 Offeror's Candidate References
- 5.2.6 Offeror's Candidate Education, Training, Experience
- 5.2.7 Offeror Performance Form
- 5.2.8 Contractor/Subcontractor Affirmation and Disclosure

5.3 Terms and Conditions

- 5.3.1 Performance and Payment
- 5.3.2 Work and Contract Administration
- 5.3.3 Ownership & Handling of Intellectual Property & Confidential Information
- 5.3.4 Representations, Warranties and Liabilities
- 5.3.5 Acceptance and Maintenance
- 5.3.6 Construction
- 5.3.7 Law & Courts

5.4 ADDITIONAL RESOURCES

EOD Reporting	http://eodreporting.oit.ohio.gov/searchEODReporting.aspx
Office of Budget and Management	http://www.obm.ohio.gov/
Office of Procurement Services	http://procure.ohio.gov/proc/index.asp
Ohio Shared Services	http://www.ohiosharedservices.ohio.gov
Ohio Business Gateway	http://business.ohio.gov/
Ohio Secretary of State	http://www.sos.state.oh.us/SOS/Businesses.aspx

All links are subject to change in accordance with State of Ohio laws, Ohio Revised Code, Ohio Administrative Code, Executive Orders or any other updates issued by the State of Ohio, Department of Administrative Services, and the Office of Procurement Services. It is the Offeror's responsibility to read and be aware of any changes, corrections, updates or deletions to any information included in the link(s) above.

- 6.0 Guide for Proposal Submission This guide outlines steps for submission of a Proposal in response to the advertised Request for Proposal. This guide does not contain the complete instructions for preparing and submitting a Proposal and anything stated herein shall not be considered a term or condition of the Contract. The complete instructions can be found in section 5.1.1, Proposal Instructions.
- 6.1 _____ Read the entire document, including all Web site links. Note critical items such as: Mandatory Requirements; goods or services required, submittal date and time; number of copies to submit; contract requirements; reporting requirements; minimum qualifications; read and understand the terms and conditions.
- 6.2 _____ Take advantage of the “question and answer” period specified in the schedule of events. Questions must be submitted on-line in the Inquiry Process as explained in the Instructions. See section 5.1.1, Proposal Instructions.
- 6.3 _____ Follow the format required in the RFP Instructions when preparing the response in chronological order. Provide point-by-point responses to all sections in a clear and concise manner. See section 5.1.12, Proposal Format & Documentation Required.
- 6.4 _____ Use the forms provided; i.e. Signed RFP Cover Page, Offeror Required Information, Contract Signature Page, Offeror Profile and Prior Projects, Key Personnel forms, Disclosure Form, and Cost Summary Form, See section 5.2, Forms.
- 6.5 _____ Provide complete answers/descriptions. Do not assume the State or any evaluation committee member will know what the Offeror’s capabilities are or what items/services the Offeror can provide, even if previously contracted with the State. The Proposals are evaluated based solely on the information and materials provided in the Offeror’s response.
- 6.6 _____ Check the State’s Web site for RFP addenda. It is the responsibility of the Offeror to be aware of additional information posted on the Web.
- 6.7 _____ The following documents may be submitted with the Proposal or within five (5) business days of request from the Office of Procurement Services: Affirmative Action and proof of insurance. No award will be made without this documentation. Offeror’s Proposal may be eliminated from further consideration upon failure to submit within the specified time frame
- 6.8 _____ If not a current vendor of the State of Ohio, the Offeror will download both the W-9 and Vendor Information Form and submit to Ohio Shared Services (OSS) at vendor@ohio.gov. See section 5.4, Additional Resources.
- 6.9 _____ Review and read the RFP Document again to make sure that you have addressed all requirements. Read and understand Supplements, if applicable. Offeror’s original response and the requested copies must be identical and be complete. The copies are provided to the evaluation committee members and used to score the response.
- 6.10 _____ Offeror’s response must be submitted on time. Late Proposals are never accepted. Make sure the response is labeled on the exterior of the envelope/package with the RFP# and due date, and whether the packet is for the Technical Proposal or the Cost Proposal. Do not place the Cost Proposal in the Technical Proposal.

ATTACHMENT ONE
ANNUAL INSTANT TICKET PLAN FISCAL YEAR 2015

July- 14	Game	Quantity	On-sale Date
	#202 Whimsical (\$2)	6,000,000	7/24/2014
	#203 15X The Win (\$3)	4,000,000	"
	#204 Bring on the Bens Scratch Back (\$5)	6,000,000	"
Aug-14	Game	Quantity	On-sale Date
	#206 Triple Cash (\$1)	8,000,000	8/28/2014
	#207 Win It All (\$5)	6,000,000	"
	#208 Cashword (\$10)	4,000,000	"
Sep-14	Game	Quantity	On-sale Date
	#210 Walking Dead (\$2)	4,000,000	9/25/2014
	#211 Funky 5s (\$5)	6,000,000	"
	#212 Lucky Playbook (\$20)	3,000,000	"
Oct-14	Game	Quantity	On-sale Date
	#215 Holiday Cash (\$1)	18,000,000	10/16/2014
	#216 Holiday Colors (\$2)	7,000,000	"
	#217 Betty Boop (\$3)	4,000,000	"
	#218 Holiday Lucky X 10 (\$5)	6,000,000	"
	#219 Season's Greetings (\$10)	3,500,000	"
Nov-14	Game	Quantity	On-sale Date
	#220 Cool 7s Tripler (\$1)	6,000,000	11/13/2014
	#221 Frosty Fun (\$2)	5,000,000	"
	#222 Snowball Bucks (\$3)	5,000,000	"
	#223 Winter Winnings (\$5)	5,000,000	"
	#224 Millionaire Madness (\$20)	5,000,000	"
Dec-14	Game	Quantity	On-sale Date
	#227 5X the Money (\$1)	10,000,000	12/15/2014
	#228 10X the Money (\$2)	6,000,000	"
	#229 20X the Money (\$5)	6,000,000	"
	#230 50X the Money (\$10)	7,000,000	"

Jan-15	Game	Quantity	On-sale Date
	#233 \$500,000,000 Spectacular (\$30)	10,000,000	1/8/2015
	#234 Luck of the Irish Tripler (\$1)	6,000,000	1/22/2015
	#235 Lucky Horseshoe(\$2)	6,000,000	"
	#236 Lucky Streak (\$5)	6,000,000	"
Feb-15	Game	Quantity	On-sale Date
	#239 \$50,000 Winning Numbers (\$3)	4,000,000	2/26/2015
	#240 Break Fort Knox SB (\$5)	6,000,000	"
	#241 Lucky Loot (\$20)	7,000,000	"
Mar-15	Game	Quantity	On-sale Date
	#246 \$50 Frenzy (\$1)	8,000,000	3/26/2015
	#247 \$100 Frenzy (\$2)	6,000,000	"
	#248 \$500 Frenzy (\$5)	6,000,000	"
Apr-15	Game	Quantity	On-sale Date
	#249 Lucky 777s (\$2)	6,000,000	4/30/2015
	#257 \$200,000 Match (\$5)	6,000,000	"
	#251 Maximum Fortune (\$10)	7,000,000	"
May-15	Game	Quantity	On-sale Date
	#253 Lucky 8s Doubler (\$1)	8,000,000	5/28/2015
	#254 Frogger (\$3)	4,000,000	"
	#255 Red Hot 5s (\$5)	6,000,000	"
Jun-15	Game	Quantity	On-sale Date
	#258 Cash Multiplier (\$2)	6,000,000	6/25/2015
	#259 Lotta Bucks (\$5)	6,000,000	"
	#260 \$2 Million Cashfall (\$20)	3,000,000	"

Base Games

Game	Quantity
#261 Cashword (\$2)	10,000,000
#266 Bingo X 10 (\$5)	6,000,000
#243 Bingo (\$2)	6,000,000
#244 Cashword (\$3)	6,000,000
#238 Cash Explosion (\$2)	8,000,000
#265 Books of 50s (\$1)	6,000,000
#232 Books of 50s (\$1)	6,000,000
#262 \$500,000 Cashword (\$10)	4,000,000
#226 Double Doubler (\$1)	20,000,000
#252 Special Edition Cashword (\$5)	8,000,000
#214 Special Edition Cashword (\$5)	8,000,000
#213 Triple Tripler (\$1)	8,000,000
#237 Triple Tripler (\$1)	8,000,000

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July-15	Game	Quantity	On-sale Date
	#267 Wild Doubler (\$1)	8,000,000	7/23/2015
	#268 Some Like It Hot (\$2)	6,000,000	"
	#269 VIP Cash Club (\$5)	6,000,000	"
Aug-15	Game	Quantity	On-sale Date
	#270 Alpha (\$3)	4,000,000	8/27/2015
	#271 Diamond 7 (\$5)	6,000,000	"
	#272 The Big \$10 Ticket (\$10)	4,000,000	"
Sep-15	Game	Quantity	On-sale Date
	#275 Match 3 Doubler (\$1)	8,000,000	9/17/2015
	#276 Double Diamond (\$2)	6,000,000	"
	#277 Double Cash Doubler (\$5)	6,000,000	"
	#278 Gold (\$20)	4,000,000	

Oct-15	Game	Quantity	On-sale Date
	#284 Holiday Cash (\$1)	18,000,000	10/22/2015
	#285 \$20,000 Holiday Gold (\$2)	7,000,000	"
	#286 Holiday Bingo (\$3)	4,000,000	"
	#287 Holiday Lucky X 10 (\$5)	6,000,000	"
	#288 Merry Money (\$10)	4,000,000	"
Nov-15	Game	Quantity	On-sale Date
	#289 It Takes 2 (\$2)	6,000,000	11/12/2015
	#290 The Wizard of OZ (\$3)	4,000,000	"
	#291 Platinum Millions (\$20)	5,000,000	"
Dec-15	Game	Quantity	On-sale Date
	#294 Sapphire Blue 7s (\$2)	5,000,000	12/17/2015
	#295 Emerald Riches (\$3)	4,000,000	"
	#296 Ruby Red 7s (\$5)	6,000,000	"
Jan-16	Game	Quantity	On-sale Date
	#304 Break the Bank (\$10)	5,000,000	1/14/2016
	#298 Luck of the Irish Tripler (\$1)	6,000,000	1/28/2016
	#299 Cash Blast (\$2)	5,000,000	"
	#300 Cash Extravaganza (\$5)	6,000,000	"
	#302 \$300 Million Diamond Dazzler (\$20)	20,000,000	
Feb-16	Game	Quantity	On-sale Date
	#305 \$50 a Day for Life (\$1)	21,000,000	2/25/2016
	#306 \$1,000 a Week for Life (\$2)	24,000,000	"
	#307 \$10,000 a Month for Life (\$5)	19,600,000	
	#308 \$250,000 a Year for Life (\$10)	15,600,000	"
Mar-16	Game	Quantity	On-sale Date
	#309 Loose Change (\$1)	6,000,000	3/24/2016
	#310 Gold Fish (\$2)	8,000,000	"
	#311 Roulette (\$3)	6,000,000	"
	#312 Green and Gold (\$5)	5,000,000	

Apr-16	Game	Quantity	On-sale Date
	#315 Monopoly Millionaires' (\$1)	6,000,000	4/28/2016
	#316 Monopoly Millionaires' (\$2)	7,000,000	"
	#317 Monopoly Millionaires' (\$5)	8,000,000	"
	#318 Monopoly Millionaires' (\$10)	8,000,000	
May-16	Game	Quantity	On-sale Date
	#321 Scoop the Cash	6,000,000	5/26/2016
	#322 \$250,000 Payout (\$5)	6,000,000	"
	#323 Fabulous Fortune (\$20)	7,000,000	"
Jun-16	Game	Quantity	On-sale Date
	#330 Fast \$100s	6,000,000	6/23/2016
	#331 Bejeweled (\$3)	5,000,000	"
	#332 Triple Winning 7s (\$5)	6,000,000	"

Base Games

Game	Quantity
#279 5X the Money (\$1)	10,000,000
#280 10X the Money (\$2)	6,000,000
#281 Cashword (\$5)	8,000,000
#282 20X the Money (\$5)	6,000,000
#283 50X the Money (\$10)	7,000,000
#292 Triple Tripler (\$1)	8,000,000
#293 Cashword (\$10)	4,000,000
#303 Bingo (\$2)	6,000,000
#313 Cash Explosion (\$2)	8,000,000
#314 \$50 Frenzy (\$1)	8,000,000
#324 Double Doubler (\$1)	8,000,000
#325 5X the Money (\$1)	10,000,000
#327 Triple Tripler (\$1)	8,000,000
#328 Cashword (\$5)	8,000,000
#333 Ohio's \$500,000 Club (\$10)	5,000,000
#338 Cashword (\$2)	8,000,000

ATTACHMENT TWO
INSTANT TICKET SALES, BOOK, AND, BOOK SIZE INFORMATION

FY 2014 DATA

Price	FY14 Total Sales	Tickets. Sold	Book Size	# Books Sold
\$1	\$141,925,464	141,925,464	200	709,627
\$2	\$149,822,688	129,888,33074,911,344	100	749,113
\$3	\$56,289,018	18,763,006	100	187,630
\$5	\$394,877,775	78,975,555	50	1,579,511
\$10	\$275,006,830	27,500,683	50	550,014
\$20	\$293,590,480	14,679,524	25	587,181
\$30	\$113,370,960	3,779,032	25	151,161
TOTALS:	\$1,424,883,215	360,534,608		4,514,238

FY 2015 DATA

Price	FY15 Total Sales	Tickets. Sold	Lot Size	# Books Sold
\$1	\$119,286,040	119,286,040	200	596,430
\$2	\$174,730,138	87,365,069	100	873,651
\$3	\$70,506,864	23,502,288	100	235,023
\$5	\$397,704,480	79,540,896	50	1,590,818
\$10	\$283,775,230	28,377,523	50	567,550
\$20	\$299,477,720	14,973,866	25	598,955
\$30	\$204,641,730	6,821,391	25	272,856
TOTALS:	\$1,550,122,202	359,867,093		4,735,283

ATTACHMENT THREE
GAME LAUNCH POINT OF SALE ITEMS

The Awarded Contractor shall ship POS items with each instant ticket game launch. The OLC will provide the POS materials to the Contractor for inclusion in the packages.

There are up to 60 games launched per year.

Each game launch includes:

1. One - 8 ½ by 11 inch how to play on card stock, or similar item.
2. One – 5 ½ by 9 inch oversized ticket on card stock.
3. One – 8 ½ by 11 inch poster on card stock.

Other promotional items not listed may be negotiated.

Samples of all materials are available upon request by submitting an email to therese.gallego@das.ohio.gov.

ATTACHMENT FOUR
TERMINAL SUPPLY FACTS

THERMAL PAPER

Thermal paper rolls are available in two (2) sizes; 3.15" diameter roll for Micro-Lot Printers and 7" diameter rolls for TSP1000 Printers.

1. Micro-Lot Printer Rolls

A. Individual roll dimensions:

- 1) Width 3.2 inches
- 2) Diameter of 3.15 inches
- 3) Weight approximately 0.9 lbs.

B. Packaging

- 1) Master Box Dimensions: 15"H x 13.5"W x 7"D
- 2) Weight Approx. 30 lbs.
- 3) Contains 24 rolls total
- 4) Four (4) mini cartons containing six (6) rolls each.
- 5) Mini-carton weight: 7.25 lbs.

The Master Box contains four (4) mini-cartons containing six (6) rolls each – a total of 24 rolls are contained in each Master Box. The Master box contains all labeling information.

C. Agent minimum order is one (1) Master carton containing twenty four (24) rolls.

D. Thermal Paper is shipped to the OLC on pallets containing 99 master cartons (396 rolls) each. Normal delivery consists of 20 pallets.

E. Usage. Expect to ship approximately 950 rolls per day.

F. Ordering. Lottery places orders for thermal paper normally consisting of 20 pallets containing 1,100 master cartons total. Currently, shipments are delivered every eight (8) business days and are adjusted to accommodate increase or decrease of thermal usage in this size.

2. Thermal Rolls for the TSP1000 Printer and Instant Ticket Vending Machine – Roll size 7":

A. Individual roll dimensions:

- 1) Width 3.2 inches
- 2) Diameter of 7.0 inches
- 3) Weight approximately 4 lbs. each

B. Packaging

- 1) Master Box Dimensions: 14.5"W x 7.5"D x 12.5"H
- 2) Weight Approx. 35 lbs.
- 3) Contains 8 rolls total

The Master box contains all labeling information.

C. Agent minimum order is one master carton containing eight (8) rolls.

D. Thermal Paper is shipped to OLC on pallets containing 60 master cartons (480 rolls) each. Normal delivery consists of 20 pallets.

E. Usage. Expect to ship approximately 1,123 rolls per day.

F. Ordering. Lottery places orders for thermal paper normally consisting of 9,600 rolls per shipment.

BET CARD

1. Packaging

A. Master Box Dimensions: 17"H x 7"W x 11"D

B. Weight: Approx. 42 lbs.

C. Bet slips for OLC terminal draw games are packaged with 150 cards per inner pack. Each master carton contains 80 packages for a total of 12,000 bet cards. There are 40 cartons per pallet which equals 480,000 total bet cards.

D. Each individual Inner Pack Dimensions: 8.5" x 3.25" x 1.0"

2. Usage. The average combined (all Lottery terminal draw games games) shipment of bet cards is 1,241 pack per day.

3. Ordering. Lottery places orders for bet cards normally in quantities of 5,000,000 per terminal draw game, on an as needed basis. The number of terminal draw games will vary. The shipments are delivered to vendor location.

Special Care. None is required.

ATTACHMENT FIVE
INSTANT TICKET MANIFEST

ATTACHMENT SIX
BILLING METHODOLOGY

1. BEGINNING INVENTORY
Since the Ohio Lottery will possess instant tickets at the time services commence, it shall conduct an inventory of the sales value of all instant tickets determined to be issued to the Ohio Lottery retailers, including any book of tickets that is activated and deactivated. Activated and deactivated tickets will be calculated at 100 percent of the total sales value.
2. BEGINNING INVENTORY ADJUSTMENTS
The sales value of the inventory as described above will be considered the starting inventory amount. Within the first 30 days of the Contract, or as mutually agreed upon, the Ohio Lottery shall adjust down the beginning inventory amount for the sales value of any tickets returned back from the retailer locations due to game closings or other reasons. The Ohio Lottery shall identify any other potential returns for future games and the parties may mutually agree upon an adjustment for such games that may be returned subsequent to the initial 30-day period. Upon this calculation, the inventory value shall be considered the final starting inventory.
3. ENDING INVENTORY
Upon conclusion of the Contract, the Ohio Lottery shall conduct an inventory of the sales value of all games determined to be issued to Ohio Lottery retailers, including any book of tickets that is activated, deactivated, and in a shipping/transit status. Activated, deactivated and shipping/transit status tickets will be calculated at 100 percent of the total sales value.
4. ENDING INVENTORY ADJUSTMENTS
The sales value of the inventory as described above will be considered the ending inventory amount. Within 30 days subsequent to the end of the Contract, or as mutually agreed upon, the Ohio Lottery shall adjust down the ending inventory amount for the sales value of any tickets returned back from the retailer locations due to game closings or other reasons. The Ohio Lottery shall identify any other potential returns for future games and obtain mutual agreement on adjusting down any other games that may be returned subsequent to the initial 30-day period.